Clerk's stamp:	
COURT FILE NUMBER	B203 418608
ESTATE NO.	24-2418608
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANT	THE BOWRA GROUP INC. IN ITS CAPACITY AS THE PROPOSAL TRUSTEE IN THE DIVISION I PROPOSAL OF SUMO SUMO LTD.
PROCEEDING	IN THE MATTER OF THE PROPOSAL OF SUMO SUMO LTD. UNDER DIVISION I OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3
DOCUMENT	**REPORT OF TRUSTEE ON PROPOSAL**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

The Bowra Group Inc.
Proposal Trustee of Sumo Sumo Ltd.

TD Tower
Suite 1411 – 10088 102 Avenue
Edmonton, AB T5J 2Z1
Tel: 780 809 1224
Fax: 780 705 1946

Attention: Kristin Gray
kgray@bowragroup.com

MILLER THOMSON LLP
Counsel to the Proposal Trustee

Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866

Lawyer's Name: Patrick Harnett

Lawyer's Email: pharnett@millerthomson.com

File No.: 204646.7

ESTATE NO.: 24-2418608
COURT NO.: 24-2418608
EDMONTON REGISTRY

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

FORM 40

REPORT OF TRUSTEE ON PROPOSAL
(Section 59(1) and paragraph 58(d) of the Act)

THE BOWRA GROUP INC., of the City of Edmonton, of the Province of Alberta, the Licensed Insolvency Trustee acting in the Proposal of SUMO SUMO LTD. (the "**Company**"), hereby reports to the Court as follows:

1. That on the 6th day of September, 2018, the debtor did file a Notice of Intention to make a Proposal (the "**NOI**") and that The Bowra Group Inc. was appointed Licensed Insolvency Trustee.

2. That a Proposal (the **"Proposal"**) was filed with The Bowra Group Inc. on the 2nd day of October, 2018 a copy of which is attached and marked as **Exhibit "A"**, and that The Bowra Group Inc. filed a copy of the Proposal with the Official Receiver on the 2nd day of October, 2018.

3. That on the 4th day of October, 2018, we sent notice to the debtor, to the Superintendent of Bankruptcy (by efiling) and to every known creditor affected by the Proposal, whose names and addresses are shown in **Exhibit "B"** to this Report, of the calling of a meeting of creditors to be held on the 19th day of October, 2018, to consider the Proposal.

4. That with the notice was included a copy of the Proposal, a Condensed Statement of Assets and Liabilities, a list of creditors, a copy of the Trustee's Report to Creditors, a form of proof of claim and proxy in blank and a voting letter. Copies of the Notice, the Condensed Statement, and the Report of Trustee are attached and marked as **Exhibits "C1", "C2" and "C3"**, respectively.

5. That prior to the meeting of creditors we made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.

6. That the meeting of creditors was duly held on the 19th day of October, 2018, and was presided over by Kristin Gray.

7. On the 19th day of October, 2018, at the meeting of creditors the Proposal was amended (the **"Amended Proposal"**):

a) to make the Proposal to the Company's creditors, generally, rather than to classes of the Company's creditors, in light of the largest senior secured creditor, Business Development Bank of Canada ("**BDC**"), abstaining from voting as a secured creditor. BDC's abstention would have caused the Proposal as drafted to include two classes of creditors (secured and unsecured), to fail due to the secured creditors failing to cast any votes; and,

b) to increase the funds paid out over the duration of the Amended Proposal to ensure it provided for the same percentage of recovery as the original terms of the Proposal, without increasing the duration of the payments.

8. That a copy of the Amended Proposal is attached and marked as **Exhibit "D"**.

9. That the Amended Proposal was accepted by the required majority of creditors. 4 unsecured creditors with a total claim of $685,468.56 voted in favor of the Amended Proposal. No creditors voted against the Amended Proposal.

10. That a copy of the Minutes is attached and marked as **Exhibit "E".**

CRA Arrears and Garnished Funds Paid into Court

11. After the conclusion October 19, 2018 meeting of the creditors, and approval of the Amended Proposal, the Canada Revenue Agency ("**CRA**") contacted the Proposal Trustee and advised of higher than anticipated amounts of GST and payroll source deduction claims totaling:

    a) unremitted payroll source deductions in the amount of $140,054.05, comprising the principal amount of $114,302.88 and penalties and interest in the amount of $25,751.17 (the "**CRA Payroll Arrears**"); and,

    b) GST in the amount of $71,704.08.

12. The CRA has advised the Proposal Trustee that if the $54,301.49 paid into Court in Queen's Bench Action No. 1703 04617 (the "**Garnished Funds**") are directed to the CRA in respect of the CRA Payroll Arrears, further arrangements may be made to address repayment of the balance of the CRA Payroll Arrears within the 6-month period mandated under *The Bankruptcy and Insolvency Act* (the "**BIA**").

13. The Garnished Funds are the result of the garnishee summons proceedings taken by an unsecured creditor of Sumo Sumo Ltd., A.J. Interiors Inc. The Garnished Funds were not distributed by the Court prior to the September 6, 2018 filing of the NOI, and such funds are subject to the Amended Proposal.

14. The CRA otherwise supports the Amended Proposal.

15. A copy of the Court Clerk's proposed distribution, evidencing the amount of the Garnished Funds paid into Court, and a copy of the correspondence from the Proposal Trustee's legal counsel is attached and marked as **Exhibit "F".**

16. That we are of the opinion that:

a) the assets of the debtor and the estimated fair realization value thereof are as follows:

	Per Statement of Affairs	Estimated Value
	$'s	
Inventory	15,000	15,000
Accounts Receivable	54,301	54,301
Cash	18,000	18,000
Equipment and Furniture	28,000	28,000
Vehicles	60,000	60,000
	175,301	**175,301**

The above amounts are subject to certain post filing costs, realization costs and professional fees.

b) the liabilities of the debtor are as follows:

	Per Statement of Affairs	Filed as at October 19, 2018
	$'s	
Unsecured Creditors	3,070,941	2,867,880

17. That we are also of the opinion that:

a) the causes of insolvency of the debtor are:

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

REPORT OF TRUSTEE ON PROPOSAL

The director of the Company incorporated a second company, Plates Ltd. ("**Plates**"), to own and operate a second restaurant, Plates International Buffet ("**PIB**"), located in Edmonton, Alberta. Plates ran into financial difficulty in 2016 due to significant construction cost overruns related to the buildout of PIB and construction delays related to building permits. Ultimately, PIB was unable to operate profitably as a result of the debt incurred during the construction and closed their doors on December 31, 2017.

The Company was able to fund the initial operational losses and cost overruns of Plates through free cash flow while PIB attempted to increase sales and turn around business in 2017. Sumo also guaranteed a number of debts incurred in Plates. After closing PIB, Sumo was unable to continue paying Plates debt in addition to their own current liabilities as a result, the Company filed an NOI on September 6, 2018.

b) the conduct of the debtor is not subject to censure.

c) In the Trustee's view, none of the facts mentioned in subsections 173(a) to 173(o) of the BIA apply with respect to the debtor.

d) the Amended Proposal provides for the payment of all amounts owing to Her Majesty in right of Canada or a province mentioned in Section 60(1.1) of the BIA, if any;

e) the Company is not in default of any remittance of an amount referred to in section 60(1.1) of the BIA that became due after the filing of the NOI;

f) the Amended Proposal provides for all payments to employees of the Company pursuant to section 60(1.3) of the BIA, if any, and the Company can and will make any and all such payments;

g) the Amended Proposal provides for all pension payments pursuant to section 60(1.3) of the BIA, if any, and the Company can and will make any and all such payments; and

18. That we are further of the opinion that the debtor's Amended Proposal is an advantageous one for the creditors for the following reason:

The Amended Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy and a bankruptcy would result in increased professional fees for the administration of a bankruptcy estate as opposed to completion of the Amended Proposal to creditors. Consequently, the Trustee recommends acceptance of the Amended Proposal.

19. That we did this day forward to the Superintendent of Bankruptcy a copy of this report.

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

REPORT OF TRUSTEE ON PROPOSAL

DATED AT the City of Edmonton, in the Province of Alberta this 26th day of October, 2018.

THE BOWRA GROUP INC.
Licensed Insolvency Trustee

Per: Kristin Gray, CPA, CA, CIRP, LIT

EXHIBIT A

Court No. 24-2418608
Estate No. 24-2418608
Edmonton Bankruptcy Law Courts

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

OF THE CITY OF EDMONTON
IN THE PROVINCE OF ALBERTA

PROPOSAL TO CREDITORS

FILED PURSUANT TO THE
BANKRUPTCY AND INSOVELNCY ACT,
RSC 1985, C B-3, AS AMENDED

Sumo Sumo Ltd. hereby submits the following Proposal to Creditors, filed on October 2, 2018 pursuant to the *Bankruptcy and Insolvency Act.*

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Proposal, the following terms have the following meanings:

(a) "**Administrative Fees and Expenses**" means the fees and expenses, including legal fees and disbursements, of the Trustee in its capacity as proposal trustee, and the Debtor in regard to all matters pertaining to the Proposal;

(b) "**Affected Creditors**" means the Creditors affected by this Proposal, being the holders of Crown Priority Claims, the Preferred Creditors, Unsecured Creditors, and Secured Creditors, but does not include the Related Unsecured Creditor;

(c) "**Approval Order**" means an Order of the Court approving the Proposal;

(d) "***BIA***" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended from time to time;

(e) "**Business Day**" means any day other than a Saturday, Sunday, or statutory holiday in Alberta;

(f) "**Claims**" means any indebtedness, liability, action, cause of action, suit, debt due, account, bond, covenant, contract, counterclaim, demand, claim, right, and obligation of any nature whatsoever of the Company or their successors and assigns

or their respective directors, to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known, or unknown, and whether by guarantee, surety, or otherwise, in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the Claims Date, and including any claim arising from a breach or termination, occurring prior to the Implementation Date, of any contract entered into prior to the Claims Date, together with all Claims in respect of the costs of remedying any environmental condition or damage affecting real property whether the condition or the damage occurred or existed before or after the Claims Date;

(g) "**Claims Date**" means the date of the Notice of Intention to File a Proposal, being September 6, 2018;

(h) "**Company**" means Sumo Sumo Ltd.;

(i) "**Court**" means the Court of Queen's Bench of Alberta, Judicial District of Edmonton;

(j) "**Creditor**" means any person having a Claim;

(k) "**Creditors' Fund**" means the total amount received by the Trustee for the purposes of funding this Proposal;

(l) "**Creditors' Meeting**" means the meeting of Creditors called pursuant to the *BIA* for the purpose of considering and voting on the Proposal;

(m) "**Crown Claims**" means Claims of Her Majesty in Right of Canada or a province that are described in section 60(1.1) of the *BIA* that were outstanding on the Claims Date;

(n) "**Director**" means a director of the Company;

(o) "**Final Distribution**" means the final distribution of funds from the Creditors' Fund by the Trustee to the Affected Creditors in accordance with the terms of this Proposal and the *BIA*, to be paid sixty (60) months following the Implementation Date, or as soon as reasonably practicable thereafter;

(p) "**Implementation Date**" means the date of the Order of the Court approving this Proposal;

(q) "**Inspectors**" means the inspectors appointed pursuant to Section 56 of the *BIA*;

(r) "**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;

(s) "**Preferred Creditors**" means any Creditor entitled to receive payment of any amount owed to it in priority to other Unsecured Creditors as provided for in Section 136 of the *BIA*;

(t) "**Proof of Claim**" shall mean the proof of claim required by the *BIA* to be mailed to each known Creditor prior to the Creditors' Meeting;

(u) "**Proposal**" means this proposal made pursuant to the provisions of Part III, Division I of the *BIA*, as filed on October 2, 2018, and as amended or supplemented from time to time;

(v) "**Proposal Date**" means the date of the filing of the Proposal with the Official Receiver;

(w) "**Proven Claim**" means a Claim which has been accepted by the Trustee, or by subsequent Order of the Court, as to the proper amount owing to a Creditor under this Proposal;

(x) "**Related Unsecured Creditor**" means Joe Chan with respect to his unsecured claim;

(y) "**Released Parties**" means the Company, and each and every present and former director of the Company, and their respective successors and assigns;

(z) "**Required Majority**" means a majority number and two-thirds in value of the Claims of all Affected Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy, or by voting letter) in accordance with the voting procedures established by this Proposal and the *BIA*;

(aa) "**Secured Creditors**" means those Creditors holding perfected security interests against the assets of the Company as security for a debt due or accruing due to the Creditor from the Company;

(bb) "**Trustee**" means The Bowra Group Inc., the Trustee acting under the Proposal;

(cc) "**Unsecured Creditors**" means those creditors with Claims, except for those Claims that:

(i) have been finally and conclusively disallowed pursuant to the provisions of the *BIA* by the Trustee, or the Court (as may be applicable);

(ii) may be contingent or unliquidated and found by the Trustee, or the Court (as may be applicable) not to be provable;

(iii) are Crown Priority Claims;

(iv) are Claims of Preferred Creditors; or

(v) are Claims of Secured Creditors; and

(z) "**Voting Letter**" shall mean the voting letter required by s. 51(1) of the *BIA* to be mailed to each known Affected Creditor prior to the Creditors' Meeting.

1.2 Article References

In this Proposal, a reference to an article, section, clause, or paragraph shall, unless otherwise stated, refer to an article, section, clause, or paragraph of the Proposal.

1.3 Number and Gender

In this Proposal, where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders.

1.4 Interpretation not Affected by Headings

The division of this Proposal into articles, sections, clauses and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Proposal.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Time

All times expressed herein are local time in Edmonton, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, shall be deemed to be 5:00 p.m. local time in Edmonton, Alberta, Canada.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statue or regulation(s).

1.9 Successors and Assigns

The Proposal shall be binding upon and will enure to the benefit of the heirs, administrators, executors, legal representatives, successors, and assigns of any Person named or referred to in the Proposal.

ARTICLE II
APPLICATION

2.1 Persons Affected

The Proposal applies to every Affected Creditor, whether or not the Creditor has proven a Claim against the Company under the Proposal for the purpose of receiving a payment under the Proposal.

2.2 Persons not Affected

The distribution of funds contemplated in this Proposal does not apply to the Related Unsecured Creditor, who will receive no distribution of funds from the Creditors' Fund. It is estimated that the indebtedness of the Company to the Related Unsecured Creditor is in the amount of approximately $600,000.00.

ARTICLE III
PROPOSAL

3.1 Purpose of the Proposal

The purpose of this Proposal is to permit the Company to compromise the indebtedness owed to the Affected Creditors and to allow the Company to continue to operate the restaurant known as "Sumo Sumo Sushi Bar and Grill".

3.2 Overview of Proposal

This Proposal provides for the compromise, payment, and release of the Claims of the Affected Creditors in exchange for payments in cash made by the Trustee from the Creditors' Fund.

3.3 Funding of the Proposal

Payment to the Affected Creditors will be made by way of the Creditors' Fund, which will be funded by way of monthly payments from the Company in the amount of $5,000.00 per month. The Company shall remit the sum of $5,000.00 to the Trustee on a monthly basis for a total of sixty (60) months. Monthly remittances shall be paid to the Trustee by the Company on or before the 21st day of each month, and shall be accompanied by monthly cash flow statements. The first monthly remittance shall be made on or before the 21st day of the month following the Implementation Date.

The Company understands that funds in the sum of $54,301.49 are currently held by the Court, having been received by the Court pursuant to enforcement steps taken by an Unsecured Creditor in accordance with the *Civil Enforcement Act*, RSA 2000, c C-15. The Trustee is seeking the release of these funds from the Court directly to the Trustee, which funds will then be added to the Creditors' Fund and distributed by the Trustee in accordance with this Proposal and the *BIA*.

The Trustee will distribute the funds available in the Creditors' Fund directly to the Affected Creditors on an annual basis and in accordance with this Proposal and the *BIA*, with the first annual distribution being made one year from the date of the Implementation Date.

The Company has prepared a Monthly Cash Flow Forecast for the period of November 1, 2018 to October 31, 2019 and an Annual Cash Flow Forecast for the period of November 2018 to October 2023. The Monthly Cash Flow Forecast is appended to this Proposal as Appendix "A". The Annual Cash Flow Forecast is appended to this Proposal as Appendix "B".

3.4 Classification

For the purposes of considering and voting on this Proposal, there shall be two classes of creditors, one consisting of the Secured Creditors and one consisting of the Unsecured Creditors.

3.5 Distribution of the Creditors Fund

Subject to the terms and conditions set forth in this Proposal, and payment of the levy payable to the Superintendent of Bankruptcy pursuant to section 147 of the *BIA*, the following payments will be made from the Creditors' Fund:

(a) the Administration Fees and Expenses will be paid in full as they become due;

(b) all Crown Priority Claims that were outstanding as at the Filing Date, if any, shall be paid in full to Her Majesty in Right of Canada or a province within six (6) months after the issuance of the Approval Order;

(c) all Preferred Claims, subject to the rights of the Secured Creditors, as further set out below; and

(d) one year from the Implementation Date, or as soon as practicable thereafter in accordance with this Proposal and the *BIA*, and annually thereafter until the Final Distribution, the Trustee shall distribute those available funds held in the Creditors' Fund as follows:

(i) 70% of those available fund held in the Creditors' Fund shall be distributed to the Secured Creditors, *pro rata* based on the proportion that the Proven Claim of each Secured Creditor bears to the total Proven Claims of all Secured Creditors; and

(ii) 30% of those available funds held in the Creditors' Fund shall be distributed to the Unsecured Creditors, *pro rata* based on the proportion that the Proven Claim of each Unsecured Creditor bears to the total Proven Claims of all Unsecured Creditors.

For greater certainty, the Trustee shall make a total of five (5) annual distributions to the Secured Creditors and Unsecured Creditors, including the Final Distribution.

The distribution as described herein shall operate as payment in full and final satisfaction of all Claims, which are extinguished upon the Final Distribution to the Affected Creditors as described in this Proposal, and each Affected Creditor will be deemed to have forever released the Company from all Claims, including any debts, liabilities, suits, claims, or causes of action under sections 95 through 101 of the *BIA*.

3.7 Discharge of Trustee

Upon the payment by the Trustee of the Final Distribution, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharges as Trustee. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Company and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

ARTICLE IV
MEETING OF CREDITORS

4.1 Creditors Meeting Procedure

The Trustee shall call and chair the Creditors' Meeting, which shall be held on October 19, 2018 at 9:30 a.m. at The Bowra Group, located at 1411 TD Tower, 10088 – 102 Avenue,

Edmonton, Alberta T5J 2Z1. The Creditors' Meeting shall be conducted in accordance with the *BIA* for the purpose of considering and voting on this Proposal.

4.2 Adjournment of Meeting

The Creditors' Meeting may be adjourned in accordance with Section 52 of the *BIA*.

4.2 Proof of Claim

Affected Creditors who wish to vote on this Proposal must have completed a Proof of Claim in accordance with the instructions set out therein and delivered the completed Proof of Claim with supporting documentation to the Trustee before the Creditors' Meeting. Affected Creditors who fail to file a Proof of Claim prior to the Creditors' Meeting shall not be entitled to attend and vote at the Creditors' Meeting.

The procedure dealing with the disallowance of Proofs of Claim shall be as set out in section 135 of the *BIA*.

4.3 Proxies and Voting Letters

Proxies as provided for in the *BIA* indicating a person authorized to act on behalf of an Affected Creditor may be submitted to the Trustee at, or any time prior to, the commencement of the Creditors' Meeting.

Voting Letters as provided for in the *BIA* submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Affected Creditor wishes to cast their vote in favour of or against the Proposal. Voting Letters that do not indicate either preference will be deemed to vote in favour of the Proposal.

4.4 Inspectors

Inspectors may be appointed at the Creditors' Meeting and if appointed, the Inspectors shall number at least one and not more than five. The Inspectors shall have the following powers:

(a) the power to extend the dates of payments provided under this Proposal;

(b) the power to waive any default in the performance of any provision of this Proposal;

(c) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and

(d) the power to advise the Trustee concerning any dispute that may arise as to the validity of Claims of Affected Creditors under this Proposal.

In the event the Affected Creditors elect not to appoint Inspectors, the powers of the Inspectors as provided for in the *BIA* shall devolve to the Trustee. Any decision, direction, or act of the Inspectors may be referred to the Court by the Trustee, and the Court may confirm, reverse, or modify the decision, direction, or act and make such Order as it considers just. The authority and term of office of the Inspectors shall terminate upon the discharge of the Trustee.

The Trustee and the Inspectors, if appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by this Proposal and shall be liable only for any wilful or wrongful act and default.

4.5 Voting

Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the *BIA*. All votes shall be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of the votes.

Each Secured Creditor will be entitled to vote within the class of Secured Creditors to the extent of the amount which is equal to the Secured Creditors' Proven Claim against the Company. Each Unsecured Creditor will be entitled to vote within the class of Unsecured Creditors to the extent of the amount which is equal to the Unsecured Creditors' Proven Claim against the Company. If the amount of the Claim of a Disputed Claim is not finally determined prior to the date of the Creditors' Meeting, the holder of the Disputed Claim shall be entitled to vote at the Creditors' Meeting on the portion of its Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Trustee and the holder of the Disputed Claim to have the quantum of the Disputed Claim finally determined.

4.6 Approval by Creditors

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority of each of the two classes of Creditors, being Secured Creditors and Unsecured Creditors.

4.7 Modification of the Proposal

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Company reserves the right at any time to file any modification, amendment, or supplement of and to this Proposal, including by way of a supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated into this Proposal. At the Creditors' Meeting, the Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior

to and subsequent to the Approval Order) and subject to the consent of the Trustee, the Company may at any time and from time to time vary, amend, modify, or supplement this Proposal if the Trustee determines that such variation, amendment, modification, or supplement is of a minor, immaterial, or technical nature or would not be materially prejudicial to the interest of any of the Affected Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order.

4.8 Application for Approval Order

Provided that the Proposal is approved by the Required Majority, and all conditions precedent are satisfied, the Trustee shall file with the Court an application for the Approval Order no later than 5 Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in section 58 of the *BIA*.

4.9 Stay of Proceedings

The stay of proceedings provided for in section 69.1(1) of the Act shall continue in full force and effect from the Filing Date until the Implementation Date, or, if the Company becomes bankrupt, the date of bankruptcy.

4.10 Release of Directors

Upon the Implementation Date, the Released Parties shall be released and discharged by all Affected Creditors from all Claims which any Affected Creditor may have or have been entitled to assert against any of the Released Parties for which they would be, by law, liable in their capacity as directors for the payment of such Claims, provided that nothing herein shall release or discharge any of the Released Parties from Claims that:

(a) relate to contractual right of one or more of the Affected Creditors arising from contract with one or more of the Released Parties; or

(b) are based on allegations of misrepresentation made by the Released Parties to the Affected Creditors or of wrongful or oppressive conduct by the Released Parties.

4.11 Further Assurances

All of the Affected Creditors shall be deemed to consent to and permit all of the provisions of this Article IV, and the Affected Creditors and the Company shall do all such other acts and execute all such other documents as may be necessary to give effect thereto, and to that end each Affected Creditor does hereby constitute the Company as its lawful attorney with full authority to do all such acts and execute all such documentation on its behalf.

4.12 Trustee

Subject to the provisions of the *BIA*, the Trustee shall act as the administrator for certain purposes in relation to this Proposal, including management of the claims process, administration of the Creditors' Meeting, and the making of payments to the Affected Creditors.

ARTICLE V
CONDITIONS PRECEDENT

5.1 Conditions Precedent to Implementation of this Proposal

Implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

(a) acceptance of the Proposal by each of the classes of Secured Creditors and Unsecured Creditors;

(b) obtaining of the Approval Order and it becoming final and not subject to appeal; and

(c) all Claims having become Proven Claims.

ARTICLE VI
MISCELLANEOUS

6.1 Valuation of Claims

Prior to the Creditors' Meeting Date, the Company reserves the right to seek an Order establishing a procedure for valuing the Claims of Affected Creditors and for resolving any Disputed Claim.

The Company also reserves the right to seek the assistance of the Court in valuing the Claim of any Affected Creditor, if required, to ascertain the result of any vote on this Proposal of the amount payable to such Affected Creditor under this Proposal.

6.2 Compromise Effective for all Purposes

The compromise or other satisfaction of any indebtedness, liability, or obligation of the Company under this Proposal, if sanctioned and approved by the Court, shall, in the case of any Affected Creditor, be binding upon such Affected Creditor for all purposes.

Without limiting the foregoing, the provisions of this Proposal, or the provision of the *BIA*, upon the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company or caused by the Company,

directly or indirectly, or non-compliance with any covenant, positive or negative, pledge, warranty, representation, term, provision, condition, or obligation, express or implied, in any contract, credit document, purchase order, agreement for sale, lease, or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company arising from the Company's proceedings under the *BIA* or the transactions contemplated by this Proposal, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.

6.3 Consents, Waivers, and Agreements

In return for the distribution contemplated by the Proposal, the Affected Creditors will be deemed to have:

(a) executed and delivered to the Company all consents, releases, assignments, and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;

(b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Filing Date;

(c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the Filing Date (other than those entered into by the Debtor on, or with effect from, the Filing Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and

(d) released the Company, the Trustee, and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants, and solicitors from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set off rights, and other recoveries on account of liability, obligation, demand, or cause of action of whatever nature which any person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing, or other occurrence existing or taking place on or prior to the Filing Date, relating to or arising out of or in connection with the matters herein, provided that nothing herein shall release the Company of its obligation to make the distributions to Affected Creditors Contemplated in this Proposal.

6.4 Payment of Claims

All monies payable under this Proposal shall be paid over to the Trustee, and shall be distributed by the Trustee to the Affected Creditors of the Company as provided for in the preceding paragraphs.

6.5 Post-Filing Claims

Any post-filing goods and services shall be paid in full in the ordinary course of business by the Company.

6.6 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to the Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail (except for Proofs of Claim which may only be sent by personally delivery, email, or registered mail) addressed to the respective parties as follows:

(a) if to the Company:

c/o Bennett Jones LLP
3200 Telus House, South Tower
10020 – 100th Street
Edmonton, AB T5J 0N3

Attention: Katherine J. Fisher
Email: fisherka@bennettjones.com

(b) if to the Trustee:

The Bowra Group Inc.
TD Tower, Suite 1411 – 10088 102 Ave
Edmonton, AB T5J 2Z1

Attention: Kristin Gray
Email: kgray@bowragroup.com

(c) if to an Affected Creditor, to the mailing address or e-email address for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor or, if no Proof of Claim has been filed, to such other mailing address or email address at which the notifying party may reasonably believe that the Affected Creditor may be contacted; and

or to such other mailing address or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out, and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by email any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 pm (local time) on a Business day, when received or if received after 5:00 pm (local time) on a Business Day or at any time on a non-Business Day, on the following Business Day and in the case of notice mailed aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

6.7 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

6.8 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable, or unenforceable for any reason whatsoever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

6.9 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

The Company hereby makes this Proposal to its Affected Creditors as evidenced by its execution hereof below.

Dated at Edmonton, Alberta, this 2 day of October, 2018.

SUMO SUMO LTD.

Per: _____

Authorized Signatory
Joe Chan, Director

APPENDIX "A"

to the Proposal to Creditors of Sumo Sumo Ltd.

Monthly Cash Flow Forecast – November 2018 – October 2019

Sumo Sumo Ltd.
MONTHLY CASH FLOW FORECAST
November 2018 - October 2019

	Month 1 November 2018	Month 2 December 2018	Month 3 January 2019	Month 4 February 2019	Month 5 March 2019	Month 6 April 2019	Month 7 May 2019	Month 8 June 2019	Month 9 July 2019	Month 10 August 2019	Month 11 September 2019	Month 12 October 2019	TOTAL
Receipts													
Sales	180,000	200,000	175,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,220,000
Garnished Funds held in Court	54,301	-	-	-	-	-	-	-	-	-	-	-	54,301
Total Receipts	234,301	200,000	175,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,274,301
Disbursements													
Payroll	75,000	65,000	70,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	905,000
Supplier Purchases (COGS)	65,000	70,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	785,000
Rent	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	270,000
Advertising / Marketing	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Leases	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
WCB	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Taxes	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Professional fees	3,000	3,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	21,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Repair and maintenance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Office, telephone, misc.	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Total Disbursements	180,500	195,500	174,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	2,161,000
Cash Flow for the Period	53,801	4,500	1,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	113,301

APPENDIX "B"

to the Proposal to Creditors of Sumo Sumo Ltd.

Annual Cash Flow Forecast – November 2018 – October 2023

Sumo Sumo Ltd.
ANNUAL CASH FLOW FORECAST
November 2018 - October 2023

	Year 1 Nov 2018 - Oct 2019	Year 2 Nov 2019 - Oct 2020	Year 3 Nov 2020 - Oct 2021	Year 4 Nov 2021 - Oct 2022	Year 5 Nov 2022 - Oct 2023	TOTAL
Receipts						
Sales	2,220,000	2,220,000	2,240,000	2,240,000	2,260,000	11,180,000
Garnished Funds held in Court	54,301	-	-	-	-	54,301
Total Receipts	2,274,301	2,220,000	2,240,000	2,240,000	2,260,000	11,234,301
Disbursements						
Payroll	905,000	905,000	915,000	915,000	925,000	4,565,000
Supplier Purchases (COGS)	785,000	785,000	795,000	795,000	805,000	3,965,000
Rent	270,000	270,000	270,000	270,000	270,000	1,350,000
Advertising / Marketing	36,000	36,000	36,000	36,000	36,000	180,000
Leases	30,000	30,000	30,000	30,000	30,000	150,000
WCB	24,000	24,000	24,000	24,000	24,000	120,000
Taxes	24,000	24,000	24,000	24,000	24,000	120,000
Professional fees	21,000	15,000	15,000	15,000	15,000	81,000
Insurance	12,000	12,000	12,000	12,000	12,000	60,000
Repair and maintenance	12,000	12,000	12,000	12,000	12,000	60,000
Office, telephone, misc.	42,000	42,000	42,000	42,000	42,000	210,000
Total Disbursements	2,161,000	2,155,000	2,175,000	2,175,000	2,195,000	10,861,000
Cash Flow for the Period	113,301	65,000	65,000	65,000	65,000	373,301

EXHIBIT B

List of Creditors with claims of $250 or more.			
Creditor	Address	Account#	Claim Amount
A.J. Interiors Inc.	1600, 10025 102A Avenue Edmonton AB T5J 2Z2		250,000.00
Bank of Nova Scotia	PO Box 1833, Station M Calgary AB T2P 2L8		65,000.00
Business Development Bank of Canada	c/o: McLennan Ross LLP 600 McLennan Ross Building, 12220 Stony Plain Road Edmonton AB T5N 3Y4		2,327,334.00
Canada Revenue Agency	c/o Pacific Insolvency Intake Centre 9755 King George Boulevard Surrey BC V3T 5E2		75,348.62
Canada Revenue Agency - GST	c/o Pacific Insolvency Intake Centre 9755 King George Boulevard Surrey BC V3T 5E1		46,372.88
Chris Bowie	2500 -10155 102 Avenue Edmonton AB T5J 4G8		2,500.00
Enmax Corporation	141 50 Avenue S.E. Calgary AB T2G 4S7		2,000.00
Gerald White	Box 44 Ardrossan AB T8E 2A1		250.00
GFL Enviromental Inc c/o Case Recievable Management Inc Michelle Dugan	Suite 280 - 2181 Premier Way SHERWOOD PARK AB T8H 2V1		2,127.12
Jennifer Jordan	14007 101 Avenue Edmonton AB T5N 0W7		50,000.00
Ken Lam	512 Jellet Way Edmonton AB T6L 6N6		250,000.00
Total			3,070,932.62

EXHIBIT C1

District of: Alberta
Division No. 01- Edmonton
Court No. 24-2418608
Estate No. 24-2418608

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.
of the City of EDMONTON
in the Province of ALBERTA

Take notice that SUMO SUMO LTD. of the of EDMONTON in the Province of Alberta has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to $250 or more are enclosed herewith.

A general meeting of the creditors will be held at TD Tower, Suite 1411- 10088 102 Avenue, EDMONTON, AB on the 19th day of October 2018 at 9:30 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of EDMONTON in the Province of Alberta, this 3rd day of October 2018.

The Bowra Group Inc. - Licensed Insolvency Trustee
Per:

Kristin Gray - Licensed Insolvency Trustee
TD Tower, Suite 1411- 10088 102 Avenue
EDMONTON AB T5J 2Z1
Phone: (604) 608-6246 Fax: (604) 689-8584

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

List of Creditors with claims of $250 or more.			
Creditor	Address	Account#	Claim Amount
A.J. Interiors Inc.	1600, 10025 102A Avenue Edmonton AB T5J 2Z2		250,000.00
Bank of Nova Scotia	PO Box 1833, Station M Calgary AB T2P 2L8		65,000.00
Business Development Bank of Canada	c/o: McLennan Ross LLP 600 McLennan Ross Building, 12220 Stony Plain Road Edmonton AB T5N 3Y4		2,327,334.00
Canada Revenue Agency	c/o Pacific Insolvency Intake Centre 9755 King George Boulevard Surrey BC V3T 5E2		75,348.62
Canada Revenue Agency - GST	c/o Pacific Insolvency Intake Centre 9755 King George Boulevard Surrey BC V3T 5E1		46,372.88
Chris Bowie	2500 -10155 102 Avenue Edmonton AB T5J 4G8		2,500.00
Enmax Corporation	141 50 Avenue S.E. Calgary AB T2G 4S7		2,000.00
Gerald White	Box 44 Ardrossan AB T8E 2A1		250.00
GFL Enviromental Inc c/o Case Recievable Management Inc Michelle Dugan	Suite 280 - 2181 Premier Way SHERWOOD PARK AB T8H 2V1		2,127.12
Jennifer Jordan	14007 101 Avenue Edmonton AB T5N 0W7		50,000.00
Ken Lam	512 Jellet Way Edmonton AB T6L 6N6		250,000.00
Total			3,070,932.62

EXHIBIT C2

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2418608
Estate No. 24-2418608

[X] Original [ ] Amended

-- Form 78 --

Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.
of the City of EDMONTON
in the Province of ALBERTA

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 2nd day of October 2018. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES
(as stated and estimated by the officer)

1. Unsecured creditors as per list "A"	603,253.00
Balance of secured claims as per list "B"	2,217,038.00
Total unsecured creditors	2,820,291.00
2. Secured creditors as per list "B"	175,301.00
3. Preferred creditors as per list "C"	75,348.62
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	3,070,940.62
Surplus	NIL

ASSETS
(as stated and estimated by the officer)

1. Inventory		15,000.00
2. Trade fixtures, etc.		0.00
3. Accounts receivable and other receivables, as per list "E"		
Good	54,301.00	
Doubtful	0.00	
Bad	0.00	
Estimated to produce		54,301.00
4. Bills of exchange, promissory note, etc., as per list "F"		0.00
5. Deposits in financial institutions		18,000.00
6. Cash		0.00
7. Livestock		0.00
8. Machinery, equipment and plant		25,000.00
9. Real property or immovable as per list "G"		0.00
10. Furniture		3,000.00
11. RRSPs, RRIFs, life insurance, etc.		0.00
12. Securities (shares, bonds, debentures, etc.)		0.00
13. Interests under wills		0.00
14. Vehicles		60,000.00
15. Other property, as per list "H"		0.00
If debtor is a corporation, add:		
Amount of subscribed capital	0.00	
Amount paid on capital	0.00	
Balance subscribed and unpaid		0.00
Estimated to produce		0.00
Total assets		175,301.00
Deficiency		2,895,639.62

I, Joe Chan, of the City of EDMONTON in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 2nd day of October 2018 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the City of EDMONTON in the Province of Alberta, on this 2nd day of October 2018.

KATHERINE J. FISHER
BARRISTER & SOLICITOR

Joe Chan

EXHIBIT C3

ESTATE NO.: 24-2418608
COURT NO.: 24-2418608
EDMONTON REGISTRY

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

TRUSTEE'S REPORT TO CREDITORS

OCTOBER 3, 2018

1. PURPOSE

On September 6, 2018 Sumo Sumo Ltd. (the "Company" or "Sumo") filed a Notice of Intention to file a Proposal (the "NOI"). A proposal to creditors (the "Proposal) was filed on October 2, 2018.

The purpose of this report is to provide the creditors the following:

a) Background and financial situation of the Company;
b) Summary of the Proposal;
c) Summary of the assets and liabilities;
d) Estimate of the realization under a bankruptcy and the Proposal; and,
e) Trustee's recommendation to accept the Proposal.

2. BACKGROUND AND FINANCIAL SITUATION

Company Background

The Company owns and operates Sumo Sumo Sushi Bar and Grill, a full-service sushi bar and grill restaurant located in Sherwood Park, Alberta. The Company's sole director is Mr. Joe Chan who also acts as the restaurant's head chef and general manager. The restaurant has been operating under the name Sumo Sumo Sushi Bar and Grill for 16 years.

Financial Situation

Historically, Sumo was profitable with net income of $106,000 on revenues of $3.1 million in fiscal 2016 and net income of $198,000 on revenues of $3.5million in fiscal 2015. Copies of the management prepared financial statements for fiscal years 2016 and 2015 are attached as **Appendix A**. Financial statements for 2017 have not been finalized as of the date of this report due to insufficient cash flow to pay professional fees.

In 2015, Mr. Joe Chan incorporated a second Company, Plates Ltd. ("Plates"), to own and operate a second restaurant, Plates International Buffet ("PIB"), located in Edmonton, Alberta. Plates ran into financial difficulties in 2016 due to significant constructions cost overruns related to the buildout of PIB and construction delays related to building permits. Ultimately, PIB was unable to operate profitably as a result of the debt incurred during construction and closed their doors on December 31, 2017.

Sumo was able to fund the initial operational losses and cost overruns of Plates through free cash flow while PIB attempted to increase sales and turn around business in 2017. Sumo also guaranteed a number of debts incurred in Plates. After closing PIB, Sumo was unable to continue paying Plates debt in addition to their own current liabilities and as a result, the Company filed an NOI on September 6, 2018.

3. SUMMARY OF PROPOSAL

The purpose of the Proposal is to permit the Company to compromise the indebtedness owed to its creditors and allow the Company to continue operating Sumo Sumo Sushi Bar and Grill. The Proposal contemplates the following:

a) The creditors' fund (the "Creditors' Fund") will be funded by way of monthly payments from free cash flow of the Company in the amount of $5,000 per month for 60 months.
b) There is $54,301.49 currently held by the Court pursuant to an action taken by an unsecured creditor in accordance with the *Civil Enforcement Act*. The Trustee is seeking the release of these funds from the Court directly to the Trustee, which will then be added to the Creditors' Fund and distributed in accordance with the Proposal and the *Bankruptcy and Insolvency Act*.

c) 70% of the funds held in the Creditors' Fund shall be distributed to the secured creditors, and 30% of the funds held in the Creditors' Fund shall be distributed to the unsecured creditors.

d) The Trustee will distribute the funds available in the Creditors' Fund directly to the affected creditors on an annual basis, with the first annual distribution being made one year from the date of the implementation date.

e) Use of the Creditors' Fund for payment of the following:

   i. Reasonable professional fees and disbursements of the Trustee and the legal counsel of the Company;

   ii. The levy payable to the Superintendent of Bankruptcy;

   iii. Distribution to Canada Revenue Agency ("CRA") for all Crown Priority Claims that were outstanding as at the filing date, in any;

   iv. Distribution to preferred claims; and,

   v. Distribution to the proven secured creditors and proven unsecured creditors, one year from the implementation date, or as soon as practicable in accordance with this Proposal and the *Bankruptcy and Insolvency Act* and annually thereafter until the final distribution, the Trustee shall distribute those available funds held as follows:

      i. 70% of those available funds held in the Creditors' Fund shall be distributed to the secured creditors, pro rata based on the proportion that the proven claim of each secured creditor bears to the total proven claims of all secured creditors; and

      ii. 30% of those available funds held in the Creditors' Fund shall be distributed to the unsecured creditors, pro rata based on the proportion that the proven claim of each unsecured creditor bears to the total proven claims of all unsecured creditors.

f) To improve the distribution Mr. Joe Chan (the "Related Unsecured Creditor") has agreed that the distribution of funds contemplated in the Proposal does not apply to his unsecured claim of approximately $600,000.

Cash Flow

The Company has included a monthly cash flow forecast for the period November 1, 2018 to October 31, 2019 and an annual cash flow forecast for the period of November 2018 to October

2023 in the Proposal. The cash flows are attached as **Appendix B** and summarized in the table 1 below.

Table 1

	Year 1 000's	Year 2 000's	Year 3 000's	Year 4 000's	Year 5 000's
Sales	2,220	2,220	2,240	2,240	2,260
Funds in Court	54	-	-	-	-
	2,274	2,220	2,240	2,240	2,260
Cost of Sales	785	785	795	795	805
%	35%	35%	35%	35%	36%
Operating Expenses	1,376	1,370	1,380	1,380	1,390
Cash Flow	113	65	65	65	65

Management has indicated their cash flow numbers are conservative compared to prior years to account for the current economic times, an increase in minimum wage and an increase in the cost of food and supplies. The cash flow assumes Mr. Joe Chan will be paid a modest salary of approximately $32,000 per year.

The Trustee has reviewed the Company's cash flow projections and believes the projections are reasonable and achievable based on prior year financial performance and discussions with management. The Trustee believes the Company will be able make the monthly $5,000 payments contemplated in the Proposal.

4. IDENTIFICATION AND VALUATION OF ASSETS

Table 2 identifies the estimated realizable value of the Company's assets:

Table 2

	Appraised Value	Net Realizable Value
	$'s	
Cash on hand at October 2, 2018	-	18,000
Cash held in Court at October 2, 2018	-	54,301
Inventory	-	15,000
Equipment and Furniture	186,955	28,000
Leasehold Improvements	390,000	-
Goodwill / Intangibles	50,000	-
Automobile	-	60,000
	626,955	**175,301**

The appraisal was conducted by Frost & Associates on June 19, 2018. The purpose of the appraisal was to establish the fair market value of the assets assuming a going concern sale. The appraisal did not provide liquidation values. The appraised value of $629,955 is before associated selling costs.

Net realizable values are before payment of any post filing obligations, selling costs, professional fees and costs associated with administration of the estate.

The inventory includes all food and beverage on hand at Sumo Sumo Sushi Bar and Grill.

Equipment and furniture consist of the following:

a) Tables and chairs;
b) Banquette seating and booths;
c) Signage;
d) Kitchen equipment;
e) Flatware;
f) Glassware and stemware; and,
g) Computer equipment.

Given the condition and age of the equipment and furniture, we estimate the recovery under a forced liquidation would be approximately $28,000 (15% of fair market value).

Leasehold improvements include all interior improvements done to the leased restaurant located at 220 Lakeland Drive, Sherwood Park, Alberta. In a forced liquidation leasehold improvements would have no value.

The automobile is a 2014 Porsche Cayenne with an approximate value of $60,000 (blended value based on the Canadian Black Book and Kijji) and is fully encumbered.

In a forced liqudation the Sumo name, brand and goodwill would have no value.

5. CREDITOR'S CLAIMS

Secured Creditors

The Company has the following secured claims totaling approximately $2,392,339 that would rank in priority to the unsecured creditors:

Secured Creditor	Amount of Claim	Security
Business Development Bank of Canada	2,327,334	All present and after acquired property
Joe Chan	Unknown	All present and after acquired property
Bank of Nova Scotia	65,000	Automobile
Thinking Capital	Unknown	All present and after acquired property
Roynat Inc.	Unknown	Specific equipment and furniture
394045 Alberta Ltd. o/a J&D Food Services	Unknown	All present and after acquired property
Bodkin Capital Corporation	Unknown	Specific equipment and furniture

The secured creditors are to be paid in accordance with the terms of the Proposal outlined on page two of this report.

Preferred Creditors

The Company has an outstanding obligation to CRA estimated at $75,348, for payroll source deductions, which is classified as a preferred creditor. This means that the deemed trust claim is entitled to receive payment of the amount owed in priority of the unsecured creditors. In accordance with the *Bankruptcy and Insolvency Act* unpaid source deductions must be paid in full within six months of Court approval of the Proposal.

Unsecured Creditors

The Company has identified 18 unsecured creditors. The unsecured creditor balance identified to date totals approximately $951,430 based on the Company's records. The major unsecured creditors are:

A.J. Interiors Inc.	$590,128
Ken Lam	$250,000
Meridian OneCap Credit Corp. Ltd.	$80,469
Jennifer Jordan	$50,000
Canada Revenue Agency – GST	$46,373

Joe Chan has agreed not to participate with respect to distributions in the Proposal to improve the proposed distribution.

The unsecured creditors are to be paid in accordance with the terms of the Proposal outlined on page two of this report.

6. STATEMENT OF ESTIMATED REALIZATION

Table 3 compares the estimated recovery to creditors under a bankruptcy and a proposal.

Table 3

	Bankruptcy	Proposal Low Recovery	Proposal High Recovery
	$000's		
Assets			
Cash	18	-	-
Inventory	15		
Equipment	28	-	-
Automobile	60	-	-
Garnished funds held in Court	54	-	54
Proposal - cash flow from operations	-	300	300
Total net proceeds	**175**	**300**	**354**
Recovery costs	12	-	-
Professional fees	80	25	25
Total costs	**92**	**25**	**25**
Less: Specific encumbered assets (automobile)	60		
Net funds available for distribution	**24**	**275**	**329**
Less: CRA deemed trust claim	75	75	75
Total funds available for distribution	-	200	254
Total secured creditors	2,392	2,392	2,392
70% of Creditors' Fund	-	140	178
Estimated recovery per $1 to secured creditors	**-**	**0.06**	**0.07**
Total unsecured creditors	951	951	951
30% of Creditors' Fund		60	76
Estimated recovery per $1 of unsecured claim	**-**	**0.06**	**0.07**

Based on our review of the Company's current assets and liabilities and our discussions with the Company's management, in the event of a bankruptcy, it is our view that the liquidation of the Company's assets would provide the unsecured and secured creditors a recovery of $nil.

In a high recovery scenario for the Proposal, it is assumed that the $54,301 held in Court is released to the Trustee and is included in the Creditors' Fund. The low recovery scenario for the Proposal assumes the funds held in Court are distributed by the Clerk outside of the Proposal.

Under a Proposal, we estimate there will be between $140,000 and $178,000 available from the Creditors' Fund for distribution to the secured creditors depending on whether the garnished funds held in court are released to the Trustee for distribution. This would provide secured creditors a recovery between $0.06 and $0.07 per $1 of outstanding claim.

For the unsecured creditors, we estimate there will be between $60,000 and $76,000 available from the Creditors' Fund for distribution to the unsecured creditors. This will provide the unsecured creditors a recovery between $0.06 and $0.07 per $1 of outstanding claim.

7. CONDUCT OF THE DEBTOR

We have reviewed financial information, the appraisal of assets and bank statements of the Company for a three-month period prior to the Company filing the NOI. We are not aware of the Company being party to any reviewable transactions or fraudulent preferences as set out in the *Bankruptcy and Insolvency Act*.

8. LEGAL ACTIONS

We understand that Sumo is party to the following legal actions:

i. Actions against Sumo

   a) Sumo is a defendant in an action brought by A.J. Interiors Inc. ("AJ") for non-payment of outstanding invoices. AJ has obtained a Judgement in the amount of $590,128 and a Garnishee Summons has been issued against Sumo. Funds in the amount of $54,301 have been garnished into Court as discussed previously in this report.

   b) Sumo is a defendant in an action brought by Meridian OneCap Credit Corp. Ltd. ("Meridian") for non-payment of debt. Meridian has obtained a default judgement in the amount of $80,469.71.

c) Various leasing companies have initiated actions for non-compliance with their lease agreements.

9. CONFLICT OF INTEREST

The Trustee is not aware of any conflict of interest.

10. CONCLUSION

The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy. Consequently, the Trustee recommends acceptance of the Proposal.

THE BOWRA GROUP INC.
Licensed Insolvency Trustee under the Proposal of Sumo Sumo Ltd.

APPENDIX A

2015 and 2016 Financial Statements

Sumo Sumo Ltd.
Financial Statements
Unaudited
September 30, 2016

GERALD W. WHITE
CERTIFIED GENERAL ACCOUNTANT

Box 44
Ardrossan, Alberta
T8E 2A1
Telephone: (780) 940-0136
Email:geraldwhitecga@gmail.com

Review Engagement Report

To the Director of Sumo Sumo Ltd.

I have reviewed the Balance Sheet of Sumo Sumo Ltd., as at September 30, 2016 and the statements of income, retained earnings, and cash flow for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures, and discussion related to information supplied to me by the Management of Sumo Sumo Ltd.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises and are in accordance with Canadian GAAP.

Ardrossan, Alberta
March 8, 2017

Certified General Accountant

Sumo Sumo Ltd.
Balance Sheet
Unaudited
September 30, 2016

	2016	2015
ASSETS		
Current		
Cash	$ -	$ 16,388
Accounts Receivable	379	338
Income Taxes Receivable	4,981	43,910
Inventory (Note 1)	43,817	40,711
Prepaid Expenses	22,026	22,026
	71,203	123,373
Investments		
Loan Receivable	765,000	765,000
Due From Related Parties (Note 2)	960,527	91,558
	1,725,527	856,558
Property, Plant and Equipment (Notes 1 and 3)	1,032,740	1,117,337
	$2,829,470	$2,097,268
LIABILITIES		
Current		
Cheques Issued in Excess of Deposits	$ 76,948	$ -
Accounts Payable and Accrued Liabilities (Note 4)	$ 212,462	$ 188,233
Withholding Taxes Payable	80,519	43,042
Loan payable (Note 7)	153,386	-
Bank Demand Loan (Note 5)	443,498	438,786
Current Portion of Capital Lease (Note 6)	48,949	9,951
	1,015,762	680,012
Capital Lease (Note 6)	113,386	-
Due to Related Parties (Note 8)	257,703	80,591
	1,386,851	760,603
SHAREHOLDER'S EQUITY		
Share Capital (Note 9)	100	100
Retained Earnings	1,442,519	1,336,565
	1,442,619	1,336,665
	$2,829,470	$2,097,268

Approved On Behalf of The Board:

_____Director

Sumo Sumo Ltd.
Statement of Income and Retained Earnings
Unaudited
For The Year Ended September 30, 2016

	2016	2015
REVENUE		
Food and Liquor Sales	$3,076,760	$3,490,779
DIRECT COSTS		
Food and Liquor	897,933	1,042,735
GROSS PROFIT	2,178,827	2,448,044
EXPENSES		
Advertising and Promotion	54,141	108,749
Automotive	8,563	8,408
Bad Debts	-	155
Bank Charges, Discounts and Interest	48,114	50,499
Business Taxes and Licenses	1,028	1,313
Equipment Rental	2,855	3,053
Insurance	10,750	9,138
Interest on Long Term Debt (Note 5)	49,078	34,582
Janitorial	50,078	44,207
Menus and Printing	3,565	3,860
Office	1,452	1,221
Professional Fees	9,816	9,582
Rent	233,165	301,819
Repairs and Maintenance	29,347	23,637
Supplies	37,591	39,779
Telephone and Utilities	65,547	69,960
Travel	-	5,176
Wages and Benefits	1,157,818	1,237,845
Workers' Compensation	4,447	4,932
	1,767,355	1,957,915
Income Before The Following:	411,472	490,129
Amortization (Notes 1 and 3)	(182,348)	(162,811)
Interest Paid to Shareholder	(500)	(500)
Interest Income	7	-
Management Wages	(107,440)	(97,440)
Provision For Income Taxes (Note 1)	(15,237)	(31,687)
Net Income For The Period	$ 105,954	$ 197,691
Dividends Declared and Paid	-	(20,000)
Retained Earnings, Beginning of Year	1,336,565	1,158,874
Retained Earnings, End of Year	$1,442,519	$1,336,565

Sumo Sumo Ltd.
Statement of Cash Flow
Unaudited
For The Year Ended September 30, 2016

	2016	2015
Operating Activities		
Net Income	$ 105,954	$ 197,691
Items not requiring an outlay of funds		
Amortization (Notes 1 and 2)	182,348	162,811
	288,302	360,502
Changes in non-cash working capital		
Decrease (increase) in Accounts Receivable	(41)	614
Decrease (increase) in Income Taxes Receivable/Payable	38,930	(61,903)
Decrease (increase) in Inventory (Note 1)	(3,106)	4,456
Decrease (increase) in prepaid expenses	-	(1,536)
Increase (decrease) in Accounts payable and accrued liabilities (Note 4)	24,229	115,206
Increase (decrease in Withholding Taxes Payable	37,477	(8,476)
Net cash provided by operations	385,791	408,863
Investing Activities		
Due From Related Companies	(868,969)	(90,745)
Dividends Declared and Paid	-	(20,000)
Loan Receivable	-	(32,000)
Acquisition of plant, property and equipment (Notes 1 and 3)	(97,752)	(289,645)
Net cash (used) by Investing activities	(966,721)	(432,390)
Financing Activities		
(Repayment) Proceeds from bank demand loan (Note 5)	4,712	130,745
(Repayment) Proceeds from capital lease (Note 6)	152,384	(19,882)
Proceeds from Loan (Note 7)	153,386	-
(Repayment) Proceeds from Related Parties (Note 8)	177,112	(90,507)
Net cash (used) provided by financing activities	487,594	20,356
Net (decrease) increase in cash and cash equivalents	(93,336)	(3,171)
Cash and cash equivalents, beginning of year	16,388	19,559
Cash and cash equivalents, end of year	$ (76,948)	$ 16,388
Cash and cash equivalents are represented by:		
Cash in bank	$ 19,559	$ 16,388
Supplementary information:		
Income Taxes Paid	$ 15,237	$ 31,687
Interest Paid	$ 49,578	$ 35,082

Sumo Sumo Ltd.
Notes to Financial Statements
Unaudited
September 30, 2016

Sumo Sumo Ltd. was incorporated under the laws of the Province of Alberta on August 15, 2002. Its principle business activity of the corporation is that of a restaurant and lounge.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and include the following significant accounting policies:

Use of Estimates

When preparing financial statements in accordance with ASPE, management is required to make certain estimates and assumptions relating to the:

- Reported amounts of revenue and expenses for the year;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities at the report date.

Assumptions based on a number of factors, including historical experience, current events and actions that the Company may undertake in future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined. These estimates are subject to measurement uncertainty, and actual results may therefore differ from those estimates. Estimates are used when accounting for certain items, such as useful lives of property, plant and equipment, allowance for doubtful accounts, and provisions for slow-moving inventories, warranties and income taxes.

Revenue Recognition

The company recognizes revenue when all the following conditions are met:

- Services are provided or products are delivered to customers,
- There is clear evidence that an arrangement exists.
- Amounts are fixed or can be determined.
- The ability to collect is reasonably assured.
- There are no significant obligations for future performance.
- The amount of future returns can be reasonably estimated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory is measured at the lower of cost and net realizable value less normal profit margin. Cost is determined using the first-in-first-out (FIFO) method.

Income Taxes

The Company utilizes the taxes payable method of accounting for income taxes.

Property, plant and equipment

Property, plant and equipment is recorded at cost, or deemed cost, less accumulated amortization. Amortization is provided annually at the following rates and methods over the estimated useful lives of the assets as follows, except in the year of acquisition when one-half of the rate is used.

Equipment	10%	Straightline
Automobile	30%	Declining Balance
Computer	30%	Declining Balance
Leasehold Improvements	10%	Straight-line

The Company reviews for impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

2. DUE FROM RELATED PARTIES

Due from:

Sumo Sumo Holdings Ltd., a company under common control, non-interest bearing, with no specific terms of repayment.

Plates Ltd., a company under common control, non-interest bearing, with no specific terms of repayment.

Brayden HC Ltd., a company under common control, non-interest bearing, with no specific terms of repayment.

1911273 Alberta Ltd., a company under common control, non-interest bearing, with no specific terms of repayment

3. PROPERTY, PLANT AND EQUIPMENT

	2016			2015
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Equipment	$ 855,251	$467,069	$ 388,182	$ 382,029
Computer	7,522	6,796	726	1,037
Automobile	23,354	22,210	1,144	1,634
Leasehold Improvements	964,153	321,465	642,688	732,637
	$1,850,280	$817,540	$1,032,740	$1,117,337

Certain assets have been pledged as security. (Note 5)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade accounts payable and accruals	$212,462	$188,233
Government Agencies Payable	80,519	43,042
	$292,981	$231,275

5. BANK DEMAND LOAN

	2016	2015
The bank demand loan is repayable in monthly instalments Of plus interest at per annum	$100,000	$ -
The bank demand loan is repayable in monthly installments of $670 plus interest at 6% per annum	-	1,340
The bank demand loan is repayable in monthly installments of $2,500 plus interest at 7% per annum	35,000	65,000
The bank demand loan is repayable in monthly installments of $1,460 plus interest at 7.5% per annum	68,620	86,140
The bank demand loan is repayable in monthly installments of approximately $3,869 plus interest at 7% per annum.	239,878	286,306
	$443,498	$438,786

The loans are secured by a General Security Agreement from the company providing a first security interest in all present and after-acquired personal property including equipment to be finance by the bank, subject only to priority on inventory and receivable to lenders extending line of credit, landlords undertaking to notify bank of rental arrears and a personal guarantee of the shareholder of the company.

Providing that repayment of the debt is not demanded, regular principle repayments required over the next five years are as follows:

2017	94,320
2018	69,320
2019	64,320
2020	64,320

6. OBLIGATIONS UNDER CAPITAL LEASE

	2016	2015
Equipment lease contracts repayable in weekly Installments of $1,141.50 maturing on November 9, 2016	$ 6,760	$ -
Equipment lease contracts repayable in monthly Installments of $1,700.72 maturing on March 31, 2019	57,941	-
Equipment lease contracts repayable in monthly Installments of $1,815.03 maturing on January 1, 2021	97,634	-
Equipment lease contracts repayable in monthly Instalments of 1656.87 maturing on May 15, 2016	-	$ 9,951
	162,335	9,951
Less: Current Portion	48,949	9,951
	$113,386	$ -

Minimum payments under capital leases for equipment are:

2017	$48,949
2018	42,189
2019	42,189
2020	25,065
2021	10,512

7. LOAN PAYABLE

Loan payable from Thinking Capital is unsecured and is repayable by a withholding of 5% of all daily electronic sales. Thinking Capital charges a one time fee at the initiation of the lending transaction, which is already reflected in the outstanding amount.

8. DUE TO RELATED PARTIES

Due to related parties is non-interest bearing, with no specific terms of repayment. As the amounts are not expected to be repaid in the current year, they debt has not been classified as a current liability

9. SHARE CAPITAL

Authorized:
Unlimited Class A common voting shares
Unlimited Class B preferred non-voting shares

Issued:	
100 Class A common voting shares	$ 100

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consists of cash and cash equivalents, accounts receivable, advances to related parties, bank demand loan, accounts payable and capital leases. The fair value of the instruments approximates their carrying values, unless otherwise noted.

The company uses comprehensive risk management procedures to limit the risks inherent in the use of financial instruments. Risks may include credit, currency, interest rate, market and liquidity risks. The significant risks that the Company is exposed to are noted below:

Credit Risk

The Company's exposure to credit risk is principally derived from cash and cash equivalents, short-term investments, and accounts receivable.

The Company maintains cash and cash equivalents with major financial institutions. The short-term investments include money market funds and term deposits that are not exposed to changes in market values and are readily convertible to cash. Management considers the risk of non-performance of these instruments to be remote.

The Company's products and services are purchased by a wide range of customers; therefore, there is no particular concentration of credit risk. There is no customer comprising more than 10% of the total trade accounts receivable. Management performs an ongoing credit review of all customers and establishes allowances for doubtful accounts when the amounts are not collectible

Interest rate risk

The Company is exposed to interest risk with respect to its bank credit facility, which bears interest at floating rates. Fluctuations in the rate of interest will impact the Company's cost of financing in future years

10. FINANCIAL INSTRUMENTS

Liquidity risk

Liquidity risk is dependent on receipt of funds from sales and continued access to sufficient credit facilities to be able to pay liabilities as they become due.

11. COMMITMENTS

The Company entered into an agreement to lease premises for a term of ten years, which expires in October, 2021. In addition to the base rent of $157,500 per annum for each of the first five years and $166,500 per annum for years six to ten, the company is also obligated to pay for certain common area costs and its share of property taxes.

Sumo Sumo Ltd.
Financial Statements
Unaudited
September 30, 2015

GERALD W. WHITE
CERTIFIED GENERAL ACCOUNTANT

Box 44
Ardrossan, Alberta
T8E 2A1
Telephone: (780) 940-0136
Fax: (780) 784-3035

Review Engagement Report

To the Director of Sumo Sumo Ltd.

I have reviewed the Balance Sheet of Sumo Sumo Ltd., as at September 30, 2015 and the statements of income, retained earnings, and cash flow for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures, and discussion related to information supplied to me by the Management of Sumo Sumo Ltd.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises and are in accordance with Canadian GAAP.

Ardrossan, Alberta
November 28, 2015

Certified General Accountant

Sumo Sumo Ltd.
Balance Sheet
Unaudited
September 30, 2015

	2015	2014
ASSETS		
Current		
Cash	$ 16,388	$ 19,559
Accounts Receivable	338	952
Income Taxes Receivable	43,910	
Inventory (Note 1)	40,711	45,167
Loan Receivable	765,000	733,000
Prepaid Expenses	22,026	20,490
	888,373	819,168
Due from Related Parties (Note 2)	91,558	813
Property, Plant and Equipment (Notes 1 and 3)	1,117,337	990,503
	$2,097,268	$1,810,484
LIABILITIES		
Current		
Accounts Payable and Accrued Liabilities (Note 4)	$ 188,233	$ 73,027
Withholding Taxes Payable	43,042	51,518
Corporate Taxes Payable	-	17,993
Bank Demand Loan (Note 5)	438,786	308,040
Current Portion of Capital Lease (Note 6)	9,951	19,882
	680,012	470,460
Capital Lease (Note 6)	-	9,952
Due to Shareholders (Note 7)	80,591	171,098
	760,603	651,510
SHAREHOLDER'S EQUITY		
Share Capital (Note 8)	100	100
Retained Earnings	1,336,565	1,158,874
	1,336,665	1,158,874
	$2,097,268	$1,810,484

Approved On Behalf of The Board:

_____Director

Sumo Sumo Ltd.
Statement of Income and Retained Earnings
Unaudited
For The Year Ended September 30, 2015

	2015	2014
REVENUE		
Food and Liquor Sales	$3,490,779	$3,565,054
DIRECT COSTS		
Food and Liquor	1,042,735	1,074,856
GROSS PROFIT	2,448,044	2,490,198
EXPENSES		
Advertising and Promotion	108,749	81,083
Automotive	8,408	2,573
Bad Debts	155	146
Bank Charges, Discounts and Interest	50,499	49,793
Business Taxes and Licenses	1,313	919
Equipment Rental	3,053	2,515
Insurance	9,138	7,344
Interest on Long Term Debt (Note 5)	34,582	21,481
Janitorial	44,207	35,661
Menus and Printing	3,860	4,866
Office	1,221	1,899
Professional Fees	9,582	37,154
Rent	301,819	241,224
Repairs and Maintenance	23,637	16,083
Supplies	39,779	57,493
Telephone and Utilities	69,960	70,567
Travel	5,176	-
Wages and Benefits	1,237,845	1,144,706
Workers' Compensation	4,932	7,094
	1,957,915	1,782,601
Income Before The Following:	490,129	707,597
Amortization (Notes 1 and 3)	(162,811)	(174,528)
Interest Paid to Shareholder	(500)	-
Management Wages	(97,440)	(37,440)
Provision For Income Taxes (Note 1)	(31,687)	(70,490)
Net Income For The Period	$ 197,691	$ 425,139
Dividends Declared and Paid	(20,000)	(20,000)
Retained Earnings, Beginning of Year	1,158,874	753,735
Retained Earnings, End of Year	$1,336,565	$1,158,874

Sumo Sumo Ltd.
Statement of Cash Flow
Unaudited
For The Year Ended September 30, 2015

	2015	2014
Operating Activities		
Net Income	$ 197,691	$ 425,139
Items not requiring an outlay of funds		
Amortization (Notes 1 and 2)	162,811	174,528
	360,502	599,667
Changes in non-cash working capital		
Decrease (increase) in Accounts Receivable	614	1,069
Decrease (increase) in Income Taxes Receivable/Payable	(61,903)	(38,703)
Decrease (increase) in Inventory (Note 1)	4,456	755
Decrease (increase) in prepaid expenses	(1,536)	(667)
Increase (decrease) in Accounts payable and accrued liabilities (Note 4)	115,206	(39,682)
Increase (decrease in Withholding Taxes Payable	(8,476)	(8,082)
Net cash provided by operations	408,863	514,357
Investing Activities		
Due From Related Companies	(90,745)	
Dividends Declared and Paid	(20,000)	(20,000)
Loan Receivable	(32,000)	(693,000)
Acquisition of plant, property and equipment (Notes 1 and 3)	(289,645)	(115,251)
Net cash (used) by Investing activities	(432,390)	(828,251)
Financing Activities		
(Repayment) Proceeds from bank demand loan (Note 5)	130,745	44,440
(Repayment) Proceeds from capital lease (Note 6)	(19,882)	(19,882)
(Repayment) Proceeds for shareholder (Note 7)	(90,507)	123,607
Net cash (used) provided by financing activities	20,356	148,165
Net increase in cash and cash equivalents	(3,171)	(165,729)
Cash and cash equivalents, beginning of year	19,559	185,288
Cash and cash equivalents, end of year	$ 16,388	$ 19,559
Cash and cash equivalents are represented by:		
Cash in bank	$ 19,559	$ 19,559
Supplementary information:		
Income Taxes Paid	$ 31,687	$109,825
Interest Paid	$ 35,082	$ 21,481

Sumo Sumo Ltd.
Notes to Financial Statements
Unaudited
September 30, 2015

Sumo Sumo Ltd. was incorporated under the laws of the Province of Alberta on August 15, 2002. Its principle business activity of the corporation is that of a restaurant and lounge.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and include the following significant accounting policies:

Use of Estimates

When preparing financial statements in accordance with ASPE, management is required to make certain estimates and assumptions relating to the:

- Reported amounts of revenue and expenses for the year;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities at the report date.

Assumptions based on a number of factors, including historical experience, current events and actions that the Company may undertake in future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined. These estimates are subject to measurement uncertainty, and actual results may therefore differ from those estimates. Estimates are used when accounting for certain items, such as useful lives of property, plant and equipment, allowance for doubtful accounts, and provisions for slow-moving inventories, warranties and income taxes.

Revenue Recognition

The company recognizes revenue when all the following conditions are met:

- Services are provided or products are delivered to customers,
- There is clear evidence that an arrangement exists.
- Amounts are fixed or can be determined.
- The ability to collect is reasonably assured.
- There are no significant obligations for future performance.
- The amount of future returns can be reasonably estimated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory is measured at the lower of cost and net realizable value less normal profit margin. Cost is determined using the first-in-first-out (FIFO) method.

Income Taxes

The Company utilizes the taxes payable method of accounting for income taxes.

Property, plant and equipment

Property, plant and equipment is recorded at cost, or deemed cost, less accumulated amortization. Amortization is provided annually at the following rates and methods over the estimated useful lives of the assets as follows, except in the year of acquisition when one-half of the rate is used.

Equipment	10%	Straightline
Automobile	30%	Declining Balance
Computer	30%	Declining Balance
Leasehold Improvements	10%	Straight-line

The Company reviews for impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

2. DUE FROM RELATED PARTIES

Due from:

Sumo Sumo Holdings Ltd., a company under common control, non-interest bearing, with no specific terms of repayment.

Plates Ltd., a company under common control, non-interest bearing, with no specific terms of repayment.

Brayden HC Ltd., a company under common control, non-interest bearing, with no specific terms of repayment.

1911273 Alberta Ltd., a company under common control, non-interest bearing, with no specific terms of repayment

3. PROPERTY, PLANT AND EQUIPMENT

	2015			2014
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Equipment	$ 763,519	$381,490	$ 382,029	$ 457,830
Computer	7,522	6,485	1,037	1,481
Automobile	23,354	21,720	1,634	2,335
Leasehold Improvements	958,133	225,496	732,637	528,857
	$1,752,528	$635,191	$1,117,337	$ 990,503

Certain assets have been pledged as security. (Note 5)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade accounts payable and accruals	$188,233	$ 73,027
Government Agencies Payable	43,042	69,511
	$231,275	$142,538

5. BANK DEMAND LOAN

	2015	2014
The bank demand loan is repayable in monthly installments of $670 plus interest at 6% per annum	$ 1,340	$ 9,380
The bank demand loan is repayable in monthly installments of $2,500 plus interest at 7% per annum	65,000	95,000
The bank demand loan is repayable in monthly installments of $1,460 plus interest at 7.5% per annum	86,140	103,660
The bank demand loan is repayable in monthly installments of approximately $3,869 plus interest at 7% per annum.	286,306	100,000
	$438,786	$308,040

The loans are secured by a General Security Agreement from the company providing a first security interest in all present and after-acquired personal property including equipment to be finance by the bank, subject only to priority on inventory and receivable to lenders extending line of credit, landlords undertaking to notify bank of rental arrears and a personal guarantee of the shareholder of the company.

Providing that repayment of the debt is not demanded, regular principle repayments required over the next five years are as follows:

2016	95,660
2017	94,320
2018	69,320
2019	64,320
2020	58,619

6. OBLIGATIONS UNDER CAPITAL LEASE

	2015	2014
Equipment lease contracts repayable in monthly Installments totaling $1,656.87 maturing on May 15, 2016	$ 9,951	$29,834
Less: Current Portion	9,951	19,882
	$ -	$ 9,952

Minimum payments under capital leases for equipment are:

2016	9,951

7. DUE TO SHAREHOLDERS

Due to shareholders is non-interest bearing, with no specific terms of repayment. As the amounts are not expected to be repaid in the current year, they debt has not been classified as a current liability

8. SHARE CAPITAL

Authorized:
Unlimited Class A common voting shares
Unlimited Class B preferred non-voting shares

Issued:

100 Class A common voting shares	$ 100

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consists of cash and cash equivalents, accounts receivable, advances to related parties, bank demand loan, accounts payable and capital leases. The fair value of the instruments approximates their carrying values, unless otherwise noted.

The company uses comprehensive risk management procedures to limit the risks inherent in the use of financial instruments. Risks may include credit, currency, interest rate, market and liquidity risks. The significant risks that the Company is exposed to are noted below:

Credit Risk

The Company's exposure to credit risk is principally derived from cash and cash equivalents, short-term investments, and accounts receivable.

The Company maintains cash and cash equivalents with major financial institutions. The short-term investments include money market funds and term deposits that are not exposed to changes in market values and are readily convertible to cash. Management considers the risk of non-performance of these instruments to be remote.

The Company's products and services are purchased by a wide range of customers; therefore, there is no particular concentration of credit risk. There is no customer comprising more than 10% of the total trade accounts receivable. Management performs an ongoing credit review of all customers and establishes allowances for doubtful accounts when the amounts are not collectible

Interest rate risk

The Company is exposed to interest risk with respect to its bank credit facility, which bears interest at floating rates. Fluctuations in the rate of interest will impact the Company's cost of financing in future years

9. FINANCIAL INSTRUMENTS

Liquidity risk

Liquidity risk is dependent on receipt of funds from sales and continued access to sufficient credit facilities to be able to pay liabilities as they become due.

10. COMMITMENTS

The Company entered into an agreement to lease premises for a term of ten years, which expires in October, 2021. In addition to the base rent of $157,500 per annum for each of the first five years and $166,500 per annum for years six to ten, the company is also obligated to pay for certain common area costs and its share of property taxes.

APPENDIX B

Forecasted Cashflows included in the Proposal

Sumo Sumo ltd.
MONTHLY CASH FLOW FORECAST
November 2018 - October 2019

	Month 1 November 2018	Month 2 December 2018	Month 3 January 2019	Month 4 February 2019	Month 5 March 2019	Month 6 April 2019	Month 7 May 2019	Month 8 June 2019	Month 9 July 2019	Month 10 August 2019	Month 11 September 2019	Month 12 October 2019	TOTAL
Receipts													
Sales	180,000	200,000	175,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,220,000
Garnished Funds held in Court	54,301	-	-	-	-	-	-	-	-	-	-	-	54,301
Total Receipts	234,301	200,000	175,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,274,301
Disbursements													
Payroll	75,000	65,000	70,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	905,000
Supplier Purchases (COGS)	65,000	70,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	785,000
Rent	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	270,000
Advertising / Marketing	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Leases	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
WCB	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Taxes	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Professional fees	3,000	3,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	21,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Repair and maintenance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Office, telephone, misc.	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Total Disbursements	180,500	195,500	174,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	2,181,000
Cash Flow for the period	53,801	4,500	1,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	113,301

Joe Chan

oct 2/2018
Date

Sumo Sumo Ltd.
ANNUAL CASH FLOW FORECAST
November 2018 - October 2023

	Year 1 Nov 2018 - Oct 2019	Year 2 Nov 2019 - Oct 2020	Year 3 Nov 2020 - Oct 2021	Year 4 Nov 2021 - Oct 2022	Year 5 Nov 2022 - Oct 2023	TOTAL
Receipts						
Sales	2,220,000	2,220,000	2,240,000	2,240,000	2,260,000	11,180,000
Garnished Funds held in Court	54,301	-	-	-	-	54,301
Total Receipts	2,274,301	2,220,000	2,240,000	2,240,000	2,260,000	11,234,301
Disbursements						
Payroll	905,000	905,000	915,000	915,000	925,000	4,565,000
Supplier Purchases (COGS)	785,000	785,000	795,000	795,000	805,000	3,965,000
Rent	270,000	270,000	270,000	270,000	270,000	1,350,000
Advertising / Marketing	36,000	36,000	36,000	36,000	36,000	180,000
Leases	30,000	30,000	30,000	30,000	30,000	150,000
WCB	24,000	24,000	24,000	24,000	24,000	120,000
Taxes	24,000	24,000	24,000	24,000	24,000	120,000
Professional fees	21,000	15,000	15,000	15,000	15,000	81,000
Insurance	12,000	12,000	12,000	12,000	12,000	60,000
Repair and maintenance	12,000	12,000	12,000	12,000	12,000	60,000
Office, telephone, misc.	42,000	42,000	42,000	42,000	42,000	210,000
Total Disbursements	2,161,000	2,155,000	2,175,000	2,175,000	2,195,000	10,861,000
Cash Flow for the Period	113,301	65,000	65,000	65,000	65,000	373,301

Joe Chan

Oct 2/2018
Date

Schedule A

Assumptions for Projected Cash Flow

This cash flow assumes that Sumo Sumo Ltd. will continue to operate and run the business.

1. This statement of Projected Cash Flow of Sumo Sumo Ltd is prepared in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with The Trustee's Report on Cash Flow Statement.

2. Sumo Sumo Ltd. currently owns and operates a full-service sushi restaurant located in Sherwood Park, AB.

3. Receipts represent projected sales based on prior year performance.

4. Disbursements are based on estimates of cash funds required to continue operations over the next 5 years.

5. This cash flow assumes funds in the amount of $54,301.49 currently held in Court, are released to the Trustee and distributed by the Trustee in accordance with the Proposal and the Bankruptcy and Insolvency Act.

Joe Chan

oct 2 2018

Date

EXHIBIT D

Court No. 24-2418608
Estate No. 24-2418608
Edmonton Bankruptcy Law Courts

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

OF THE CITY OF EDMONTON
IN THE PROVINCE OF ALBERTA

Amended **PROPOSAL TO CREDITORS**

FILED PURSUANT TO THE
BANKRUPTCY AND INSOVELNCY ACT,
RSC 1985, C B-3, AS AMENDED

Sumo Sumo Ltd. hereby submits the following Proposal to Creditors, filed on October 2, 2018 pursuant to the *Bankruptcy and Insolvency Act.*

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Proposal, the following terms have the following meanings:

(a) "**Administrative Fees and Expenses**" means the fees and expenses, including legal fees and disbursements, of the Trustee in its capacity as proposal trustee, and the Debtor in regard to all matters pertaining to the Proposal;

(b) "**Affected Creditors**" means the Creditors affected by this Proposal, being the holders of Crown Priority Claims, the Preferred Creditors, Unsecured Creditors, and Secured Creditors, but does not include the Related Unsecured Creditor;

(c) "**Approval Order**" means an Order of the Court approving the Proposal;

(d) "***BIA***" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended from time to time;

(e) "**Business Day**" means any day other than a Saturday, Sunday, or statutory holiday in Alberta;

(f) "**Claims**" means any indebtedness, liability, action, cause of action, suit, debt due, account, bond, covenant, contract, counterclaim, demand, claim, right, and obligation of any nature whatsoever of the Company or their successors and assigns

or their respective directors, to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known, or unknown, and whether by guarantee, surety, or otherwise, in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the Claims Date, and including any claim arising from a breach or termination, occurring prior to the Implementation Date, of any contract entered into prior to the Claims Date, together with all Claims in respect of the costs of remedying any environmental condition or damage affecting real property whether the condition or the damage occurred or existed before or after the Claims Date;

(g) "**Claims Date**" means the date of the Notice of Intention to File a Proposal, being September 6, 2018;

(h) "**Company**" means Sumo Sumo Ltd.;

(i) "**Court**" means the Court of Queen's Bench of Alberta, Judicial District of Edmonton;

(j) "**Creditor**" means any person having a Claim;

(k) "**Creditors' Fund**" means the total amount received by the Trustee for the purposes of funding this Proposal;

(l) "**Creditors' Meeting**" means the meeting of Creditors called pursuant to the *BIA* for the purpose of considering and voting on the Proposal;

(m) "**Crown Claims**" means Claims of Her Majesty in Right of Canada or a province that are described in section 60(1.1) of the *BIA* that were outstanding on the Claims Date;

(n) "**Director**" means a director of the Company;

(o) "**Final Distribution**" means the final distribution of funds from the Creditors' Fund by the Trustee to the Affected Creditors in accordance with the terms of this Proposal and the *BIA*, to be paid sixty (60) months following the Implementation Date, or as soon as reasonably practicable thereafter;

(p) "**Implementation Date**" means the date of the Order of the Court approving this Proposal;

(q) "**Inspectors**" means the inspectors appointed pursuant to Section 56 of the *BIA*;

(r) "**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;

(s) "**Preferred Creditors**" means any Creditor entitled to receive payment of any amount owed to it in priority to other Unsecured Creditors as provided for in Section 136 of the *BIA*;

(t) "**Proof of Claim**" shall mean the proof of claim required by the *BIA* to be mailed to each known Creditor prior to the Creditors' Meeting;

(u) "**Proposal**" means this proposal made pursuant to the provisions of Part III, Division I of the *BIA*, as filed on October 2, 2018, and as amended or supplemented from time to time;

(v) "**Proposal Date**" means the date of the filing of the Proposal with the Official Receiver;

(w) "**Proven Claim**" means a Claim which has been accepted by the Trustee, or by subsequent Order of the Court, as to the proper amount owing to a Creditor under this Proposal;

(x) "**Related Unsecured Creditor**" means Joe Chan with respect to his unsecured claim;

(y) "**Released Parties**" means the Company, and each and every present and former director of the Company, and their respective successors and assigns;

(z) "**Required Majority**" means a majority number and two-thirds in value of the Claims of all Affected Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy, or by voting letter) in accordance with the voting procedures established by this Proposal and the *BIA*;

(aa) "**Secured Creditors**" means those Creditors holding perfected security interests against the assets of the Company as security for a debt due or accruing due to the Creditor from the Company;

(bb) "**Trustee**" means The Bowra Group Inc., the Trustee acting under the Proposal;

(cc) "**Unsecured Creditors**" means those creditors with Claims, except for those Claims that:

(i) have been finally and conclusively disallowed pursuant to the provisions of the *BIA* by the Trustee, or the Court (as may be applicable);

(ii) may be contingent or unliquidated and found by the Trustee, or the Court (as may be applicable) not to be provable;

(iii) are Crown Priority Claims;

(iv) are Claims of Preferred Creditors; or

(v) are Claims of Secured Creditors; and

(z) "**Voting Letter**" shall mean the voting letter required by s. 51(1) of the *BIA* to be mailed to each known Affected Creditor prior to the Creditors' Meeting.

1.2 Article References

In this Proposal, a reference to an article, section, clause, or paragraph shall, unless otherwise stated, refer to an article, section, clause, or paragraph of the Proposal.

1.3 Number and Gender

In this Proposal, where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders.

1.4 Interpretation not Affected by Headings

The division of this Proposal into articles, sections, clauses and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Proposal.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Time

All times expressed herein are local time in Edmonton, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, shall be deemed to be 5:00 p.m. local time in Edmonton, Alberta, Canada.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statue or regulation(s).

1.9 Successors and Assigns

The Proposal shall be binding upon and will enure to the benefit of the heirs, administrators, executors, legal representatives, successors, and assigns of any Person named or referred to in the Proposal.

ARTICLE II
APPLICATION

2.1 Persons Affected

The Proposal applies to every Affected Creditor, whether or not the Creditor has proven a Claim against the Company under the Proposal for the purpose of receiving a payment under the Proposal.

2.2 Persons not Affected

The distribution of funds contemplated in this Proposal does not apply to the Related Unsecured Creditor, who will receive no distribution of funds from the Creditors' Fund. It is estimated that the indebtedness of the Company to the Related Unsecured Creditor is in the amount of approximately $600,000.00.

ARTICLE III
PROPOSAL

3.1 Purpose of the Proposal

The purpose of this Proposal is to permit the Company to compromise the indebtedness owed to the Affected Creditors and to allow the Company to continue to operate the restaurant known as "Sumo Sumo Sushi Bar and Grill".

3.2 Overview of Proposal

This Proposal provides for the compromise, payment, and release of the Claims of the Affected Creditors in exchange for payments in cash made by the Trustee from the Creditors' Fund.

3.3 Funding of the Proposal

Payment to the Affected Creditors will be made by way of the Creditors' Fund, which will be funded by way of monthly payments from the Company in the amount of $5,000.00 per month. The Company shall remit the sum of $5,000.00 to the Trustee on a monthly basis for a total of sixty (60) months. Monthly remittances shall be paid to the Trustee by the Company on or before the 21st day of each month, and shall be accompanied by monthly cash flow statements. The first monthly remittance shall be made on or before the 21st day of the month following the Implementation Date.

The Company understands that funds in the sum of $54,301.49 are currently held by the Court, having been received by the Court pursuant to enforcement steps taken by an Unsecured Creditor in accordance with the *Civil Enforcement Act*, RSA 2000, c C-15. The Trustee is seeking the release of these funds from the Court directly to the Trustee, which funds will then be added to the Creditors' Fund and distributed by the Trustee in accordance with this Proposal and the *BIA*.

The Trustee will distribute the funds available in the Creditors' Fund directly to the Affected Creditors on an annual basis and in accordance with this Proposal and the *BIA*, with the first annual distribution being made one year from the date of the Implementation Date.

The Company has prepared a Monthly Cash Flow Forecast for the period of November 1, 2018 to October 31, 2019 and an Annual Cash Flow Forecast for the period of November 2018 to October 2023. The Monthly Cash Flow Forecast is appended to this Proposal as Appendix "A". The Annual Cash Flow Forecast is appended to this Proposal as Appendix "B".

3.4 Classification

For the purposes of considering and voting on this Proposal, there shall be ~~two classes of creditors, one consisting of the Secured Creditors and one consisting of the~~ Unsecured Creditors.

3.5 Distribution of the Creditors Fund

Subject to the terms and conditions set forth in this Proposal, and payment of the levy payable to the Superintendent of Bankruptcy pursuant to section 147 of the *BIA*, the following payments will be made from the Creditors' Fund:

(a) the Administration Fees and Expenses will be paid in full as they become due;

(b) all Crown Priority Claims that were outstanding as at the Filing Date, if any, shall be paid in full to Her Majesty in Right of Canada or a province within six (6) months after the issuance of the Approval Order;

(c) all Preferred Claims, subject to the rights of the Secured Creditors, as further set out below; and

(d) one year from the Implementation Date, or as soon as practicable thereafter in accordance with this Proposal and the *BIA*, and annually thereafter until the Final Distribution, the Trustee shall distribute those available funds held in the Creditors' Fund ~~as follows:~~ pro rata based on the ~~total~~ proportion that the Proven Claim of each Creditor bears to the total claims of all Creditors

~~(i) 70% of those available fund held in the Creditors' Fund shall be distributed to the Secured Creditors, *pro rata* based on the proportion that the Proven Claim of each Secured Creditor bears to the total Proven Claims of all Secured Creditors; and~~

~~(ii) 30% of those available funds held in the Creditors' Fund shall be distributed to the Unsecured Creditors, *pro rata* based on the proportion that the Proven Claim of each Unsecured Creditor bears to the total Proven Claims of all Unsecured Creditors.~~

For greater certainty, the Trustee shall make a total of five (5) annual distributions to the Secured Creditors and Unsecured Creditors, including the Final Distribution.

The distribution as described herein shall operate as payment in full and final satisfaction of all Claims, which are extinguished upon the Final Distribution to the Affected Creditors as described in this Proposal, and each Affected Creditor will be deemed to have forever released the Company from all Claims, including any debts, liabilities, suits, claims, or causes of action under sections 95 through 101 of the *BIA*.

3.7 Discharge of Trustee

Upon the payment by the Trustee of the Final Distribution, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharges as Trustee. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Company and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

ARTICLE IV
MEETING OF CREDITORS

4.1 Creditors Meeting Procedure

The Trustee shall call and chair the Creditors' Meeting, which shall be held on October 19, 2018 at 9:30 a.m. at The Bowra Group, located at 1411 TD Tower, 10088 – 102 Avenue,

Edmonton, Alberta T5J 2Z1. The Creditors' Meeting shall be conducted in accordance with the *BIA* for the purpose of considering and voting on this Proposal.

4.2 Adjournment of Meeting

The Creditors' Meeting may be adjourned in accordance with Section 52 of the *BIA*.

4.2 Proof of Claim

Affected Creditors who wish to vote on this Proposal must have completed a Proof of Claim in accordance with the instructions set out therein and delivered the completed Proof of Claim with supporting documentation to the Trustee before the Creditors' Meeting. Affected Creditors who fail to file a Proof of Claim prior to the Creditors' Meeting shall not be entitled to attend and vote at the Creditors' Meeting.

The procedure dealing with the disallowance of Proofs of Claim shall be as set out in section 135 of the *BIA*.

4.3 Proxies and Voting Letters

Proxies as provided for in the *BIA* indicating a person authorized to act on behalf of an Affected Creditor may be submitted to the Trustee at, or any time prior to, the commencement of the Creditors' Meeting.

Voting Letters as provided for in the *BIA* submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Affected Creditor wishes to cast their vote in favour of or against the Proposal. Voting Letters that do not indicate either preference will be deemed to vote in favour of the Proposal.

4.4 Inspectors

Inspectors may be appointed at the Creditors' Meeting and if appointed, the Inspectors shall number at least one and not more than five. The Inspectors shall have the following powers:

(a) the power to extend the dates of payments provided under this Proposal;

(b) the power to waive any default in the performance of any provision of this Proposal;

(c) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and

(d) the power to advise the Trustee concerning any dispute that may arise as to the validity of Claims of Affected Creditors under this Proposal.

In the event the Affected Creditors elect not to appoint Inspectors, the powers of the Inspectors as provided for in the *BIA* shall devolve to the Trustee. Any decision, direction, or act of the Inspectors may be referred to the Court by the Trustee, and the Court may confirm, reverse, or modify the decision, direction, or act and make such Order as it considers just. The authority and term of office of the Inspectors shall terminate upon the discharge of the Trustee.

The Trustee and the Inspectors, if appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by this Proposal and shall be liable only for any wilful or wrongful act and default.

4.5 Voting

Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the *BIA*. All votes shall be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of the votes.

Each ~~Secured~~ Creditor will be entitled to vote ~~within the class of Secured Creditors~~ to the extent of the amount which is equal to the ~~Secured~~ Creditors' Proven Claim against the Company. ~~Each Unsecured Creditor will be entitled to vote within the class of Unsecured Creditors to the extent of the amount which is equal to the Unsecured Creditors' Proven Claim against the Company~~. If the amount of the Claim of a Disputed Claim is not finally determined prior to the date of the Creditors' Meeting, the holder of the Disputed Claim shall be entitled to vote at the Creditors' Meeting on the portion of its Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Trustee and the holder of the Disputed Claim to have the quantum of the Disputed Claim finally determined.

4.6 Approval by Creditors

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority of ~~each of the two classes of Creditors, being Secured Creditors and Unsecured~~ Creditors.

4.7 Modification of the Proposal

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Company reserves the right at any time to file any modification, amendment, or supplement of and to this Proposal, including by way of a supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated into this Proposal. At the Creditors' Meeting, the Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior

to and subsequent to the Approval Order) and subject to the consent of the Trustee, the Company may at any time and from time to time vary, amend, modify, or supplement this Proposal if the Trustee determines that such variation, amendment, modification, or supplement is of a minor, immaterial, or technical nature or would not be materially prejudicial to the interest of any of the Affected Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order.

4.8 Application for Approval Order

Provided that the Proposal is approved by the Required Majority, and all conditions precedent are satisfied, the Trustee shall file with the Court an application for the Approval Order no later than 5 Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in section 58 of the *BIA*.

4.9 Stay of Proceedings

The stay of proceedings provided for in section 69.1(1) of the Act shall continue in full force and effect from the Filing Date until the Implementation Date, or, if the Company becomes bankrupt, the date of bankruptcy.

4.10 Release of Directors

Upon the Implementation Date, the Released Parties shall be released and discharged by all Affected Creditors from all Claims which any Affected Creditor may have or have been entitled to assert against any of the Released Parties for which they would be, by law, liable in their capacity as directors for the payment of such Claims, provided that nothing herein shall release or discharge any of the Released Parties from Claims that:

(a) relate to contractual right of one or more of the Affected Creditors arising from contract with one or more of the Released Parties; or

(b) are based on allegations of misrepresentation made by the Released Parties to the Affected Creditors or of wrongful or oppressive conduct by the Released Parties.

4.11 Further Assurances

All of the Affected Creditors shall be deemed to consent to and permit all of the provisions of this Article IV, and the Affected Creditors and the Company shall do all such other acts and execute all such other documents as may be necessary to give effect thereto, and to that end each Affected Creditor does hereby constitute the Company as its lawful attorney with full authority to do all such acts and execute all such documentation on its behalf.

4.12 Trustee

Subject to the provisions of the *BIA*, the Trustee shall act as the administrator for certain purposes in relation to this Proposal, including management of the claims process, administration of the Creditors' Meeting, and the making of payments to the Affected Creditors.

ARTICLE V
CONDITIONS PRECEDENT

5.1 Conditions Precedent to Implementation of this Proposal

Implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

(a) acceptance of the Proposal by the Creditors; ~~each of the classes of Secured Creditors and Unsecured Creditors;~~

(b) obtaining of the Approval Order and it becoming final and not subject to appeal; and

(c) all Claims having become Proven Claims.

ARTICLE VI
MISCELLANEOUS

6.1 Valuation of Claims

Prior to the Creditors' Meeting Date, the Company reserves the right to seek an Order establishing a procedure for valuing the Claims of Affected Creditors and for resolving any Disputed Claim.

The Company also reserves the right to seek the assistance of the Court in valuing the Claim of any Affected Creditor, if required, to ascertain the result of any vote on this Proposal of the amount payable to such Affected Creditor under this Proposal.

6.2 Compromise Effective for all Purposes

The compromise or other satisfaction of any indebtedness, liability, or obligation of the Company under this Proposal, if sanctioned and approved by the Court, shall, in the case of any Affected Creditor, be binding upon such Affected Creditor for all purposes.

Without limiting the foregoing, the provisions of this Proposal, or the provision of the *BIA*, upon the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company or caused by the Company,

directly or indirectly, or non-compliance with any covenant, positive or negative, pledge, warranty, representation, term, provision, condition, or obligation, express or implied, in any contract, credit document, purchase order, agreement for sale, lease, or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company arising from the Company's proceedings under the *BIA* or the transactions contemplated by this Proposal, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.

6.3 Consents, Waivers, and Agreements

In return for the distribution contemplated by the Proposal, the Affected Creditors will be deemed to have:

(a) executed and delivered to the Company all consents, releases, assignments, and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;

(b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Filing Date;

(c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the Filing Date (other than those entered into by the Debtor on, or with effect from, the Filing Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and

(d) released the Company, the Trustee, and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants, and solicitors from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set off rights, and other recoveries on account of liability, obligation, demand, or cause of action of whatever nature which any person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing, or other occurrence existing or taking place on or prior to the Filing Date, relating to or arising out of or in connection with the matters herein, provided that nothing herein shall release the Company of its obligation to make the distributions to Affected Creditors Contemplated in this Proposal.

6.4 Payment of Claims

All monies payable under this Proposal shall be paid over to the Trustee, and shall be distributed by the Trustee to the Affected Creditors of the Company as provided for in the preceding paragraphs.

6.5 Post-Filing Claims

Any post-filing goods and services shall be paid in full in the ordinary course of business by the Company.

6.6 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to the Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by e-mail (except for Proofs of Claim which may only be sent by personally delivery, email, or registered mail) addressed to the respective parties as follows:

(a) if to the Company:

c/o Bennett Jones LLP
3200 Telus House, South Tower
10020 – 100th Street
Edmonton, AB T5J 0N3

Attention: Katherine J. Fisher
Email: fisherka@bennettjones.com

(b) if to the Trustee:

The Bowra Group Inc.
TD Tower, Suite 1411 – 10088 102 Ave
Edmonton, AB T5J 2Z1

Attention: Kristin Gray
Email: kgray@bowragroup.com

(c) if to an Affected Creditor, to the mailing address or e-email address for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor or, if no Proof of Claim has been filed, to such other mailing address or email address at which the notifying party may reasonably believe that the Affected Creditor may be contacted; and

or to such other mailing address or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out, and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by email any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 pm (local time) on a Business day, when received or if received after 5:00 pm (local time) on a Business Day or at any time on a non-Business Day, on the following Business Day and in the case of notice mailed aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

6.7 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

6.8 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable, or unenforceable for any reason whatsoever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

6.9 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

The Company hereby makes this Proposal to its Affected Creditors as evidenced by its execution hereof below.

Dated at Edmonton, Alberta, this 2 day of October, 2018.

SUMO SUMO LTD.

Per: _____

Authorized Signatory
Joe Chan, Director

Proposal Amended October 19, 2018

APPENDIX "A"

to the Proposal to Creditors of Sumo Sumo Ltd.

Monthly Cash Flow Forecast – November 2018 – October 2019

Sumo Sumo Ltd.
MONTHLY CASH FLOW FORECAST
November 2018 - October 2019

	Month 1 November 2018	Month 2 December 2018	Month 3 January 2019	Month 4 February 2019	Month 5 March 2019	Month 6 April 2019	Month 7 May 2019	Month 8 June 2019	Month 9 July 2019	Month 10 August 2019	Month 11 September 2019	Month 12 October 2019	TOTAL
Receipts													
Sales	180,000	200,000	176,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,220,000
Garnished Funds held in Court	54,301	-	-	-	-	-	-	-	-	-	-	-	54,301
Total Receipts	234,301	200,000	176,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,274,301
Disbursements													
Payroll	75,000	65,000	70,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	805,000
Supplier Purchases (COGS)	65,000	70,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	705,000
Rent	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	270,000
Advertising / Marketing	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Leases	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
WCB	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Taxes	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Professional fees	3,000	3,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	21,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Repair and maintenance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Office, telephone, misc.	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Total Disbursements	180,500	195,500	174,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	2,161,000
Cash flow for the Period	53,801	4,500	1,900	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	113,301

APPENDIX "B"

to the Proposal to Creditors of Sumo Sumo Ltd.

Annual Cash Flow Forecast – November 2018 – October 2023

Sumo Sumo Ltd.
ANNUAL CASH FLOW FORECAST
November 2018 - October 2023

	Year 1 Nov 2018 - Oct 2019	Year 2 Nov 2019 - Oct 2020	Year 3 Nov 2020 - Oct 2021	Year 4 Nov 2021 - Oct 2022	Year 5 Nov 2022 - Oct 2023	TOTAL
Receipts						
Sales	2,220,000	2,220,000	2,240,000	2,240,000	2,260,000	11,180,000
Garnished Funds held in Court	54,301	-	-	-	-	54,301
Total Receipts	2,274,301	2,220,000	2,240,000	2,240,000	2,260,000	11,234,301
Disbursements						
Payroll	905,000	905,000	915,000	915,000	925,000	4,565,000
Supplier Purchases (COGS)	785,000	785,000	795,000	795,000	805,000	3,965,000
Rent	270,000	270,000	270,000	270,000	270,000	1,350,000
Advertising / Marketing	36,000	36,000	36,000	36,000	36,000	180,000
Leases	30,000	30,000	30,000	30,000	30,000	150,000
WCB	24,000	24,000	24,000	24,000	24,000	120,000
Taxes	24,000	24,000	24,000	24,000	24,000	120,000
Professional fees	21,000	15,000	15,000	15,000	15,000	81,000
Insurance	12,000	12,000	12,000	12,000	12,000	60,000
Repair and maintenance	12,000	12,000	12,000	12,000	12,000	60,000
Office, telephone, misc.	42,000	42,000	42,000	42,000	42,000	210,000
Total Disbursements	2,161,000	2,155,000	2,175,000	2,175,000	2,195,000	10,861,000
Cash Flow for the Period	113,301	65,000	65,000	65,000	65,000	373,301

EXHIBIT E

No.: 24-2418608
Estate No.: 24-2418608
Edmonton Registry

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

Minutes of the Meeting of the Creditors to consider the Proposal of Sumo Sumo Ltd (the "Company"), held at The Bowra Group – 1411 TD Tower, 10088 – 102 Avenue, Edmonton, Alberta on Friday, October 19, 2018 at 9:30am.

PRESENT:

Kristin Gray, Trustee, The Bowra Group Inc.

Joe Chan, Director of Sumo Sumo Ltd.

Katherine Fisher, Bennet Jones, counsel for the Company.

Patrick Harnett, Miller Thompson, counsel for the Trustee.

All others as listed in attendance in person or by proxy.

MEETING:

Kristin Gray called the meeting to order at 9:33am and introduced herself, Joe Chan, Katherine Fisher, and Patrick Harnett.

Kristin Gray announced she was acting as Chairman under the authority of Section 51(3) of the Bankruptcy and Insolvency Act.

The Chairman declared the meeting properly called and, a quorum being present, duly constituted. The Chairman tabled the following documents:

- Certificate of Filing a Notice of Intention to Make a Proposal;
- Certificate of Filing a Proposal;
- Notice to creditors / Mailing affidavit;
- Trustee's Report on the Proposal; and
- The Proposal.

The Chairman explained that the purpose of the meeting was to confirm the appointment of the Trustee, review the Trustee's preliminary report, vote on the Proposal of the Company, and appoint Inspectors.

UPON MONTION IT WAS UNANIMOISLY RESOLVED THAT: The Bowra Group Inc. is affirmed in its appointment as Trustee.

-CARRIED-

After asking if everyone present was familiar with the Proposal and reviewing the Trustee's report, the Chairman asked if there were any questions about the Proposal or in general.

In accordance with section 54(1) of the Bankruptcy and Insolvency Act the terms of the Proposal were altered to:

(a) make the Proposal to the Company's creditors, generally, rather than to classes of the Company's creditors; and,
(b) to increase the funds paid out over the duration of the Amended Proposal to ensure it provided for the same percentage of recovery as the original terms of the Proposal.

The Trustee asked if there were any questions regarding the Amended Proposal. No questions were asked.

The Chairman called for a vote by the creditors.

The result of the vote was:

	Number of Votes	% of Votes	Value of Unsecured Votes	% of Value
For Approval of the Amended Proposal	4	100%	685,468.56	100%
Against Approval of the Amended Proposal	0	0%	0.00	0%
	4	**100%**	685,468.56	**100%**

The number of creditors voting in favour of the Amended Proposal was 100% with votes accounting for 100% of claim value.

The Chairman declared the Amended Proposal was ACCEPTED by the creditors.

The Chairman called for nominations for Inspectors to assist with the duties as set out in the Amended Proposal.

Shannon Nigalis of Bodkin Capital Corporation put her name forward as Inspector.

A motion was made to appoint Shannon Nigalis Inspector.

THE MOTION WAS PASSED UNANIMOUSLY THAT: Shannon Nigalis is appointed as Inspector.

-CARRIED-

There being no further business, the meeting was adjourned at 10:00am.

Kristin Gray, Chairman, LIT

ESTATE NO: 24-2418608

ATTENDANCE REGISTER

IN THE MATTER OF THE PROPOSAL OF SUMO SUMO LTD.

Date of Meeting:

October 19, 2018, 9:30am MST

Trustee:

Kristin Gray, Trustee, The Bowra Group Inc. P. Harrett (counsel)

Chair:

Kristin Gray, Trustee, The Bowra Group Inc.

Debtor:

Sumo Sumo Ltd. (counsel)

Name of Creditor	Signature	Claim Amount
A.J. Interiors Inc.	By Proxy Holder: The Bowra Group Inc. Kristin Gray	590,128.36
GFL Environmental Inc.	By Proxy Holder: The Bowra Group Inc. Kristin Gray	2,127.12

EXHIBIT F

The Court of Queen's Bench of Alberta

Accounting Section
Judicial Centre of Edmonton
Law Courts, South Tower
1A Sir Winston Churchill Square
Edmonton, Alberta T5J 0R2
Telephone: 780-422-2422 Fax: 780-643-0954

August 20, 2018

SUMO SUMO LTD.
300-220 LAKELAND DR
SHERWOOD PARK AB T8H 0N6

Dear Sir/Madam:

Subject: SUMO SUMO LTD.
300-220 LAKELAND DR SHERWOOD PARK AB

Our File No: Q 1703 04617
Your File No:

PAYMENT RECEIVED JUNE 30, 2018 CEA

Enclosed is my proposed distribution amongst the enforcement creditors of the above named debtor, of monies received.

The amounts owing, as listed on this proposed distribution, refer to the amounts owing registered at the Personal Property Registry.

Objection to this distribution must be filed with this office in writing **within 15 days** from this date in accordance with section 101(1)B of the Civil Enforcement Act.

Yours truly,

Clerk of the Court

Enclosure

Proposed Distribution

August 20, 2018

Our File No: Q 1703 04617
SUMO SUMO LTD.
300-220 LAKELAND DR
SHERWOOD PARK AB T8H 0N6

SECURITY AGREEMENTS	**AMT OWING**	**DIVIDEND**
File No: 10042029695	0.00	0.00
Cred: CHAN,JOE		
Debt: SUMO SUMO LTD.		
File No: 16011513174	0.00	0.00
Cred: ROYNAT INC.		
Debt: SUMO SUMO LTD.		
File No: 16011519532	0.00	0.00
Cred: BODKIN CAPITAL CORPORATION		
Debt: SUMO SUMO LTD.		
File No: 16071915594	0.00	0.00
Cred: 394045 ALBERTA LTD.O/A J&D FOOD SERVICES		
Debt: SUMO SUMO LTD.		
File No: 16081127548	0.00	0.00
Cred: BODKIN CAPITAL CORPORATION		
Debt: SUMO SUMO LTD.		

CLERKS DISTRIBUTION FEE	**AMT OWING**	**DIVIDEND**
File No:	10.00	10.00
Cred:		

$2000 RULE	**AMT OWING**	**DIVIDEND**
File No: 18042618005	2000.00	2000.00
Cred: A.J. INTERIORS INC.		
Debt: SUMO SUMO LTD.		

PRO-RATA	**AMT OWING**	**DIVIDEND**
File No: 18042618005	588128.36	47189.71
Cred: A.J. INTERIORS INC.		
Debt: SUMO SUMO LTD.		
File No: 18062642148	63583.81	5101.78
Cred: BODKIN CAPITAL CORPORATION		
Debt: SUMO SUMO LTD.		

Ratio: 52291.49 / 651712.17 = 0.08023709

0.00

Total Dividends **54301.49**

* * * End Of Proposed Distribution * * *

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 - 102 STREET, SUITE 2700
EDMONTON, AB T5J 4GB
CANADA

T 780 429 1751
F 780 424 5866

MILLERTHOMSON.COM

September 25, 2018

Patrick Harnett
Direct Line: 780.429.9738
pharnett@millerthomson.com

Via Fax (780.643.0954)
and Via Court Runner

URGENT

The Court of Queen's Bench of Alberta
Accounting Section
Judicial Centre of Edmonton
Law Courts, South Tower
Edmonton AB T5J 0R2

Attention: Queen's Bench Accounting Clerk
and Clerk of the Court

Dear Mesdames and Sirs:

Re: AJ Interiors Inc. v Sumo Sumo Ltd. et al; Court of Queen's Bench Action No. 1703 04617 (the "Action"); Pending distribution of funds under *Civil Enforcement Act*;

In the Matter of the Notice of Intention to Make a Proposal of Sumo Sumo Ltd. and the Stay of Proceedings under s. 69(1) of the *Bankruptcy and Insolvency Act*;

We are legal counsel to The Bowra Group Inc., Proposal Trustee of Sumo Sumo Ltd.

On September 6, 2018, Sumo Sumo Ltd. filed a Notice of Intention to Make a Proposal ("**NOI**") under Section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**"). Enclosed for your ease of reference is a copy of the Certificate of Filing of the NOI from the Office of the Superintendent of Bankruptcy Canada, which expressly states that Sumo Sumo Ltd. is subject to a stay of proceedings.

Pursuant to Section 69(1) of the BIA, which is excerpted below, no creditor may continue any execution proceedings against a debtor which has filed a NOI:

> **Stay of proceedings — notice of intention**
>
> 69 (1) Subject to subsections (2) and (3) and sections 69.4, 69.5 and 69.6, on the filing of a notice of intention under section 50.4 by an insolvent person,
>
> (a) no creditor has any remedy against the insolvent person or the insolvent person's property, or shall commence or continue any action, execution or other proceedings, for the recovery of a claim provable in bankruptcy, (our emphasis added).

Please take notice that due to the Stay of Proceedings imposed by s. 69(1) of the BIA, which occurred on September 6, 2018 upon filing of the NOI, the Proposal Trustee

respectfully requests that <u>no garnished funds be distributed in the Action until further Order of the Court.</u>

We understand that the Clerk of the Court issued its August 20, 2018 distribution notice in the Action, which has since been amended by way of the September 20, 2018 Court Order of Master L.R. Birkett, Q.C. granted at the request of another creditor (Meridian Onecap Credit Corp., granted in Action No. 1703 24614).

If the Clerk of the Court is unable to grant our request for any reason, we ask that you please advise our office immediately, so that we can obtain the necessary Court Order to direct the Clerk of the Court to stay distribution of funds pending further Order of the Court.

Thank you for your anticipated cooperation. Should have any questions or concerns, please do not hesitate to contact me or my colleague Spencer Norris at 780.429.9746.

Yours truly,

MILLER THOMSON LLP

Per:

for Patrick Harnett

PTH/

Enclosures
c. The Attached Service List

SERVICE LIST

Re: A.J. Interiors Inc. v Sumo Sumo Ltd. et al; Court of Queen's Bench Action No. 1703 04617

In the Matter of the Notice of Intention to Make a Proposal of Sumo Sumo Ltd.

Company Name	Attention:	Mailing Address	Primary Phone	Primary Fax	Primary Email	On Behalf of
The Bowra Group Inc.	Kristin Gray, CPA, CA, CIRP, LIT	1411 TD Tower 10088 – 102 Avenue, Edmonton, AB T5J 2Z1	780.705.0073		kgray@bowragroup.com	Proposal Trustee of Sumo Sumo Ltd.
Miller Thomson LLP Legal Counsel for The Bowra Group Inc.	Rick T. G. Reeson, QC Patrick Harnett	Miller Thomson LLP 2700, 10155 102 Street Edmonton, AB T5J 4G8	780.429.9738	780.424.5866	rreeson@millerthomson.com pharnett@millerthomson.com	The Bowra Group Inc.
Bennett Jones LLP	Katherine Fisher	3200 TELUS House, South Tower 10020 - 100th Street Edmonton, Alberta T5J 0N3 Canada			fisherka@bennettjones.com	Sumo Sumo Ltd.
Biamonte LLP		1600 Oxford Tower 10025 – 102 A Ave Edmonton, AB T5J 2Z2		780.426.1600		A.J. Interiors Inc.
Parlee McLaws LLP	Bryan Maruyama	1700 Enbridge Centre 10175 101 Street NW Edmonton AB T5J 0H3		780.423.2370		Bodkin Capital Corp.
McLennan Ross LLP	Chuck Russell, QC	#600 12220 Stony Plain Road Edmonton, AB T5N 3Y4		780.733.9757		Business Development Bank Of Canada
Witten LLP	Greg Reid	Witten LLP 2500, 10303 Jasper Avenue Edmonton, AB T5J 3N6	780.428.0501	780.429.2559		Meridian Onecap Credit Corp.

Industry Canada
Office of the Superintendent of Bankruptcy Canada

Industrie Canada
Bureau du surintendant des faillites Canada

District of Alberta
Division No. 01 - Edmonton
Court No. 24-2418608
Estate No. 24-2418608

In the Matter of the Notice of Intention to make a proposal of:

SUMO SUMO LTD.
Insolvent Person

THE BOWRA GROUP INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: September 06, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 10, 2018, 13:57
Official Receiver

E-File/Dépôt Electronique

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada

IN THE MATTER OF THE PROPOSAL OF
SUMO SUMO LTD.

REPORT OF TRUSTEE ON PROPOSAL

DATED AT the City of Edmonton, in the Province of Alberta this 26th day of October, 2018.

THE BOWRA GROUP INC.
Licensed Insolvency Trustee

Per: Kristin Gray, CPA, CA, CIRP, LIT