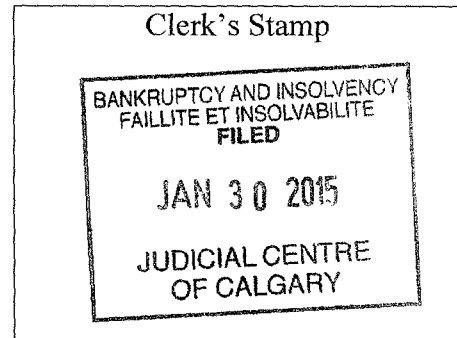


COURT FILE NO. **BK01-094419**
COURT **Court of Queen's Bench of Alberta
In Bankruptcy and Insolvency**
JUDICIAL CENTRE **Calgary**

MATTER **In the Matter of the Bankruptcy of
Assistive Financial Corp.**



APPLICANT **Michael Kallis**

RESPONDENT **Hardie & Kelly Inc.,**
(in their capacity as Trustee in Bankruptcy of Assistive Financial Corp.)

DOCUMENT **Application by Michael Kallis**
(s. 38 Bankruptcy and Insolvency Act)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Michael A. Loberg Professional Corporation**
Barrister & Solicitor
1000 Bankers Hall West (403) 668-6561 (Direct)
888 - 3rd Street SW (403) 444-6935 (Office)
Calgary, AB T2P 5C5 File No: 47,002.016

NOTICE TO RESPONDENT

This application is made against you. You are the respondent.

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

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

Date: **February 18, 2015**
Time: **11:00 A.M.**
Where: **Justice Chambers (Commercial List)**
Before Whom: **Jones J.**

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. An Order in the form annexed hereto as Schedule "A" (the "**Order**");
2. Such further directions as the Court may give regarding the implementation of the Order;
3. Costs; and
4. Such further and other orders or relief as the Court may deem just to grant.

Grounds for making this application:

5. The Applicant satisfies the requirements for the granting of the Order pursuant to s. 38 of the *Bankruptcy and Insolvency Act*;
6. The Respondent, as Trustee in Bankruptcy of Assistive Financial Corp. ("**Assistive**"), is not able to advance or continue to advance the claims of the Estate of Assistive that are the subject of the Order sought due to the absence of funding in the Estate of Assistive for that purpose, and the Trustee is unable to obtain additional funding from the creditors of the Estate of Assistive;
7. The Applicant is prepared to take an assignment of and advance the said claims pursuant to the provisions of s. 38 of the *Bankruptcy and Insolvency Act*; and
8. It is just and fitting that the Order sought be granted.

Material or evidence to be relied on:

9. The Affidavit of Michael Kallis sworn December 23, 2014, filed;
10. The Affidavit of Verification of Spencer M. Coupland sworn January 17, 2014, previously filed; and
11. Such further and other material and evidence as may be permitted.

Applicable rules:

12. *Bankruptcy and Insolvency General Rules*, including without limit Rule 6.

Applicable Acts and regulations:

13. *The Bankruptcy and Insolvency Act*, including without s. 38;

Any irregularities complained of or objection relied upon:

14. None

How the application is proposed to be heard or considered:

15. Orally in Justice Chambers on the Commercial List, without briefs.
16. The Application is not proceeding with the consent of the Respondent and therefore a Registrar lacks jurisdiction.

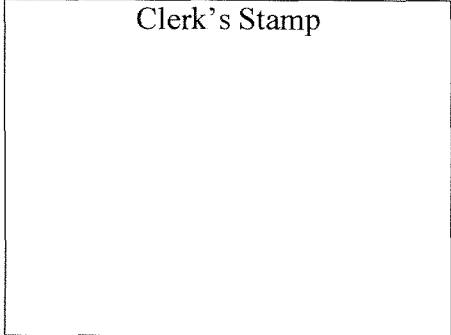
WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule "A"
to the Application of Michael Kallis

FORM OF ORDER SOUGHT
(Begins next page)

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DOCUMENT **Order
(s. 38 Bankruptcy and Insolvency Act)**

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888 - 3rd Street SW (403) 444-6935 (Office)
Calgary, AB T2P 5C5 File No: 47,002.016**

DATE ON WHICH ORDER WAS PRONOUNCED: **February ____, 2015**
NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON THE APPLICATION of Michael Kallis, a creditor of Assistive Financial Corp. (“**Assistive**”); **AND UPON** reading the Affidavit of Michael Kallis sworn the 23rd day of December 2014 (the “**Kallis Affidavit**”) and the Exhibits thereto; **AND UPON** reviewing the Affidavit of Verification of Spencer M. Copeland sworn the 17th day of January 2014 and the Schedule “A” thereto; **AND UPON** considering the claim (the “**Claim**”) described in the

Amended Statement of Claim marked as Exhibit 1 to the Kallis Affidavit (the "**Action**"); **AND UPON** hearing counsel for the trustee in bankruptcy of Assistive in this matter, Hardie & Kelly Inc. (the "**Trustee**"); **AND UPON** hearing counsel for the Applicant; **AND UPON** the Court being satisfied that the requirements under s. 38 of the *Bankruptcy and Insolvency Act* have been met and that is just and equitable to grant the within Order;

IT IS ORDERED THAT:

1. Michael Kallis is hereby authorized to take conduct of the Action and to take all future proceedings regarding the Claim, in his own name and at his own expense and risk, and on the terms set out herein, in respect of the whole of the interest, right, and claim of Assistive against the named Defendants in the Action (the "**Assigned Claim**").
2. The Trustee shall, upon receipt of service of this Order, assign and transfer all of the Trustee's right, title and interest in the Assigned Claim to Michael Kallis, and shall deliver to Michael Kallis all documents in support of the Assigned Claim.
3. Michael Kallis is directed to give notice to the other creditors of Assistive determined as of the date of this Order (the "**Creditors**") of the granting of this Order and of the proceedings contemplated by this Order (the "**Proceedings**"), as required by s. 38 of the *Bankruptcy and Insolvency Act* (the "**Notice**").
4. The Notice may be delivered to the Creditors by any means permitted under the *Bankruptcy and Insolvency General Rules*, including without limit the means provided under Rule 6 therein and may be delivered by e-mail to the Creditors where an e-mail address for the Creditor has been provided to Michael Kallis or the Trustee for that Creditor, and such delivery of the Notice shall be good and sufficient.
5. For the purposes of giving the Notice, the Trustee is authorized and directed to provide to Michael Kallis such e-mail addresses for the Creditors as have been provided to the Trustee.
6. The Creditors receiving the Notice may elect to participate in the Proceedings by confirming their agreement in writing (the "**Confirmation**") to Michael Kallis within 10 days of receipt of the Notice (who shall thereafter together with Michael Kallis be "**Participating Creditors**").

7. The Participating Creditors shall include with their Confirmation their agreement and undertaking to be liable for:

- (a) their proportionate share of all costs fees and expenses in conducting the Proceedings (inclusive of the costs of obtaining this Order, howsoever and whensoever incurred); and
- (b) their proportionate share for all awards of costs made pursuant to the *Alberta Rules of Court* against Michael Kallis or the Participating Creditors in the Proceedings.

8. The Participating Creditors shall, within 15 days of submitting their Confirmation to Michael Kallis, deposit with Michael Kallis funds to retain counsel having conduct of the Proceedings (the "**Initial Retainer**") as they may be advised is required following the submissions of the Confirmations, *pro rata* as the amounts of their respective claims stand to the sum of all claims of the Participating Creditors, which Initial Retainer shall be placed on deposit with counsel and used for the purposes of funding the Proceedings. The Participating Creditors shall provide such further *pro rata* deposits of funds to retain counsel as may be required from time to time (the "**Subsequent Retainers**").

9. All benefits to be derived from the Assigned Claim shall belong exclusively to the Participating Creditors who provided their Initial Retainers and Subsequent Retainers, excepting however that in case there is a surplus after paying the Participating Creditors their said claims in full and all costs and expenses of the Action, such surplus shall be paid to the Trustee in augmentation of the bankrupt estate.

10. Should any creditors fail to join in the Action as provided for in this Order, they shall thereafter be excluded from participating in the benefits to be derived from the Assigned Claim.

11. All the Trustee's reasonable fees and disbursements to give effect to this Order will be reimbursed by Michael Kallis to the Trustee within 30 days from the date of invoice or Assessment as the case may be.

12. Service of the notice of this application and supporting materials is declared to be good and sufficient and no other person is required to have been served with notice of this application, and time for service is abridged to that actually given.

13. The Court retains jurisdiction to give such further and other directions and orders as may be required to implement and give effect to this Order.

Justice of the Court of Queen's Bench
in Chambers