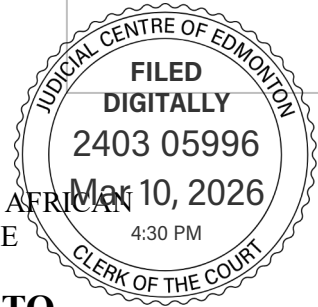


COURT FILE NUMBER 2403-05996
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA
DEFENDANTS BEREKET & G HOLDINGS CORP., HABESHA AFRICAN
SUPERMARKET LTD., and SEMERE BERHANE

Clerk's Stamp



DOCUMENT **APPLICATION, re: ASSIGNMENT TO
BANKRUPTCY**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Lawson Lundell LLP**
1100, 225 – 6th Avenue SW
Calgary, AB T2P 1N2

Lawyer: Jack R. Maslen / Eloise Hirst
Phone Number: (587) 480-4610
Fax Number: (403) 269-9494
E-mail Address: jmaslen@lawsonlundell.com /
ehirst@lawsonlundell.com
File No: 116622.186720

NOTICE TO THE SERVICE LIST: ATTACHED AS SCHEDULE “A”

This application is made against you. You are a Respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

DATE: March 18, 2026
TIME: 2:00 p.m.
WHERE: Edmonton Law Courts (via WebEx Video Conference)
BEFORE WHOM: The Honourable Justice J.J. Gill

Go to the end of this document to see what else you can do and when you must do it.

REMEDY CLAIMED OR SOUGHT:

1. The Applicant, Royal Bank of Canada (“**RBC**”), seeks an Order substantially in the form attached hereto as **Schedule “B”**, directing BDO Canada Limited in its capacity as court-appointed receiver (the “**Receiver**”) to assign the Respondent, Bereket & G Holdings Corp. (“**Bereket**”), into bankruptcy.

2. Such further and other relief as counsel may advise and this Honourable Court deems just and appropriate.

GROUNDNS FOR MAKING THIS APPLICATION:

A. BACKGROUND

RBC's Security

3. As is detailed in the various materials filed in the within action, RBC is the primary secured creditor of Bereket. Among other things, RBC holds:
 - (a) a first-ranking collateral mortgage dated January 22, 2018 (the "**Mortgage**"), in the amount of \$3.75 million, which charged lands owned by Bereket (until sold during these proceedings) municipally described as 10709 105 Street NW, Edmonton, Alberta (the "**Real Property**"); and
 - (b) a first-ranking general security agreement dated January 22, 2018 (the "**GSA**"), pursuant to which Bereket granted to RBC, *inter alia*, a security interest in all of Bereket's present and after-acquired personal property and proceeds therefrom.
4. RBC's various security interests in respect of Bereket were duly registered with the Land Titles Office and Alberta Personal Property Registry, as applicable.
5. As at November 15, 2025, Bereket owes RBC the sum of \$ 2,911,537, plus additional interest, costs and other chargeable costs accrued and continuing to accrue thereon ("**Indebtedness**").

The Amended and Restated Receivership Order

6. As a result of defaults by Bereket under, *inter alia*, the Mortgage and GSA, RBC commenced the within proceedings on March 24, 2026, and sought to appoint BDO Canada Limited as Receiver. This Honourable Court granted that relief pursuant to the Receivership Order dated April 4, 2024.
7. Subsequently, pursuant to a further application by RBC, this Honourable Court granted an Amended and Restated Receivership Order (the "**ARRO**") on July 22, 2024 (filed on July 23, 2024).
8. The ARRO expanded the Receiver's powers to include the authority to deal with the assets and property of the Defendant, Habesha African Supermarket Ltd. ("**Habesha**", together with Bereket, the "**Debtors**").

9. In addition, the ARRO authorized, but did not direct, the Receiver “to assign the Debtors, or any of them, into bankruptcy”. The Canada Revenue Agency (the “**CRA**”) was served with the application for the AARO.

Deemed Trust Claim of CRA

10. As is more fully detailed in the Fourth Report of the Receiver dated March 9, 2026 (the “**Fourth Report**”), the CRA asserts a deemed trust claim against Bereket for unremitted GST in the approximate amount of \$76,000 (the “**GST Trust Claim**”).
11. RBC’s Mortgage has priority to the GST Trust Claim by virtue of Section 222(4) of the *Excise Tax Act* (Canada) and the *Security Interest (GST/HST) Regulations* insofar as realizations relate to the Receiver’s sale of the Real Property.
12. Conversely, the GST Trust Claim would rank ahead of RBC’s security interest created by its GSA.

B. DIRECTION TO RECEIVER TO ASSIGN BEREKET INTO BANKRUPTCY

13. RBC seeks an Order directing the Receiver to assign Bereket into bankruptcy.
14. As noted above, the Receiver already has the authority (but not obligation) to assign Bereket into bankruptcy pursuant to the ARRO. However, RBC understands the Receiver will not undertake an assignment unless the Court makes a further direction to the Receiver.
15. The effect of an assignment of Bereket into bankruptcy would be to reverse priorities in respect of Bereket’s personal property, such that RBC would have first priority and CRA would be subordinated. Authority is clear that the statutory deemed trust in favour of CRA for GST remittances terminates upon bankruptcy.
16. In light of all of the circumstances, this Honourable Court should direct the Receiver to assign Bereket into bankruptcy, to terminate the GST Trust Claim, since:
 - (a) a goal of the Canadian bankruptcy and insolvency system is to ensure the equitable distribution of a debtor’s property, which is achieved by applying the scheme of distribution and priorities mandated by the *Bankruptcy and Insolvency General Rules*, CRC, c 1978, c 368 (“**BIA**”);
 - (b) relatedly, it is well-established that a creditor may seek a bankruptcy to alter priorities for its benefit;

- (c) Canadian Courts have permitted court-appointed receivers to assign debtor companies into bankruptcy for the specific purpose of improving the position of a secured creditor vis-à-vis a GST or HST deemed trust;
- (d) in this matter, this Court has already determined it was appropriate to grant the Receiver the power to assign Bereket into bankruptcy, and CRA had notice of that earlier application;
- (e) apart from being the first-ranking secured creditor, RBC is also the party that commenced the within proceedings, funded the proceedings through Receiver's Borrowings, and has made direct and meaningful contributions to these proceedings. The results of the Receiver in this case are due, in part, to the efforts and financial resources of RBC;
- (f) even if Bereket is assigned into bankruptcy, and the GST Trust Claim is reversed, RBC will nevertheless experience a large shortfall on its security; and
- (g) Bereket is an insolvent person and otherwise meets the requirements of Section 49 of the *BIA*.

17. Such further and other grounds as counsel may advise and this Honourable Court may permit.

MATERIAL OR EVIDENCE TO BE RELIED ON:

18. The Receiver's Fourth Report to the Court, dated March 9, 2026.

19. The other materials and evidence previously filed in these proceedings, including:

- (a) The Affidavit of Jessica Chohan, filed March 26, 2024.
- (b) The Amended and Restated Receivership Order, filed on July 23, 2024.
- (c) The Affidavit of Service of Jennifer Gorrie, filed on July 19, 2024.

20. Such further and other materials as counsel may advise and this Honourable Court may permit.

APPLICABLE RULES:

21. *Alberta Rules of Court*, Alta Reg, 124/2010.

22. *Bankruptcy and Insolvency General Rules*, CRC, c 1978, c 368.

23. Such further and other rules as counsel may advise and this Honourable Court may permit.

APPLICABLE LEGISLATION AND REGULATIONS:

24. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
25. *Judicature Act*, RSA 2000, c J-2.
26. *Excise Tax Act*, RSC 1985, c E-15.
27. *Security Interest (GST/HST) Regulations*, SOR/2011-55.
28. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

ANY IRREGULARITY COMPLAINED OF OR OBJECTION RELIED ON:

29. None.

HOW THE APPLICATION IS PROPOSED TO BE HEARD OR CONSIDERED:

30. Via Webex videoconference, before the Honourable Justice J.J. Gill in Commercial List Chambers, with some or all of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicants what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the Applicants a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

SERVICE LIST

[attached]

SERVICE LIST AS OF MARCH 10, 2026

RECIPIENT	RECIPIENT STATUS	DELIVERY METHOD
<p>Bereket & G Holdings Corp., Habesha African Supermarket Ltd. and Semere Berhane 2433 San Fortunato St. NW Edmonton, AB T5E 5V3</p> <p>Email: habeshayeg@gmail.com</p>	Defendants	Email and Courier
<p>BDO Canada Limited 110, 5800 – 2 Street SW Calgary, AB T2H 0H2</p> <p>Attention: Breanne Scott Email: brscott@bdo.ca</p>	Receiver	Email
<p>Miller Thomson LLP 2700 Commerce Place 10155 – 102 Street Edmonton, AB T5J 4G8</p> <p>Attention: Spencer Norris Email: snorris@millerthomson.com</p>	Counsel for the Receiver	Email
<p>Canada Revenue Agency Surrey National Verification and Collections Centre 9755 King George Boulevard Surrey, BC V3T 5E1</p>		Courier
<p>Canada Revenue Agency 10, 9700 – Jasper Avenue Edmonton, AB T5J 4C8</p>		Courier
<p>Government of Alberta Tax and Revenue Administration (TRA), a division of the Department of Treasury Board and Finance Legal Services Division</p> <p>2nd Floor, Peace Hills Trust 10011 – 109 Street Edmonton, AB T5J 3S8</p>		Email

Email: TBF.Insolencies@gov.ab.ca		
City of Edmonton 900 Chancery Hall 3 Sir Winston Churchill Square NW Edmonton, AB T5J 2C3		Courier
Workers' Compensation Board – Alberta 9912 107 Street Edmonton, AB T5K 1G5 Attention: Legal Department – URGENT Email: legalservices@wcb.ab.ca Fax: 780-427-5863	Tenant	Fax and Email
Lawson Lundell LLP Brookfield Place 225 6 Ave SW #1100 Calgary, AB T2P 1N2 Attention: Jack R. Maslen / Eloise S. Hirst Email: JMAslen@lawsonlundell.com Email: ehirst@lawsonlundell.com	Counsel to the Plaintiff, Royal Bank of Canada	Email

Emails:

JMAslen@lawsonlundell.com; ehirst@lawsonlundell.com; Habeshayeg@gmail.com; brscott@bdo.ca; snorris@millerthomson.com; TBF.Insolencies@gov.ab.ca; legalservices@wcb.ab.ca;

Courier:

Bereket & G Holdings Corp., Habesha African Supermarket Ltd. and Semere Berhane 2433 San Fortunato St. NW Edmonton, AB T5E 5V3	Canada Revenue Agency Surrey National Verification and Collections Centre 9755 King George Boulevard Surrey BC V3T 5E1
Canada Revenue Agency 10, 9700 – Jasper Avenue Edmonton, AB T5J 4C8	City of Edmonton 900 Chancery Hall 3 Sir Winston Churchill Square NW Edmonton, AB T5J 2C3

Fax:

Workers' Compensation Board – Alberta

17804275863@srfax.com

SCHEDULE "B"

FORM OF ORDER

[attached]

Clerk's Stamp

COURT FILE NUMBER 2403-05996
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA
DEFENDANT BEREKET & G HOLDINGS CORP., HABESHA SUPERMARKET LTD. and SEMERE BERHANE
DOCUMENT **ORDER, re: ASSIGNMENT INTO BANKRUPTCY**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
LAWSON LUNDELL LLP
Suite 1110, Brookfield Place
225 – 6th Avenue S.W.
Calgary, Alberta T2P 1N2

Attention: **Jack R. Maslen/ Eloise Hirst**
Telephone No.: (403) 218-7554
Fax No.: (403) 269-9494
Email: jmaslen@lawsonlundell.com / ehirst@lawsonlundell.com
File No.: 116622-186720

DATE ON WHICH ORDER WAS PRONOUNCED: MARCH 18, 2026
LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE J.J. GILL

UPON THE APPLICATION filed March 10, 2026, by Royal Bank of Canada for an order directing BDO Canada Limited (“**BDO**”), in its capacity as court-appointed receiver and manager (in such capacity, the “**Receiver**”) of, *inter alia*, all of the assets, undertakings and property of Bereket & G Holdings Corp. (“**Bereket**”), to assign Bereket into bankruptcy (the “**Application**”); **AND UPON HAVING READ** the Receiver’s Fourth Report to the Court, dated March 9, 2026, the Amended and Restated Receivership Order filed on July 22, 2024 (the “**ARRO**”), and such additional pleadings and materials filed in this action; **AND UPON** reviewing the Affidavit of Service of Regie Agcaoili; **AND UPON** hearing from counsel for RBC, and counsel for any other interested parties appearing at the hearing of this application:

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of this Application, together with all supporting materials, is hereby abridged, if necessary, and declared to be good and sufficient and no other person is required to have been served with such documents, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

ASSIGNMENT IN BANKRUPTCY

2. The Receiver is hereby directed to exercise its authority under Section 3(s) of the ARRO, to assign Bereket into bankruptcy, pursuant to Section 49 of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3 (the “**BIA**”).
3. Upon Bereket’s assignment in bankruptcy, BDO is hereby authorized and directed to act as the trustee in bankruptcy (the “**Trustee**”) of Bereket, without security.

MISCELLANEOUS

4. Nothing in this Order shall prevent or limit BDO from exercising any of its powers and duties as Receiver and, for the avoidance of doubt, BDO shall be entitled to act concurrently as Receiver and Trustee, as applicable.
5. Service of this Order shall be deemed good and sufficient by serving the parties attending or represented at the application for this Order, and service on any other person is hereby dispensed with. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier.

Justice of the Court of King's Bench of Alberta