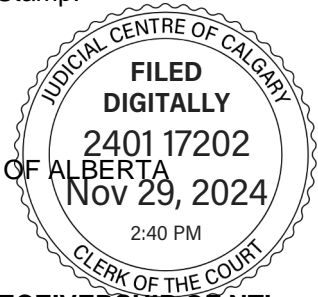


Form 7
[Rule 3.8]

Clerk's Stamp:



COURT FILE NUMBER

COURT

JUDICIAL CENTRE

PROCEEDING

COURT OF KING'S BENCH OF ALBERTA

CALGARY

**IN THE MATTER OF THE RECEIVERSHIP OF NTI
NEWSPAPER TECHNOLOGIES INC.**

APPLICANT

KPMG INC.

RESPONDENT

NTI NEWSPAPER TECHNOLOGIES INC.

DOCUMENT

ORIGINATING APPLICATION

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Ph. (403) 268-7015 Fx. (403) 268-3100
Attention: Afshan Naveed
File No.: 533650-7

NOTICE TO THE RESPONDENT(S): SEE ATTACHED SERVICE LIST – SCHEDULE “A”

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

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

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

Date: December 12, 2024
Time: 10:00 AM
Where: Calgary Courts Centre
Via Webex - Virtual Courtroom Link:
<https://albertacourts.webex.com/meet/virtual.courtroom60>
Before The Honourable Justice G.A. Campbell

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

Basis for this claim:

1. The Applicant, KPMG Inc. ("**KPMG**") is a licensed insolvency trustee and was privately appointed as receiver and manager (in such capacity the "**Receiver**") over all the undertakings, property and assets (the "**Property**") of NTI Newspaper Technologies Inc. ("**NTI**") by the Toronto-Dominion Bank ("**TD**") pursuant to a letter agreement dated July 18, 2000 (the "**Private Appointment Agreement**").
2. At the time of appointment, TD was the senior secured creditor of NTI owed approximately \$410,000.00 (the "**TD Indebtedness**").
3. On July 18, 2000 the Receiver took possession of the Property.
4. From July 18, 2000 to December 4, 2002¹ the Receiver undertook various steps to realize on the Property in accordance with the Private Appointment Agreement for the benefit of TD. A summary of the steps taken by KPMG in its capacity as Receiver are outlined at paras 16-25 of the First and Final Report of the Receiver dated November 29, 2024 (the "**Receiver's Report**").
5. Pursuant to a debtor name search of the Alberta Personal Property Registry conducted by the Receiver on July 27 2000, the following secured creditors were listed as having a registered security interest in the property of NTI (listed in the order of priority):
 - (a) TD, had a first ranking secured claim in the amount of the TD Indebtedness;
 - (b) NetDriven Solutions Inc. ("**NDS**"), NTI's parent entity, had a second-ranking secured claim of \$5.86 million; and
 - (c) five individuals (all presumed to be shareholders or related parties to NTI) had secured claims totaling \$410,000,(collectively, the "**Secured Claims**").
6. In addition to the Secured Claims, the Receiver was also aware of various unsecured creditors with claims totaling \$85,000 USD and \$212,446 CAD, as of July 27, 2000.
7. At the time of receivership, several creditors were pursuing legal proceedings against NTI, the majority of these actions were discontinued, however, Time Publishing Company, an entity based on Florida, continued their action despite the Receiver's appointment and on December 4, 2000 obtained summary judgement in the Circuit Court of the Sixth Circuit of Florida against NTI for US\$1.48 million. KPMG is unaware of the status of this judgment.
8. During the receivership, it did not appear that there would be sufficient funds in the estate to satisfy the TD Indebtedness, and the Receiver did not anticipate being in a position to make distributions to creditors whose priority ranked subsequent to TD.
9. NTI's assets were marketed and sold during the receivership. The Receiver made a distribution to TD on December 4, 2001 in the amount \$379,614 and the TD Indebtedness was fully repaid (the "**TD Distribution**").

10. The Receiver paid its fees and other costs and disbursements, and those of its counsel, incurred from the date of its appointment to November 2004. After payments of such fees and costs, the amount of \$106,836 in surplus funds are currently held by the Receiver in NTI's estate account (the "Surplus").

Necessity to Interplead Funds

11. The Private Appointment Agreement does not include any terms concerning surplus funds or other wise contemplating a scenario where the Receiver would be in possession of surplus funds. KPMG's appointment as Receiver under the Private Appointment Agreement concluded upon TD being paid out in full.
12. NTI ceased operations prior to the receivership, and has been struck from the Alberta Corporate Registry since December of 2001.
13. Pursuant to a debtor name search conducted in the Alberta Personal Property Registry conducted on November 22, 2024, there are currently no secured creditors with a registered interest in the property of NTI.
14. NDS, the second ranking secured creditor was amalgamated into Cervus Financial Group in 2004. Cervus Financial Group filed for protection under the *Companies' Creditors Arrangement Act* in 2006 and was ultimately dissolved in 2008.
15. The validity and value of the Secured Claims, other than TD's claim, was not reviewed or evaluated during the receivership.
16. KPMG is in possession of the Surplus funds and claims no interest in such funds, other than the payment of the Remaining Fees (as defined and detailed below).
17. KPMG believes the following parties do or may claim an interest in the Surplus:
 - (a) secured creditors, if any;
 - (b) unsecured creditors, if any; and
 - (c) former shareholders of NTI;
18. However, the identities of those who may have an interest in the Surplus are unknown to the Receiver. Interpleading the Surplus into Court is the only real option available to the Receiver.

Remaining Fees

19. Despite being appointed by way of private appointment, and given the unique circumstances, KPMG seeks ratification and approval from this Court of its professional fees and disbursements, and those of its counsel, Dentons Canada LLP, as set out in the Receiver's Report, which have incurred following the TD Distribution. A summary of the professional fees and disbursements is set out in the Receiver's Report, detailed accounts are available for review by the Court upon request.

20. The Receiver's outstanding fees for the period of December 10, 2018 to November 25, 2024, are \$30,883.00 inclusive of GST. The Receiver's counsel, Dentons Canada LLP, outstanding fees for the period May 30, 2024 to November 24, 2024 total \$12,835.73 inclusive of GST (collectively the "**Outstanding Fees**").
21. KPMG estimates its professional fees and disbursements and those of its counsel to complete these proceedings to be in the range of \$5,000 to \$15,000 (the "**Completion Estimate**", together with the Outstanding Fees are collectively the "**Remaining Fees**").
22. KPMG submits that its fees and disbursements, and the fees and disbursements of its counsel, Dentons Canada LLP, are fair and reasonable and justified in the circumstances. KPMG recommends approval of its accounts and the accounts of Dentons Canada LLP by this Court.
23. KPMG is also in possession of approximately three boxes of Books and Records of NTI, which do not contain information pertaining to potential creditor information. As there are no officers or directors with respect to NTI, and the Receiver's mandate has ended, the Receiver is of the view that the Books and Records should be destroyed

Remedy sought:

24. An Order in substantially the form attached hereto as Schedule "B":
 - (a) permitting KPMG to pay the Surplus, less the Remaining Fees, into Court;
 - (b) declaring that payment into Court of the Surplus, less the Remaining Fees, shall be good and sufficient to discharge KPMG's obligations, if any, to the Respondents, and any and all creditors or stakeholders of NTI and further that KPMG's payment to the Clerk of the Court shall relieve KPMG and its counsel, Dentons Canada LLP, wholly from any liability with respect to the monies so paid in;
 - (c) declaring that KPMG and its counsel, is not obliged to appear on any further applications related to any claim made by the Respondents, or any creditor or stakeholder against each other, or in making a claim to the funds paid into Court; and
 - (d) authorizing KPMG to destroy any and all documents, accounting records, and other papers, records and information related to the business and affairs of NTI.
25. Such further and other relief as this Honorable Court deems just and appropriate.

Affidavit or other evidence to be used in support of this application:

26. First and Final Report of the Receiver, dated November 29, 2024, to be filed.

Applicable Acts and regulations:

27. Rule 6.56(1) of the *Alberta Rules of Court*.

WARNING

You are named as a Respondent because you have made or are expected to make an adverse claim in respect of this originating Application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the Applicant(s) and against all persons claiming under the Applicant(s). You will be bound by any Order the Court makes, or another Order might be given or other proceedings taken which the Applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to rely on an Affidavit or other evidence when the Originating Application is heard or considered, you must reply by giving reasonable notice of that material to the Applicant(s).

Schedule "A" – Service List

COURT FILE NUMBER
 COURT COURT OF KING'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PROCEEDING **IN THE MATTER OF THE RECEIVERSHIP OF NTI
 NEWSPAPER TECHNOLOGIES INC.**
 APPLICANT **KPMG INC.**
 RESPONDENT **NTI NEWSPAPER TECHNOLOGIES INC.**
 DOCUMENT **SERVICE LIST**

November 14, 2024

Service Recipient	Mode of Service	Status
KPMG Inc. Suite 3100, 205 – 5 th Ave SW Calgary, AB T2P 4B9 Attention: Temi Muraina and Jackie Shellon	Email: tmuraina@kpmg.ca and jshellon@kpmg.ca	Privately appointed Receiver
Dentons Canada LLP Bankers Court 1500, 850 – 2 nd Street SW Calgary, AB T2P 0R8 Attention: Afshan Naveed	Email: Afshan.naveed@dentons.com	Counsel to KPMG Inc.
Donald Chapman 804 Hillcrest Ave SW, Calgary AB T2T 0Y9	Courier	Creditor, interested party
The Toronto-Dominion Bank Commercial Banking Centre 148 Edmonton Centre Edmonton, AB T5J 2Y8	Courier	Interested party
Jeff Nelson 5583 Whitewood Avenue Manotick, ON K4M1E1	Courier	Interested
William Wyrostok 4453 Springbett Drive Red Deer, AB T4N 3N5	Courier	Creditor, interested party

Service Recipient	Mode of Service	Status
James S. Evans 216-7 th Avenue NE Calgary, AB T2E0M7	Courier	Creditor, interested party
Jillian Group Inc. 7603 – 5 th Street SW Calgary, AB T2V 1B8	Courier	Creditor, interested party
Geophysical Micro Computer Applications (International) Ltd. 700, 736-6 Avenue SW Calgary, AB T2P 3T7	Courier	Creditor, interested party
Time Publishing Company 1000 N Ashley Drive Tampa, FL 33602	Courier	Interested party
Ron Newman #700, 736-6 Avenue SW Calgary, AB T2P3T7	Courier	Interested party
Email List: tmuraina@kpmg.ca ; jshellon@kpmg.ca ; Afshan.naveed@dentons.com		

Clerk's stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

**IN THE MATTER OF THE RECEIVERSHIP OF NTI
NEWSPAPER TECHNOLOGIES INC.**

APPLICANT

KPMG INC.

RESPONDENT

NTI NEWSPAPER TECHNOLOGIES INC.

DOCUMENT

INTERPLEADER ORDER

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Ph. (403) 268-7015 Fx. (403) 268-3100
Attention: Afshan Naveed
File No.: 533650-7

DATE ON WHICH ORDER WAS PRONOUNCED: December 12, 2024

LOCATION WHERE ORDER WAS
PRONOUNCED:

Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice G.A. Campbell

INTERPLEADER ORDER

UPON the Application of, KPMG Inc. ("**KPMG**") in its capacity as the privately appointed receiver and manager (in such capacity the "**Receiver**") over all the undertakings, property and assets of NTI Newspaper Technologies Inc. (the "**Debtor**"), for an Interpleader Order; AND UPON having read the First and Final Report of the Receiver dated November 29, 2024 (the "**Final Report**"); AND UPON reading the Affidavit of Service of _____; AND UPON hearing counsel for the Receiver and such other parties as may be virtually present in person or by counsel; AND UPON being satisfied that it is appropriate to do so;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

APPROVAL OF ACCOUNTS AND PAYMENT OF SURPLUS INTO COURT

2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them Final Report.
3. The Receiver's accounts for professional fees and disbursements, as set out in the Final Report are hereby approved without the necessity of a formal passing of its accounts.
4. The accounts of the Receiver's legal counsel, Dentons Canada, LLP, for its professional fees and disbursements, as set out in the Final Report are hereby approved without the necessity of a formal assessment of its accounts.
5. The Receiver is hereby authorized and directed to pay the balance of the estate funds, after payment of the Remaining Fees as outlined in the Final Report, into Court (the "**Funds**").
6. The Receiver shall, within 7 business days from the date the Funds are paid into Court, provide notice of this Order and the payment into Court to any known interested parties (the "**Interested Parties**") as follows:
 - (a) to those on the service list, at the last known address noted therein;
 - (b) by way of publication in the following newspapers including:
 - (i) the Calgary Herald; and
 - (ii) the Mami Herald, in Miami Florida;
 - (c) by posting a copy to the Receiver's website at <https://kpmg.com/ca/en/home/services/advisory/deal-advisory/creditorlinks/nti-newspaper-technologies-inc.html>
7. Service in the manner described in paragraph 6 of this Order shall be deemed good and sufficient.
8. Interested Parties have leave to bring an application in the within action to assert their entitlement to the Funds.
9. Payment of the Funds into Court shall be good and sufficient to discharge the Receiver's obligations, if any, to the Interested Parties with respect to the Funds, and shall relieve the Receiver wholly from any liability with respect to the Funds.
10. The Receiver is not obliged to appear on any further applications related to any claim made by Interested Parties in relation to the Funds.

RELEASE AND STAY

11. The Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties as receiver and manager of the Debtor and in the within proceedings and save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished, and forever barred.
12. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on notice to the Receiver, and upon such terms as this Court may direct.

MISCELLANEOUS

13. The Receiver is authorized and empowered to destroy any and all documents, accounting records, and other papers, records and information related to the business and affairs of the Debtor.
14. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (b) posting a copy of this Order on the Receiver's website at:
<https://kpmg.com/ca/en/home/services/advisory/deal-advisory/creditorlinks/nti-newspaper-technologies-inc.html> and
service on any other person is hereby dispensed with.
15. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta