



MEYERS NORRIS PENNY LIMITED

Writer's Direct line: (780) 969-1491
Writer's E-Mail: eric.sirrs@mnp.ca

June 17, 2010

Our file No. 383524-ES-DT
Court No. 24-115349

Dear Sir/Madam:

Re: The Matter of the of Division I Alberta Permit Pro Inc.

Alberta Permit Pro Inc. filed a Notice of Intention to make a Proposal under the *Bankruptcy and Insolvency Act* on March 30, 2010 and Meyers Norris Penny Limited was appointed Trustee. We enclose for your review the following documents pertaining to the subsequent filing of the Division I Proposal:

1. Trustee's Report to Creditors;
2. Notice of Proposal to Creditors;
3. Division I Proposal;
4. Statement of Affairs;
5. Proof of Claim and Proxy Form; and a
6. Voting Letter.

To be eligible to vote on the Division I Proposal, creditors must complete and file a proof of claim. These must be received **at the offices of Meyers Norris Penny, Suite 300, 10104 103 Avenue, Edmonton, Alberta, T5J 0H8** prior to the First Meeting of Creditors to be held at 2:00 PM on June 29, 2010. In support of your claim, please provide proof marked as schedule "A" by way of a statement of account, copies of invoices, or other acceptable means that demonstrate arrears owing as of the date of insolvency. We would appreciate receipt of your Proof of Claim and Proxy and/or Voting Letter at least three days prior to June 29, 2010.

Upon filing a valid Proof of Claim, creditors can vote in one of the three (3) following ways:

1. Attend the First Meeting of Creditors and place your vote in person;
2. Submit a Voting Letter along with your Proof of Claim; or,
3. Submit a Proxy along with Proof of Claim.

In order for the Division I Proposal to be accepted by the creditors, it requires a majority in number of voting creditors, and two-thirds in dollar value in the claims of the voting creditors. Should the Proposal be rejected the Insolvent Person will be deemed to have filed an assignment into bankruptcy.

If you have any questions or concerns regarding the Division I Proposal or our Report, please contact our office at (780) 455-1155.

Yours truly,

MEYERS NORRIS PENNY LIMITED

In its capacity as Trustee of the Division I Proposal of

Alberta Permit Pro Inc.

And not in its personal capacity


Per: Eric Sirrs
Manager

ES/ss
Encl.

District of: Alberta
Division No. 01- Edmonton
Court No. 24-115349
Estate No. 24-115349

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

In the matter of the Division I Proposal of Alberta Permit Pro Inc.

Take notice that Alberta Permit Pro Inc. of the City 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 Suite 300, 10104-103 Avenue, Edmonton, AB on the 29th day of June 2010 at 2:00 o'clock PM.

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 17th day of June 2010.

Meyers Norris Penny Limited - Trustee

Per: 

Grant Bazian
Suite 300, 10104 - 103 Avenue
Edmonton AB T5J 0H8
Phone: (780) 455-1155 Fax: (780) 409-5415

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



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of Alberta
Division No. 01 - Edmonton
Court No. 24-115349
Estate No. 24-115349

In the Matter of the Proposal of:

ALBERTA PERMIT PRO INC.

Debtor

MEYERS NORRIS PENNY LIMITED

Trustee

Date of Proposal:	June 11, 2010	Security:	\$
Meeting of Creditors:	June 29, 2010, 14:00 BELL TOWER SUITE 300, 10104-103 AVENUE EDMONTON, Alberta Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: June 16, 2010, 10:51

E-File/Dépôt Electronique

Official Receiver

Canada Place, 9700 Jasper Ave., Ste 725, Edmonton, Alberta, Canada, T5J4C3, (780)495-2476

Canada

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-115349
 Estate No. 24-115349

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 Division I Proposal of Alberta Permit Pro Inc.

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 30th day of March 2010. When completed, this Form and the applicable attached lists will constitute the Statement of

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	8,678,010.00
Balance of secured claims as per list "B"	1.00
Total unsecured creditors	8,678,011.00
2. Secured creditors as per list "B"	0.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	11.00
Total liabilities	8,678,022.00
Surplus	NIL

ASSETS (As stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per List "E"	
Good	95,822.50
Doubtful	95,822.50
Bad	44,483.00
Estimated to produce	95,822.50
4. Bills of exchange, promissory note, etc., as per List "F" ..	0.00
5. Deposits in Financial Institutions	0.00
6. Cash	9,882.00
7. Livestock	0.00
8. Machinery, equipment and plant	10,000.00
9. Real property or immovable as per List "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFs, Life insurance, etc.	0.00
12. Securities (Shares, Bonds, Debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per List "H"	1.00


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	115,705.50
Deficiency	8,562,316.50

I, Matthew Korobanik, 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 16th day of June 2010 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 16th day of June 2010.

P.M.

 Grant Bazian, Commissioner of Oaths
 For the Province of Alberta
 Expires Jun. 4, 2011
P.M.


 Matthew Korobanik

PARVEEN MUTTI
 A COMMISSIONER FOR OATHS IN
 AND FOR THE PROVINCE OF ALBERTA
 MY COMMISSION EXPIRES: MARCH 22, 2013.

District of: Alberta
 Division No. 01- Edmonton
 Court No. 24-115349
 Estate No. 24-115349

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Alberta Permit Pro Inc.

No.	Name of creditor	Address	Unsecured Claim	Balance of Claim	Total Claim
1	1281117 Alberta Ltd.	4715-204 Street Edmonton AB T6M 0C3	7,500,000.00	0.00	7,500,000.00
2	Airways Business Plaza Ltd. c/o Strategic Group Attn: Darlene	Suite 400, 630-8th Avenue SW Calgary AB T2P 1G6	1.00	0.00	1.00
3	Alberta Finance and Enterprise 2011003569	Tax and Revenue Administration 9811- 109 St Edmonton AB T5K 2L5	350,000.00	0.00	350,000.00
4	Alberta Finance and Enterprise 205110091	Tax and Revenue Administration 9811- 109 St Edmonton AB T5K 2L5	1.00	0.00	1.00
5	Alberta Finance and Enterprise 206876567	Tax and Revenue Administration 9811- 109 St Edmonton AB T5K 2L5	1.00	0.00	1.00
6	Alberta Finance and Enterprise Attn: Colleen Adair 204916092	Tax and Revenue Administration 9811- 109 St Edmonton AB T5K 2L5	1.00	0.00	1.00
7	Canada Revenue Agency 12979 1190 RC0001	Regional Intake Centre for Insolvency (RICI) Suite 10, 9700 Jasper Avenue Edmonton AB T5J 4C8	350,000.00	0.00	350,000.00
8	Canada Revenue Agency 12979 1190 RC0002	Regional Intake Centre for insolvency (RICI) Suite 10, 9700 Jasper Avenue Edmonton AB T5J 4C8	1.00	0.00	1.00
9	Canada Revenue Agency 12979 1190 RT	Regional Intake Centre for Insolvency (RICI) Suite 10, 9700 Jasper Avenue Edmonton AB T5J 4C8	100,000.00	0.00	100,000.00
10	Canada Revenue Agency 13124 3909 RC0001	Regional Intake Centre for Insolvency (RICI) Suite 10, 9700 Jasper Avenue Edmonton AB T5J 4C8	1.00	0.00	1.00
11	Canada Revenue Agency 89680 0794 RC0001	Regional Intake Centre for Insolvency (RICI) Suite 10, 9700 Jasper Avenue Edmonton AB T5J 4C8	1.00	0.00	1.00
12	CIT Financial Group	5035 South Service Road Burlington ON L7R 4C8	0.00	1.00	1.00
13	Nate and Jane Seely c/o Witten (B&S)	2500, 10303 Jasper Avenue Edmonton AB T5J 3N6	1.00	0.00	1.00
14	Ron Rick Holding	116 Osland Drive Edmonton AB T6R 2A2	378,000.00	0.00	378,000.00
15	Shelbra International	116 Osland Drive Edmonton AB T6R 2A2	1.00	0.00	1.00
16	Telus Communications Company	4 - 4519 Canada Way Burnaby BC V5G 4S4	1.00	0.00	1.00
Total:			8,678,010.00	1.00	8,678,011.00

16-Jun-2010

Date



Matthew Korobanik

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-115349
Estate No. 24-115349

FORM 78 -- Continued

List "B"
Secured Creditors

Alberta Permit Pro Inc.

No.	Name of creditor	Address	Amount of Claim	Particulars of Security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
1	CiT Financial Group	5035 South Service Road Burlington ON L7R 4C8	1.00	Other - Copy Machines and Accessories		1.00		
Total:			1.00			1.00	0.00	0.00

16-Jun-2010

Date



Matthew Korobanik

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-115349
Estate No. 24-115349

FORM 78 -- Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

Alberta Permit Pro Inc.

No.	Name of creditor	Address and Occupation	Nature of Claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

16-Jun-2010

Date



Matthew Korobanik

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-115349
 Estate No. 24-115349

FORM 78 -- Continued

List "D"
 Contingent or Other Liabilities

Alberta Permit Pro Inc.

No.	Name of creditor or claimant	Address and Occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	Bernadine Young c/o Chatwin LLP 0903 05557	Attn: Damian Sheppard 701, 10025-106 Street Edmonton AB T5J 1G4	1.00	0.00		Lawsuit
2	Bond Street Properties Inc	10018 - 105 Street Edmonton AB T5J 1C6	1.00	0.00		Lawsuit
3	Bruno Mittelstadt c/o Employment Standards	Main Floor, Elveden Centre, 7177 Avenue SW Calgary AB T2P 0Z3	1.00	0.00		Lawsuit
4	Cindy Burke Hines c/o Human Rights Commission Attn: Dianne Addy	Alberta Human Rights Commission 800 Standard Life Centre, 10405 Jasper Avenue Edmonton AB T5J 4R7	1.00	0.00		Lawsuit
5	Dennis Mack c/o Parlee McLaws LLP	Attn: Robert James 1500 Manulife Place, 10180 - 101 Street Edmonton AB T5J 4K1	1.00	0.00		Lawsuit
6	George Britton c/o Chatwin LLP 0903 05560	Attn: Damian Sheppard 701, 10025-106 Street Edmonton AB T5J 1G4	1.00	0.00		Lawsuit
7	Helen Hutchins c/o Chatwin LLP 0903 05560	Attn: Damian Sheppard 701-10025-106 Street Edmonton AB T5J 1G4	1.00	0.00		Lawsuit
8	Kor Alta Construction Ltd. c/a Ahlstrom Wright Oliver & Cooper LLP	Suite 200, 80 Chippewa Road Sherwood Park AB T8A 4W6	1.00	0.00		Lawsuit
9	Lisa Marquis c/o Chatwin LLP 0903 05558	Attn: Damian Sheppard 701, 10025-106 Street Edmonton AB T5J 1G4 USA	1.00	0.00		Lawsuit
10	Mandy Mannix c/o Chatwin LLP 0903 05556	Attn: Damian Sheppard 701, 10025-106 Street Edmonton AB T5J 1G4	1.00	0.00		Lawsuit
11	Regional Municipality of Wood Buffalo c/o Fraser Milner Casgrain	2900 Manulife Place, 10180-101 Street Edmonton AB T5J 3V5	1.00	0.00		Lawsuit
Total:			11.00	0.00		

16-Jun-2010

Date



Matthew Korobanik

District of: Alberta
Division No. 01- Edmonton
Court No. 24-115349
Estate No. 24-115349

FORM 78 -- Continued

List "E"
Debts Due to the Debtor
Alberta Permit Pro Inc.

No.	Name of debtor	Address and Occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable	Suite 300, 10104-103 Avenue Edmonton AB T5J 0H8	Accounts Receivable	95,822.50 95,822.50 44,483.00		31-May-2010	95,822.50	n/a
Total:				95,822.50 95,822.50 44,483.00			95,822.50	

16-Jun-2010
Date


Matthew Korobanik

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-115349
Estate No. 24-115349

FORM 78 -- Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Alberta Permit Pro Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupations	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

16-Jun-2010

Date



Matthew Korobanik

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-115349
Estate No. 24-115349

FORM 78 -- Continued

List "G"
Real Property or Immovable Owned by Debtor

Alberta Permit Pro Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total Value	Particulars of mortgages, hypothecs, or other encumbrances (Name, Address, Amount)	Equity or surplus
Total:			0.00		0.00

16-Jun-2010

Date



Matthew Korobanik

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-115349
Estate No. 24-115349

FORM 78 -- Concluded

List "H"
Property

Alberta Permit Pro Inc.
FULL STATEMENT OF PROPERTY

Nature of Property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in Financial Institution			0.00	0.00
(d) Cash on hand			9,882.00	9,882.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Office Equipment and Fixtures	0.00	10,000.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Copy Machines and Accessories	0.00	1.00
			Total:	19,883.00

16-Jun-2010
Date


Matthew Korobanik

Court No. 24-115349

Estate No. 24-115349

In the matter of the Division I Proposal of Alberta
Permit Pro Inc.

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Meyers Norris Penny Limited - Trustee
Suite 300, 10104 - 103 Avenue
Edmonton AB T5J 0H8
Phone: (780) 455-1155 Fax: (780) 409-5415

District of Alberta
Division No. 01-Edmonton
Court No. 24-115349
Estate No. 24-115349

IN THE MATTER OF THE DIVISION I PROPOSAL OF
ALBERTA PERMIT PRO INC.
DIVISION I PROPOSAL

(Section 50 of the Bankruptcy and Insolvency Act)

TABLE OF CONTENTS

Article 1. Definitions	1
Article 2. Insolvent Person	2
Article 3. Purpose and Effect of Proposal	2
Article 4. Meeting of Creditors	2
Article 5. Conditions for Implementation of the Proposal	2
Article 6. Third Party Undertakings.....	3
Article 7. Default by Insolvent Person in Performance of Terms of Proposal	4
Article 8. Definition of Creditor Claims.....	4
Article 9. Arrangements Affecting Canada Revenue Agency ("CRA").....	4
Article 10. Arrangements Affecting Certain Creditors	5
Article 11. Arrangements Affecting Certain Crown Claims.....	5
Article 12. Arrangements Affecting Secured Creditors	5
Article 13. Arrangements Affecting Employees and Former Employees.....	6
Article 14. Arrangements Affecting Director's Liabilities.....	6
Article 15. Arrangements Affecting Preferred Creditors	7
Article 16. Arrangements Affecting Unsecured Creditors.....	7
Article 17. Valuation of Claims, Voting and Applicable Dates	7
Article 18. Modification and Amendments	7
Article 19. Notice.....	7

Form 35

IN THE MATTER OF THE DIVISION I PROPOSAL OF
ALBERTA PERMIT PRO INC.
AN INSOLVENT PERSON

DIVISION I PROPOSAL
(Section 50 of the Bankruptcy and Insolvency Act)

Article 1. Definitions

1.1 Definitions

In this Proposal, the following words and phrases shall have the following respective meanings:

- a) "**Acceptance**" means the acceptance of the Proposal by the Creditors and the ratification of the Proposal by the Court;
- b) "**Act**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;
- c) "**APPI**" means Alberta Permit Pro Inc., the Insolvent Person;
- d) "**Certain Crown Claims**" means those Creditors defined in Article 8.2 hereof;
- e) "**Claims**" has the meaning ascribed thereto in the Act;
- f) "**Court**" means the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency;
- g) "**Creditor**" or "**Creditors**" means the creditors of Alberta Permit Pro Inc. affected by the Proposal;
- h) "**Director's Liability**" means the liability of the directors of APPI in regard to those claims against APPI defined in Article 8.5 hereof in respect of which the directors of APPI are liable in their capacity as a director of APPI;
- i) "**Insolvent Person**" means APPI;
- j) "**Meeting of Creditors**" means the meeting of Creditors scheduled to consider and vote on the Proposal;
- k) "**Notice of Meeting**" means the notice of the Meeting of Creditors forwarded to the Creditors;

- l) **"Preferred Creditors"** means all those Creditors of APPI defined in Article 8.7 hereof;
- m) **"Proposal"** means the series of steps and arrangements contemplated herein, by which the debts and obligations owing by APPI to the Creditors will be dealt with pursuant to Division I of Part III of the Act;
- n) **"Proposal Fund"** shall mean a fund of money totalling One Hundred and Fifty Thousand (\$150,000.00) Dollars;
- o) **"Proposal Implementation Date"** means the date that rights and obligations under the Proposal become effective and is the latest date upon which each of the following events has occurred:
 - i. the approval of the Proposal by the requisite majority in number and in value of the Creditors required under Division I of Part III of the Act has been obtained; and
 - ii. an Order of the Court approving the Proposal has been obtained and the appeal period from such Order has expired or, if any appeal is taken from such Order, a final Order dismissing such appeal has been obtained;
- p) **"Proposal Valuation Date"** means March 30, 2010;
- q) **"Secured Creditors"** means those Creditors defined in Article 8.3 hereof;
- r) **"Termination Date"** means the date upon which the claims of all Creditors have been satisfied in accordance with the Proposal or otherwise satisfied;
- s) **"Trustee"** means Meyers Norris Penny Limited, trustee under the Proposal;
- t) **"Unsecured Creditors"** means those Creditors defined in Article 8.8 hereof;
- u) **"Valued Claim"** means the claim of a creditor as of the Proposal Valuation Date which has been valued by the Trustee; and
- v) **"Wage Claims"** means the claims advanced against APPI by those Creditors defined in Article 8.4 hereof.

Article 2. Insolvent Person

- 2.1 Alberta Permit Pro Inc., the Insolvent Person, hereby submits the following Proposal pursuant to the Act.

Article 3. Purpose and Effect of Proposal

- 3.1 The purpose of the Proposal is to allow the Insolvent Person to:
- a) offer a compromise to its Creditors of their claims against APPI; and

- b) offer a compromise and extension with respect to Director's Liabilities arising out of claims for which the director of the Insolvent Person is personally liable in his or her legal capacity as director for wage claims, employee source deduction claims, goods and services tax claims, workers compensation board ("WCB") claims and environmental claims.

3.2 The Insolvent Person wishes to permit the Creditors to achieve a recovery on their claims against APPI which is superior to what which the Creditors are expected to achieve in the event that APPI were to become bankrupt.

3.3 The Proposal will become effective on the Proposal Implementation Date, on which date the claims of the Creditors will be compromised in accordance with the terms hereof.

Article 4. Meeting of Creditors

4.1 The Creditors shall be given formal notice to attend a Meeting of Creditors at the offices of Meyers Norris Penny Limited located at Suite 300, 10104 – 103 Ave, Edmonton, AB.

Article 5. Administration of the Proposal

5.1 The Creditors, with the consent of the Insolvent Person, may include such additional provisions or terms in the Proposal with respect to the supervision of the affairs of the Insolvent Person as they may deem advisable.

5.2 The Creditors may appoint one or more, but no more than five, inspectors of the Proposal of the Insolvent Person.

5.3 The Proposal shall be terminated upon the date on which the claims of all Creditors have been satisfied pursuant to the terms of the Proposal, or upon the bankruptcy of the Insolvent Person, or upon default under the terms of the Proposal by the Insolvent Person.

Article 6. Third Party Undertakings

6.1 There are no Guarantee Agreements or Third Party Deposit Agreements with respect to this Proposal.

Article 7. Default by Insolvent Person in Performance of Proposal

7.1 The Insolvent Person shall be in default of its obligations under the Proposal in the event that:

- (a) it has not paid the full amount of the Proposal Fund to the Trustee on or before the date specified in Article 16.2 hereof for such payment to be made; or

- (b) the Insolvent Person shall have failed to comply with the requirements of Articles 9.2, 9.3 or 9.4 hereof on or before the dates therein specified.

7.2 Where default is made in the performance of any provision of the Proposal and the default is not remedied by the Insolvent Person or waived by the inspectors, or in the

absence of inspectors, by the Trustee or a majority of the Creditors as defined in dollar value of proven claims, within thirty (30) days immediately following the default, the Trustee shall so inform all of the Creditors and the Official Receiver in the manner prescribed pursuant to the Act.

- 7.3 In the absence of inspectors, the Trustee shall have the power to extend the time for the making of any payment required to be made pursuant to this Proposal provided that no such extension shall extend beyond five years following the approval of the Proposal by the Court.

Article 8. Definition of Creditor Claims

- 8.1 The claims of Creditors shall have the respective definitions provided in this Article 8.
- 8.2 **"Certain Crown Claims"** shall mean any claim of Her Majesty in the Right of Canada or a Province or Territory of all amounts of a kind that could be subject to a demand under:
- (a) subsection 224(1.2) of the *Income Tax Act*;
 - (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act*; and
 - (c) any substantially similar provincial or territorial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*.
- 8.3 **"Secured Creditor"** means a person holding a mortgage, hypothec, pledge, charge, security interest or lien on or against the property of the Insolvent Person or any part of that property as security for a debt due or accruing due to the person from the Insolvent Person, or a person whose claim is based on, or secured by, a negotiable instrument held as collateral security and in respect of which the Insolvent Person is only indirectly or secondarily liable.
- 8.4 **"Wage Claim"** includes any claim of employees and former employees of APPI for amounts equal to the amounts that such employees may be qualified to receive pursuant to subsection 136(1)(d) of the Act as at the time of the filing of the Notice of Intention or of filing the Proposal.
- 8.5 **"Director's Liability Claims"** includes any claim for obligations of the Insolvent Person where the claim extends to the directors of the Insolvent Person and such directors are by law personally liable in their legal capacity as director of the Insolvent Person for:
- (a) Certain Crown Claims as defined in Article 8.2 hereof;
 - (b) Wage Claims as defined in Article 8.4 hereof;
 - (c) Goods and Services Tax ("GST") claims as defined pursuant to the *Excise Tax Act*;
 - (d) WCB premiums as directed under any Provincial or Territorial Workers' Compensation Act; and

- (e) any claim respecting any environmental contamination or condition under any federal, provincial or territorial Environmental Act.
- 8.6 For greater certainty, "**Director's Liability Claims**" excludes any claims that relate to obligations arising out of contractual obligations or claims that are based on allegations of misrepresentation or wrongful or oppressive conduct.
- 8.7 "**Preferred Creditor**" includes any creditor with a claim defined pursuant to subsection 136 (1) of the Act. However, "Preferred Creditor" shall exclude any person advancing a Wage Claim.
- 8.8 "**Unsecured Creditor**" includes all persons to whom the Insolvent Person owes any obligations of any nature and kind whatsoever, whether due or not due for payment at the time of the filing of the Notice of Intention and including contingent or unliquidated claims arising out of any transactions entered into by the Insolvent Person prior to the time of the filing of the Notice of Intention, save and except for the claims of Secured Creditors, Wage Claims, Certain Crown Claims and the claims of Preferred Creditors.

Article 9. Arrangements Affecting Canada Revenue Agency ("CRA")

- 9.1 The Insolvent Person shall be deemed to have completed a year-end on the day prior to the filing of the Notice of Intention. Federal, provincial and Territorial income taxes, including interest and penalty charges thereon and goods and services taxes, including interest and penalty charges thereon, accruing due or payable for the current fiscal year up to and including the day preceding the filing of the Notice of Intention shall be included as an unsecured claim pursuant to Article 8.8 herein.
- 9.2 The Insolvent Person shall comply with the *Income Tax Act* and the *Excise Tax Act* and all other applicable tax related matters including, but not necessarily limited to, the filing of all pertinent statutory returns on or before the date upon which the returns become due and the payment of all monies for income tax, GST and source deductions, including the employer's portion where applicable, on or before the date upon which the payments become due.
- 9.3 The Insolvent Person shall, commencing no later than thirty (30) days following Court approval of the Proposal, file GST returns with CRA on a monthly basis on or before the 15th day of the following month and shall remit any balance payable upon filing the said GST return. The monthly filing of GST returns and the monthly payment of any and all amounts due upon filing the GST return shall continue for the complete term of the Proposal.
- 9.4 The Insolvent Person shall, commencing no later than thirty (30) days following Court approval of the Proposal, file Employer Remittance Forms for all employee source deductions, which shall include the employer's portion where applicable, for Income Tax, Canada Pension Plan and Employment Insurance for all employees of APPI on a monthly basis on or before the 15th day of the following month and shall remit all payments upon filing the said Employer Remittance Form. The monthly filing of the Employer Remittance Form and the monthly remittance of all amounts owing for source deductions including the employer's portion, where applicable, shall continue for the complete term of the Proposal.

- 9.5 CRA shall apply as a credit all remittances for GST and source deductions made by the Insolvent Person following the time of the filing of the Notice of Intention to the Insolvent Person's respective post Proposal tax accounts, with the exception of any one or more payments identified by the Insolvent Person as being payment of Certain Crown Claims as defined in Article 8.2 herein.
- 9.6 For greater certainty, CRA shall have no right of set off for any indebtedness of the Insolvent Person at the time of filing the Notice of Intention or filing the Proposal against any remittances made by the Insolvent Person or any federal, provincial or territorial income tax refunds payable to the Insolvent Person for the period following the time of the filing of the Notice of Intention.

Article 10. Arrangements Affecting Certain Creditors

- 10.1 Any indebtedness incurred by the Insolvent Person for the provision of goods, services, supplies, or any other considerations subsequent to the filing of the Notice of Intention and prior to the approval of the Proposal by the Court shall be paid in full in the ordinary course of business from proceeds realized in relation to the business operations in priority only to the claims of the unsecured Creditors as defined in Article 8.8 herein, existing at the time of the filing of the Notice of Intention.
- 10.2 Creditors dealing with the Insolvent Person following the time of the filing of the Notice of Intention shall have no right of set-off.
- 10.3 Notwithstanding any entitlement that it may otherwise have to receive a distribution or dividend under the Proposal, 1281117 Alberta Ltd. shall be required to waive or decline any dividend or distribution which it is otherwise entitled to under the Proposal and it is an express term or condition of the Proposal that 1281117 Alberta Ltd. agree to do so. For greater clarity, notwithstanding any waiver of dividend or distribution under the Proposal which may be made by it, 1281117 Alberta Ltd. will be bound by the Proposal and the Claims of 1281117 Alberta Ltd. against APPI shall be dealt with in accordance with the Proposal.

Article 11. Arrangements Affecting Certain Crown Claims

- 11.1 The claims defined in Article 8.2 hereof, comprised of all amounts outstanding at the time of the filing of the Notice of Intention or of filing the Proposal, shall be paid in full within six (6) months following Court approval of the Proposal or in an extended period of time if approved by Her Majesty in Right of Canada as represented by CRA from proceeds realized in relation to the business operations in subordination to the Trustee's fees and disbursements and in priority only to the payment of the claims of the preferred Creditors as defined in Article 8.7 herein and the payment of the claims of the unsecured Creditors as defined in Article 8.8 herein.
- 11.2 The Insolvent Person shall remit payment directly to CRA for claims defined in Article 8.2 hereof.

Article 12. Arrangements Affecting Secured Creditors

- 12.1 The payment of the claims of the Secured Creditors of the Insolvent Person shall be made pursuant to the terms and conditions of the security agreement in respect of the property held as security from proceeds realized in relation to the business operations.

In the alternative, the payment of the claims of the Secured Creditors of the Insolvent Person shall be made as agreed between the Insolvent Person and the holders of the secured claims from proceeds realized from business operations.

- 12.2** If the Insolvent Person and the Secured Creditors are unable to agree to the terms and conditions of payment, the Secured Creditors claims may realize the security. All costs, expenses, and obligations incurred of every nature and kind whatsoever with respect to the enforcement and realization of security is the sole responsibility of the Secured Creditor undertaking enforcement and realization.
- 12.3** For greater certainty, the payment of the secured claims as defined in Article 8.3 herein, shall be the sole responsibility of the Insolvent Person from proceeds realized in relation to the business operations and the secured claims shall not be included for distribution of any dividends payable by the Trustee with respect to this Proposal.

Article 13. Arrangements Affecting Employees and Former Employees

- 13.1** The claims defined in Article 8.4 hereof of all amounts outstanding at the time of the filing of the Notice of Intention or of filing the Proposal, together with all amounts accrued due for services rendered after that date and before Court approval of the Proposal, shall be paid in full immediately following Court approval of the Proposal from proceeds realized in relation to business operations and in priority to the claims of all other Creditors, however, payment to wage claimants shall be subordinate to payment of the Trustee's fees and disbursements.
- 13.2** For greater certainty, the payment of the claims defined in Article 8.4 hereof shall be the sole responsibility of the Insolvent Person and the claims shall not be included for distribution of any dividends payable by the Trustee with respect to this Proposal.
- 13.3** The Insolvent Person is not aware of any indebtedness to employees or former employees as defined in Article 8.4 hereof.

Article 14. Arrangements Affecting Director's Liabilities

- 14.1** Upon the full performance of the terms of the Proposal, the directors of the Insolvent Person shall be released from all claims (including contingent claims as defined in Article 8.5 hereof) that arose prior to the filing of the Notice of Intention or of filing the Proposal, but the directors of the Insolvent Person shall not be released from claims that relate to obligations arising out of contractual obligations or claims that are based on allegations of misrepresentation or wrongful or oppressive conduct.

Article 15. Arrangements Affecting Preferred Creditors

- 15.1** That the funds available for distribution in this Proposal shall be distributed to the Preferred Creditors (as defined in Article 8.7 hereof) in priority only to the Unsecured Creditors and the distribution of dividends to the Preferred Creditors shall be subordinate to payment of the Trustee's fees and disbursements.
- 15.2** The Insolvent Person is not aware of any indebtedness to Preferred Creditors as defined in Article 8.7 hereof

Article 16. Arrangements Affecting Unsecured Creditors

- 16.1** The Insolvent Person shall contribute the Proposal Fund:
- (a) for payment of the Trustee's fees and disbursements in priority to all claims;
 - (b) for payment of the Superintendent's levy for distribution; and
 - (c) for distribution to the Preferred Creditors (where applicable) in priority only to the Unsecured Creditors and to the Unsecured Creditors;
- in complete and full satisfaction of all claims against the Insolvent Person at law or in equity.
- 16.2** The Insolvent Person has provided the Trustee with an initial deposit of \$25,000 toward the Proposal Fund. The balance of monies required to constitute the Proposal Fund (being \$125,000.00) shall be paid to the Trustee by the Insolvent Person as a lump sum payment within forty-five (45) days of the date of Court approval of the Proposal.
- 16.3** The aforesaid sum may be pre-paid by the Insolvent Person at any time without penalty.
- 16.4** The Trustee shall distribute dividends, where applicable firstly to the Preferred Creditors as defined in Article 8.7 hereof, in priority only to the Unsecured Creditors, and finally to the Unsecured Creditors as defined in Article 8.8 hereof once every six months commencing May 2010 or as funds are made available.
- 16.5** The Trustee's fees and disbursements shall be paid in priority to the claims of all Creditors defined in Articles 8.2, 8.7 and 8.8, hereof.
- 16.6** The Trustee's fees and disbursements shall be submitted to the Court for approval and taxation with the Trustee's Final Statement of Receipts and Disbursements pursuant to the Act.
- 16.7** Effective as of the Proposal Implementation Date, APPI and each and every present and former shareholder, officer, director, employee, auditor, financial advisor, legal counsel and agent of APPI and the Trustee (collectively "the Released Parties" and individually a "Released Party") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature that any of the Creditors may be entitled to assert (including any and all claims in respect of potential statutory liabilities of the former, present and future directors and officers of APPI), 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 Proposal Valuation Date relating to, arising out of or in connection with the Claims or the business and affairs of the Company.
- 16.8** Upon APPI performing its obligations under the Proposal, the Trustee shall provide APPI with a Certificate of Full Performance of the Proposal pursuant to section 65.3 of the BIA.
- 16.9** Upon issuance by the Trustee to APPI of a Certificate of Full Performance of the Proposal, APPI will be released from all debts and liabilities, present or future, to which APPI was

subject on the Proposal Valuation Date, or to which APPI has or may become subject after the Proposal Valuation Date by reason of any obligation incurred or any act or omission which occurred on or before the Proposal Valuation Date (save and except for Claims against APPI under section 178 of the Act), including claims against APPI for indemnity and all unliquidated or contingent claims arising out of any transaction entered into by APPI on or prior to the Proposal Valuation Date, regardless of whether or not a proof of claim was filed with the Trustee in respect of any such claim.

- 16.10** As required by section 60(2) of the Act, all monies payable under the Proposal shall be paid by APPI to the Trustee, and shall thereafter be distributed by the Trustee in accordance with the Proposal and the Act.

Article 17. Valuation of Claims, Voting and Applicable Dates

- 17.1** The Claims of all Creditors who have proven claims against APPI shall be valued as at the Valuation Date by the Trustee, at or before the Meeting of Creditors.
- 17.2** Proofs of claim, proxies and voting letters intended to be used at the Meeting of Creditors must be lodged with the Trustee prior to the Meeting of Creditors.
- 17.3** Creditors may vote their claims by either returning a properly completed voting letter to the Trustee prior to the Meeting of Creditors, or by attending at the Meeting of Creditors and voting in person or by proxy.
- 17.4** Pursuant to section 50(1.2) of the Act, and for the purposes of the Proposal, the Insolvent Person hereby makes this proposal to the Creditors and the Insolvent Person hereby designates such parties to whom it is making the Proposal into the following single class of the Creditors more particularly described below, namely:

(a) Class One - Unsecured Creditors: All Creditors with unsecured Claims against APPI Company for debts and liabilities, present or future, including all Creditors claiming any one or more of the following types of debts or liabilities:

- i. debts or liabilities to which APPI was subject on the Proposal Valuation Date;
- ii. debts or liabilities to which APPI may in future become subject by reason of any obligation incurred by it or on its behalf on or before the Proposal Valuation Date;
- iii. debts or liabilities arising from claims against APPI for indemnity; and
- iv. debts or liabilities arising from all unliquidated or contingent claims related to any act or omission of APPI which occurred, or any transaction entered into by APPI, on or before the Proposal Valuation Date.

Article 18. Modifications and Amendments

- 18.1** The Trustee, with the approval of the Court and without notice to the Creditors, may agree to any modification or amendment to the Proposal after the Creditors have voted on the Proposal, including without limiting the generality of the foregoing, any extension of time for carrying out the terms of the Proposal or for taking any steps or proceedings

hereunder, other than any modification or amendments which would materially adversely affect the rights of any creditor.

Article 19. Notice

- 19.1** Unless otherwise indicated, any notice required or permitted to be given pursuant to the Proposal shall be sufficiently given or made if delivered, faxed or mailed by prepaid post as follows:

To the Insolvent Person:

ALBERTA PERMIT PRO INC.
c/o MacPherson Leslie & Tyerman LLP
1500 Saskatoon Square, 410 – 22 Street East
Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee

To the Trustee:

MEYERS NORRIS PENNY LIMITED
Insolvency and Restructuring Professionals
Suite 300
10104 – 103 Avenue
Edmonton, Alberta
T5J 0H8

Attention: Eric Sirrs
Telephone: (780) 455-1155
Facsimile: (780) 409-5415

To the Creditors:

At their last known address according to the Insolvent Person or such other addresses as any of the foregoing may designate from time to time.

Any notice delivered as aforesaid shall be deemed to have been received when delivered, if delivered on a day other than Saturday, Sunday or statutory holiday, and otherwise on the next following business day. Any notice mailed as aforesaid shall be deemed to have been received on the 7th business day following the day on which such notice is mailed.

Dated at the City of Edmonton in the Province of Alberta this 9th day of June, 2010.

(seal)

ALBERTA PERMIT PRO INC.



Per: Mathew Korobanik, President

DIRECTIONS AS TO COMPLETING "PROOF OF CLAIM" FORM

NOTE: THE MAJORITY OF FILES THIS OFFICE ADMINISTRATES RESULT IN A DIVIDEND. WE RECOMMEND ALL CREDITORS FILE A PROOF OF CLAIM.

Creditors who do not submit a claim do not share in any dividend, receive further notices, or have the right to object to the bankrupt's discharge.

SUPPORT DOCUMENTATION MUST ACCOMPANY PROOF OF CLAIM FORMS AND MUST SUPPORT THE AMOUNT FILED ON THE PROOF OF CLAIM OTHERWISE IT WILL NOT BE ACCEPTED.

In completing the attached "Proof of Claim" your attention is directed to the following:

1. The declaration must be completed and signed by an individual and not a corporation. The signature of a witness is required.
2. Give the complete address where all notices or correspondence is to be forwarded.
3. If the individual completing the claim at Item 1 is not the creditor they must state the capacity in which they are acting, such as "*Credit Manager*", "*Secretary*", "*Authorized Agent*".
4. **For Item 3**, a Statement of Account containing details of the claim must be attached and marked 'A'. There should be an account of each item giving the date, nature of goods or services provided and the amount in order that the claim may be checked. Statements with a mere "balance" or "account rendered" may be insufficient; the more recent transactions making up final balance must be shown.
5. The status of the claim must be shown at **Item 4**. Select the appropriate category.
 - A. Unsecured Unless a claim is filed under B or C, all claims will fall under this category. There may be special circumstances where priority is claimed. If you claim a priority, mark "X" in (ii) in this section and file the appropriate documents to support the claim.
 - B. Secured if you are claiming to be secured, the value at which you assess your security should be inserted in the blank space. Details of each item of security you hold should be attached as a separate schedule along with a copy of your security contract showing proof of registration.
 - C. "Producers" The Bankruptcy and Insolvency Act gives special status to Farmers, Fisherman and Aquaculturists who have supplied their produce within 15 days prior to bankruptcy. Attachment of evidence of delivery is required.
6. **Item 5** - All claimants must indicate if they are related or not to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, by striking out "are" or "are not".
7. **Item 6** requires a detailed list of payments received by you for specified periods. Please complete a separate schedule for reply.
 - i) This typically refers to a significant change in the bankrupt's household income or expenses.
 - ii) This refers to the amount that is established that the bankrupt is to remit to the estate monthly from his household income.
 - iii) The Section 170(1) report is prepared by the trustee when the bankrupt is approximately 6 to 7 months old. It provides a description of what assets have been realized, what the trustee anticipates realizing, a summary of essential facts about the bankrupt, a report on whether the bankrupt has complied with his duties or not, and the total of claims submitted to the date of the report.
8. **Item 7** - Proxy. In the event a meeting of creditors is called you may wish to appoint someone to vote on your behalf. You can appoint your nominee by providing this person your proxy.

MEYERS NORRIS PENNY LIMITED, Trustees in Bankruptcy
Suite 300, 10104 - 103 Avenue
Edmonton, AB T5J 0H8
Phone: (780) 455-1155 Fax: (780) 409-5415

Our File No. 383524-ES-DT
Estate No. 24-115349

Form 31

PROOF OF CLAIM

(Section 50.1, subsections 65.2(4), 81.2(1), 102(2), 124(2), 128(1),
and paragraphs 51(1)(e) and 66.14(b) of the Act)

IN THE MATTER OF THE PROPOSAL OF Alberta Permit Pro Inc. of Edmonton Alberta, and the claim of:
_____ creditor.

(name of creditor)

All notices or correspondence regarding this claim must be forwarded to the following address:

Name of Creditor: _____

Account Number: _____

Mailing Address: _____

Phone Number: _____ Fax Number: _____

I, _____ residing in the _____ of _____ in the

Province of _____.

DO HEREBY CERTIFY:

1. That I am a creditor of the above-named debtor, (or that I am _____ of _____)
(state position or title) (name of creditor)
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the said debtor was at the **date of the proposal**, namely March 30, 2010, and still is indebted to the creditor in the sum of \$ _____ as specified by the statement of account (or affidavit or solemn declaration) attached and marked "Schedule A", after deducting any counterclaims to which the debtor is entitled. *(The attached statement of account or affidavit or solemn declaration must specify the vouchers or other evidence in support of the claim).*
4. *(Check and complete appropriate category.)*

() **A. UNSECURED CLAIM OF \$ _____**
That in respect of the said debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

- i) () Regarding the amount of \$ _____, I do not claim a right to a priority.
- ii) () Regarding the amount of \$ _____, I claim a right to priority under section 136 of the Act.
(Set out on an attached sheet details to support priority claim)

() **B. SECURED CLAIM OF \$ _____**

That in respect of the said debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which the creditor assesses the security, and attach a copy of the security documents)

() **C. CLAIMS BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$ _____.**

That I hereby make a claim under subsection 81.2(1) of the *Bankruptcy and Insolvency Act* for the unpaid amount of \$ _____ *(Attach a copy of sales agreement and delivery documents).*

() **D. CLAIM AGAINST DIRECTOR OF \$ _____**

(To be filed when a proposal provides for the compromise of claims against directors)

That I hereby make a claim under subsection 50(13) of the Bankruptcy and Insolvency Act, particulars of which are as follows:

(give full particulars of the claim, including the calculations upon which the claim is based)

() **E. CLAIM BY WAGE EARNER OF \$ _____**

i) () That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____

ii) () That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____

() **F. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____**

(Give particulars the claim, including the calculations upon which the claim is based)

() **G. CLAIM OF A CUSTOMER OF A DEBTOR SECURITIES FIRM \$ _____**

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, Particulars of which are as follows:

(Give particulars the claim, including the calculations upon which the claim is based.)

5. That to the best of my knowledge and belief, the creditor and debtor are (or are not) related within the meaning of Section 4 of the *Bankruptcy and Insolvency Act*. (cross out that which does not apply)

6. That the following are the payments that I have received from, and credits that I have allowed to, the debtor within the three months *(or, if the creditor and the debtor are related as defined in Section 4 of the Bankruptcy and Insolvency Act, within 12 months)* immediately preceding March 30, 2010:

(provide details of payments and credits.)

DATED at _____ this _____ day of _____ 20_____.

Witness

Creditor

NOTE: If an Affidavit or Solemn Declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.

WARNING: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

PROXY

(paragraphs 51(1)(e) and 66.15(3)(b)
and subsection 102(2))

In the matter of the Division I Proposal of Alberta Permit Pro Inc.

I, (we) _____ (name of creditor)
of _____ (name of municipality) in the Province of _____, a creditor in the
above matter, hereby appoint _____ of _____,
to be my/our proxy in the above matter except as to the receipt of dividends, with/without power to appoint another proxy
in his or her place.

Dated at _____ this _____ day of _____ 20_____.

Witness

Individual Creditor

Name of Corporate Creditor

Witness

Per: _____
Name of Title and Signing Officer

Voting Letter
(Paragraph 66.15(3)(c) of the Act

In the matter of the consumer proposal of _____

I, _____ (name of creditor or representative of the creditor), of _____
_____ (Name of Town or city), a creditor in the above matter for the sum of
\$ _____, do hereby certify that:

1. I understand that a vote against the consumer proposal is not deemed to be a request, for a meeting of creditors.
2. I understand that a vote can only be counted if a meeting of creditors is called and that the proposal will be deemed to be accepted if no meeting is called.
3. That I have read and understand paragraphs 3, 4, 5 and 6 of Form 49 – Notice to Creditors of Consumer Proposal

Check and complete the appropriate statement.

I request the administrator of the consumer proposal record my vote **FOR** the acceptance of the consumer proposal as filed on the _____ day of _____.

Or

I request the administrator of the consumer proposal record my vote **AGAINST** the acceptance of the consumer proposal as filed on the _____ day of _____;

Or

I request the administrator of the consumer proposal record my vote **AGAINST** the acceptance of the consumer proposal as filed on the _____ day of _____ and **I REQUEST THAT A MEETING OF CREDITORS BE CONVENED.**

Dated at _____, this _____ day of _____.

Witness

Name of creditor or representative
Of Creditor.

District of Alberta
Division No: 01-Edmonton
Court No: 24-115349
Estate No: 24-115349

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE DIVISION I PROPOSAL OF
ALBERTA PERMIT PRO INC.**

TRUSTEE'S REPORT TO THE CREDITORS

A. INDEPENDENCE OF TRUSTEE:

The Trustee has no other current or past associations with Alberta Permit Pro Inc. (the "Company") and/or its representatives.

B. BACKGROUND:

The Company is an accredited privately held corporation. The Company's main activities include reviewing applications, issuing and inspection of permits within the building, electrical, fire, gas and plumbing disciplines.

The Company's head office is located in Edmonton, Alberta with branch offices located in various places throughout Alberta including Grande Prairie and Chestermere. The Company currently employs approximately twenty-five (25) employees and its primary customers include municipalities throughout the Province of Alberta.

C. CAUSE OF FINANCIAL DIFFICULTY:

The Company's current financial difficulties appear to have arisen from the a single significant accounting irregularity that was not anticipated by the Company. On July 1, 2008, 1281117 Alberta Ltd. ("128") purchased the shares of the Company. Subsequent to the conclusion of the sale, the Canada Revenue Agency ("CRA") completed a reassessment of the income tax liability for the periods of 2001 to 2004. The Company was reassessed with an estimated balance owing of \$700,000 pertaining to the amalgamation of various entities during these periods into one entity being Alberta Permit Pro Inc.

D. CONDUCT OF THE DEBTOR:

Nothing has been brought to the attention of the Trustee that would indicate the existence of any fraudulent transactions as defined under Sections 91 to 101 of the Bankruptcy and Insolvency Act.

E. FINANCIAL POSITION:

The financial position of the Company has been disclosed in the Statement of Affairs.

The actual cash in the Company's bank account as at May 31, 2010 is approximately \$155,910. In order to show a more accurate reflection of the cash that may be available in the event of a Bankruptcy, the Trustee has deducted the approximate salaries and rent payments that will come due in the month of June 2010. Keeping in line with the company's projected Cash-Flow Statement, the estimated salaries and rent total approximately \$146,028 resulting in a net cash balance of approximately \$9,882 ($155,910 - 146,028$).

F. IDENTIFICATION AND EVALUATION OF ASSETS:

A listing of assets and the respective values has also been reported in the Statement of Affairs.

The Company's Statement of Affairs lists the Accounts Receivable at an estimated realizable value of \$95,822. As of May 30, 2010 the Company's Accounts Receivable listing totalled approximately \$236,128, however, management has advised the Trustee that the largest outstanding account totalling approximately \$99,500 is in dispute. The Company has been offered a settlement on the debt for \$55,000 and as such the Company does not anticipate this account to be collectible in its entirety, so for purposes of this analysis the Accounts Receivable is reduced by \$44,500 ($\$99,500 - \$55,000$). With this information the Trustee has estimated that in the event of a Bankruptcy, approximately 50% of the undisputed accounts will likely be collectible resulting in a net realization of approximately \$95,814 ($(236,128 - 44,500) \times 0.50$).

G. CREDITOR'S CLAIMS:

The list of creditors and the amounts of their claims as at March 30, 2010 is also included in the Statement of Affairs.

It is important to note that as outlined in the terms of the Division I Proposal the Company's largest creditor, 128, has agreed not to participate in the dividend distribution associated with the Division I Proposal.

In the event of a Bankruptcy, however, 128's claim will be included in the calculation of the dividend distribution.

H. REMUNERATION OF TRUSTEE:

The Trustee's fees shall be paid from time to time out of the funds already in the possession of the Trustee or as funds become available pursuant to the terms of the Proposal plus disbursements and GST. All fees will be submitted by the Trustee for approval and taxation by the Court pursuant to the *Bankruptcy and Insolvency Act*.

I. PROOF OF CLAIMS:

In completing a Proof of Claim, the creditors should include all amounts owing up to March 30, 2010. All amounts incurred after March 30, 2010, if any, will be paid by the Company in the ordinary course of business.

J. ANTICIPATED DIVIDEND TO THE CREDITORS:

It is estimated that the dividends payable to the unsecured creditors in the Proposal will total the sum of \$104,215, which represents a dividend of 8.80% of the total unsecured indebtedness. By comparison, it is estimated that the dividend payable to the unsecured creditors in a Bankruptcy will total the sum of \$71,634, which represents a dividend of 0.82% of the total unsecured indebtedness.

K. RECOMMENDATION AND CONCLUSION:

In reviewing the comparative analysis of the Projected Dividends attached as Exhibit "A" to this Report it is evident that the creditors will receive greater dividends in a Proposal than they would otherwise receive in Bankruptcy. Please note the rejection of this Proposal will result in an automatic Bankruptcy.

The Cash-Flow Statement prepared by the Company indicates that the Company is able to make a lump sum payment in the sum of \$125,000 in the month of August, 2010 to the Trustee, which is in addition to the \$25,000 already received by the Trustee. Accordingly, it is likely that the Company will be able to perform the Proposal.

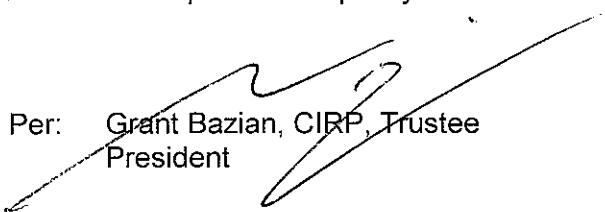
It is our opinion that the Company is acting in good faith and with due diligence in its effort to restructure its unsecured debt. The Company has demonstrated a willingness to complete the terms of the Proposal in an effort to maximize recovery for the unsecured creditors.

Based on the information provided in this Report, it is recommendation of the Trustee that the unsecured creditors accept the Proposal.

Dated at the City of Edmonton, in the province of Alberta, on June 17, 2010.

MEYERS NORRIS PENNY LIMITED

In its capacity as Trustee of the Division I Proposal of
Alberta Permit Pro Inc.
And not in its personal capacity

Per:  Grant Bazian, CIRP, Trustee
President

ALBERTA PERMIT PRO INC.

COMPARATIVE ANALYSIS OF PROJECTED DIVIDENDS

PROPOSAL VS. BANKRUPTCY

	PROPOSAL	BANKRUPTCY
	\$	\$
Cash on Hand		9,882
Accounts Receivable		95,822
Fixed Assets		10,000
Contributions under Proposal	150,000	
Total Funds Available	<u>150,000</u>	<u>115,704</u>
Less: Statutory Fees		
Superintendent Fees	150	150
Court Registrar Fees	150	150
Total Statutory Fees	300	300
Gross Funds Available for Distribution (before Trustee's fees and disbursements)	149,700	115,404
Less Superintendent's Levy (1)	<u>7,485</u>	<u>5,770</u>
Net Projected Dividend	142,215	109,634
Estimated Total Unsecured Claims	<u>1,184,000</u>	<u>8,684,000</u>
Unsecured Claims - Estimated Dividend as a Percentage	12.01%	1.26%

Notes:

- 1) Superintendent's Levy is calculated based on the estimated Net Funds Available for Distribution
- 2) In accordance with the terms of the Division I Proposal, 1281117 Alberta Ltd. shall not participate in any dividend distribution made under the Division I Proposal to the extent of its claim estimated to be \$7,500,000.