

District of: Alberta
Division No. 02 - Calgary
Court No. 25-093976
Estate No. 25-093976

FORM 11
Notice of Final Dividend and Application for Discharge of Trustee
(Paragraph 152(5)(c), Rule 61)

In the matter of the bankruptcy of
Art Evolution Inc.
of the city of Calgary, in the Province of Alberta

Take notice that:

1. A final dividend sheet has been prepared. There is enclosed with this form a copy of the dividend sheet and a copy of our final statement of receipts and disbursements as taxed.
2. The final dividend will be paid after the expiration of 15 days following the date of the mailing of this notice.
3. Notice of objection of the final statement and dividend sheet must be filed with the registrar, at 601- 5th Street South West, Calgary, Alberta before the 16th day of December 2010, and a copy of the notice served on the undersigned. The notice must state the reasons for the objection.
4. We will apply to the court on the 19th day of January 2011, at the hour of 10:00 o'clock AM, or so soon thereafter as the motion can be heard, for an order of discharge with respect to the above-mentioned estate and for a release of the security provided by us pursuant to subsection 16(1) of the Act.
5. Notice of objection to the discharge, setting out the reasons for opposition, must be filed with the registrar, at 601- 5th Street South West, Calgary, Alberta at least five days before the date of the hearing, and a copy of the notice must be served on us within those five days.

Dated at the city of Calgary in the Province of Alberta, this 30th day of November 2010.

Meyers Norris Penny Limited - Trustee

Per:



Katherine Bujold
300, 622 - 5 Avenue SW
Calgary AB T2P 0M6
Phone: (403) 538-3187 Fax: (403) 537-8437

District of Alberta
 Division No. 02 - Calgary
 Court No. 25-093976
 Estate No. 25-093976

FORM 12
 Final Statement of Receipts and Disbursements
 (Other than Summary Administration and Consumer Proposals)
 (Section 152 of the Act)

In the matter of the bankruptcy of
 Art Evolution Inc.
 of the city of Calgary, in the Province of Alberta

RECEIPTS:

| | | |
|-------------------------------|------------------|--------------------------------|
| 1. Asset Realization | | |
| Accounts receivable | 5,923.05 | |
| Sale of assets en bloc | <u>20,262.50</u> | 26,185.55 |
| 2. Tax Refund | | |
| GST refund | <u>3,049.85</u> | 3,049.85 |
| 3. Miscellaneous | | |
| Funds received from guarantor | 30,000.00 | |
| Refunds- miscellaneous | <u>1,079.91</u> | 31,079.91 |
| TOTAL RECEIPTS: | | <u><u>60,315.31</u></u> |

DISBURSEMENTS:

| | | |
|---|-----------------|--------------------------------|
| 4. Fees Paid: | | |
| To registrar | 150.00 | |
| To official receiver | <u>150.00</u> | 300.00 |
| 5. Other advertising: | <u>112.56</u> | 112.56 |
| 6. Auctioneer: | | |
| Commission | <u>4,052.50</u> | 4,052.50 |
| 7. Postage on general correspondence: | <u>89.64</u> | 89.64 |
| 8. Trustee's remuneration: | | |
| Trustee's fees | 28,287.50 | |
| Loss absorbed by trustee | -996.18 | |
| GST charged on Trustee remuneration | <u>1,414.38</u> | 28,705.70 |
| 9. Federal and Provincial taxes: | | |
| GST paid on disbursements exclusive of fees | <u>541.63</u> | 541.63 |
| 10. Miscellaneous: | | |
| Search Fees | 14.40 | |
| Photocopies | 466.00 | |
| Travel | 136.18 | |
| Freight | 8,100.00 | |
| Courier | 99.92 | |
| Redirection of mail | 125.00 | |
| Auction Expenses | 1,500.00 | |
| Clean up costs | <u>188.97</u> | 10,630.47 |
| TOTAL DISBURSEMENTS: | | <u><u>44,432.50</u></u> |

Note: How much of the total disbursements was paid for services provided by persons related to the trustee? 0.00

Amount available for distribution 15,882.81

11. Levy payable under section 147 of the Act 794.14

| | | | | |
|-------------------------|------------|-----------|--------|------------------|
| 12. Secured creditors | | | | |
| Dividend | 15,882.81 | less levy | 794.14 | <u>15,088.67</u> |
| 13. Unsecured creditors | | | | |
| Proved claims of | 289,057.44 | | | |
| Final dividend | 0.00 | less levy | 0.00 | <u>0.00</u> |

Asset Notes

| | | | | |
|--|-----------|---|--|--|
| Business Assets - Machinery | 1.00 | Sold at auction. Total gross proceeds realized of \$20,262.50 for all assets sold at auction. | | |
| Business Assets - Stock In Trade | 1.00 | Sold at auction. Total gross proceeds realized of \$20,262.50 for all assets sold at auction. | | |
| Business Assets - Trade Fixtures | 1.00 | Sold at auction. Total gross proceeds realized of \$20,262.50 for all assets sold at auction. | | |
| Debts Due - Business - Various Accounts Receivable | 27,450.00 | Realized \$5,923.05 from collection of AR. Balance determined to be uncollectable. | | |
| Furniture - Furniture | 1.00 | Abandoned at leased premises. Cost prohibitive to remove. | | |
| Other - Inventory (World Market Center, Las Vegas) | 1.00 | Assets located in US. Cost prohibitive to pursue. | | |
| Other - Prepays & Deposits | 1.00 | Realized \$1,079.91 from return of WCB premium overpayment. | | |

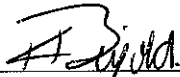
Notes:

The Trustee's fees and out of pocket disbursements totalled \$30,996.18, inclusive of GST. The loss absorbed by the Trustee of \$996.18 is to be paid directly by the third party guarantor.

Dated at the city of Calgary in the Province of Alberta, this 29th day of October 2010.

Meyers Norris Penny Limited - Trustee

Per:



Katherine Bujold
 300, 622 - 5 Avenue SW
 Calgary AB T2P 0M6
 Phone: (403) 538-3187 Fax: (403) 537-8437

Approved by the following inspectors:

John Hermann

Taxed at the sum of \$ 28287.50 this 29 day of November 2010.

✓ J.M.


 Registrar

FORM 12 --- Concluded (Art Evolution Inc.)

| | | | | |
|-------------------------|------------|-----------|--------|------------------|
| 12. Secured creditors | | | | |
| Dividend | 15,862.81 | less levy | 794.14 | <u>15,088.67</u> |
| 13. Unsecured creditors | | | | |
| Proved claims of | 289,057.44 | | | |
| Final dividend | 0.00 | less levy | 0.00 | <u>0.00</u> |

Asset Notes

| | | |
|--|-----------|---|
| Business Assets - Machinery | 1.00 | Sold at auction. Total gross proceeds realized of \$20,262.50 for all assets sold at auction. |
| Business Assets - Stock In Trade | 1.00 | Sold at auction. Total gross proceeds realized of \$20,262.50 for all assets sold at auction. |
| Business Assets - Trade Fixtures | 1.00 | Sold at auction. Total gross proceeds realized of \$20,262.50 for all assets sold at auction. |
| Debts Due - Business - Various Accounts Receivable | 27,450.00 | Realized \$5,923.05 from collection of AR. Balance determined to be uncollectable. |
| Furniture - Furniture | 1.00 | Abandoned at leased premises. Cost prohibitive to remove. |
| Other - Inventory (World Market Center, Las Vegas) | 1.00 | Assets located in US. Cost prohibitive to pursue. |
| Other - Prepaids & Deposits | 1.00 | Realized \$1,079.91 from return of WCB premium overpayment. |

Notes:

The Trustee's fees and out of pocket disbursements totalled \$30,996.18, inclusive of GST. The loss absorbed by the Trustee of \$996.18 is to be paid directly by the third party guarantor.

Dated at the city of Calgary in the Province of Alberta, this 29th day of October 2010.

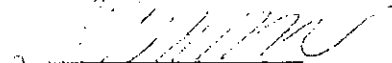
Meyers Norris Penny Limited - Trustee

Per:



Katherine Bujold
 300, 622 - 5 Avenue SW
 Calgary AB T2P 0M6
 Phone: (403) 538-3187 Fax: (403) 537-8437

Approved by the following inspectors:



John Hermann

Taxed at the sum of \$ _____, this _____ day of _____.

Registrar

District of Alberta
 Division No. 02 - Calgary
 Court No. 25-093976
 Estate No. 25-093976

DIVIDEND SHEET
 In the matter of the bankruptcy of
 Art Evolution Inc.
 of the city of Calgary, in the Province of Alberta

Date declared: October 29, 2010

| | Claim \$ | Total | | | Interim Payment \$ | Current | | |
|---|------------|-------------|---------|------------|-----------------------|-------------|---------|------------|
| | | Dividend \$ | Levy \$ | Payment \$ | | Dividend \$ | Levy \$ | Payment \$ |
| Preferred | | | | | | | | |
| Skystone Engineering | 55,357.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total: | 55,357.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unsecured | | | | | | | | |
| Bank of Montreal | 209,287.76 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BDO Dunwoody LLP | 9,283.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bell Mobility | 1,147.24 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bruce McGaw Graphics Canada 101398 | 484.97 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Canadian Freightways Ltd. | 14,094.74 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Crescent Cardboard Co. LLC 49528 | 478.96 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Enmax Energy Corp. & City Utility Accounts #2003 | 5,447.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gunnar International Inc. (CAN) UA0070 | 608.56 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IHFC Properties, LLC 000118 | 3,408.92 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Instabox Alberta Inc. CRDBRD09/2/09 | 4,761.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Lowry's Sales AB Ltd. 0004360-01 | 4,155.03 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Michelangelo Inc. | 18,933.21 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Monarch Messenger Services Ltd. 10901 | 480.66 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purolator Freight | 515.44 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purolator Freight F11688 | 5,989.39 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reimer Express Lines Ltd. | 1,375.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SecurTek ARTEVOL001 | 369.60 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Trans-Frt. McNamara | 2,464.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| UPS 7F20R7 | 1,370.18 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Waste Management 212-09821 | 4,402.48 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total: | 289,057.44 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Secured | | | | | | | | |
| Bank of Montreal | 27,450.00 | 15,882.81 | 794.14 | 15,088.67 | 0.00 | 15,882.81 | 794.14 | 15,088.67 |
| Total: | 27,450.00 | 15,882.81 | 794.14 | 15,088.67 | 0.00 | 15,882.81 | 794.14 | 15,088.67 |

District of Alberta
Division No. 02 - Calgary
Court No. 25-093976
Estate No. 25-093976

DIVIDEND SHEET

In the matter of the bankruptcy of
Art Evolution Inc.
of the city of Calgary, in the Province of Alberta

Date declared: October 29, 2010

| | Claim \$ | Total | | | Interim Payment \$ | Current | | |
|----------------------|-------------------|------------------|---------------|------------------|-----------------------|------------------|---------------|------------------|
| | | Dividend \$ | Levy \$ | Payment \$ | | Dividend \$ | Levy \$ | Payment \$ |
| Grand Totals: | <u>371,865.01</u> | <u>15,882.81</u> | <u>794.14</u> | <u>15,088.67</u> | <u>0.00</u> | <u>15,882.81</u> | <u>794.14</u> | <u>15,088.67</u> |