



**Alvarez & Marsal Canada Inc.**  
Bow Valley Square I  
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**CANADA  
PROVINCE OF ALBERTA  
CITY OF CALGARY  
ESTATE NO. 24-1823086**  
Alvarez & Marsal Canada Inc.

**IN THE MATTER OF THE BANKRUPTCY OF PARAGON ALEXIS HOLDINGS INC.,** a solely constituted corporation, having its head office and principal place of business at 150-6650 Via Austi Parkway, Las Vegas, Nevada, 89119

**NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS**  
(Subsection 102(1) of the Bankruptcy and Insolvency Act)

TAKE NOTICE that:

1. Paragon Alexis Holdings Inc. was deemed to have filed an assignment on the 31st day of January 2013, and the undersigned, Alvarez & Marsal Canada Inc., was appointed as trustee in bankruptcy by the official receiver, subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.
2. The first meeting of creditors of the bankrupt will be held on the 25th day of February 2013 at 10:00 a.m. at Manulife Place, King Edward Room, 10180-101 St NW, 5th Floor, Edmonton, Alberta.
3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and where necessary, a proxy.
4. Enclosed with this notice is a form of proof of claim, a form of proxy and a list of creditors with claims amounting to twenty-five dollars or more, showing the amounts of their claims.
5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.
6. For further information and copies of the certificate of assignment and other bankruptcy related documents to these proceedings, please visit the trustee's web-site at [www.amcanadadocs.com](http://www.amcanadadocs.com).

**DATED AT CALGARY, ALBERTA,** this 31<sup>st</sup> day of January, 2014.

**ALVAREZ & MARSAL CANADA INC.**

**in its capacity as Trustee of the Estate of Paragon Alexis Holdings Inc., a Bankrupt, and not in its personal capacity**

**Per:** \_\_\_\_\_  
Tim Reid, CA CIRP  
Senior Vice - President

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

☒ Original

☐ Amended

-- Form 78 --

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

To the bankrupt:

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 bankruptcy, on the 31st day of January 2014. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

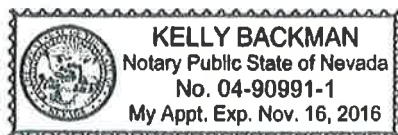
| LIABILITIES<br>(as stated and estimated by the officer)          |               | ASSETS<br>(as stated and estimated by the officer)                 |               |
|--|---------------|--|---------------|
| 1. Unsecured creditors as per list "A" .....                     | 250.00        | 1. Inventory .....   | 0.00          |
| Balance of secured claims as per list "B" .....                  | 81,607,424.59 | 2. Trade fixtures, etc. ....                                       | 0.00          |
| Total unsecured creditors .....                                  | 81,607,674.59 | 3. Accounts receivable and other receivables, as per list "E"      |               |
| 2. Secured creditors as per list "B" .....                       | 0.00          | Good .....   | 0.00          |
| 3. Preferred creditors as per list "C" .....                     | 0.00          | Doubtful .....   | 0.00          |
| 4. Contingent, trust claims or other liabilities as per list "D" | 0.00          | Bad .....  | 0.00          |
| estimated to be reclaimable for .....                            |               | Estimated to produce .....   | 0.00          |
| Total liabilities .....  | 81,607,674.59 | 4. Bills of exchange, promissory note, etc., as per list "F" ..... | 0.00          |
| Surplus .....  | NIL           | 5. Deposits in financial institutions .....                        | 0.00          |
|  |               | 6. Cash .....  | 0.00          |
|  |               | 7. Livestock .....   | 0.00          |
|  |               | 8. Machinery, equipment and plant .....                            | 0.00          |
|  |               | 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" .....                          | 0.00          |
|  |               | If bankrupt 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 .....   | 0.00          |
|  |               | Deficiency .....   | 81,607,674.59 |

I, Eric Boes, of the city of Las Vegas in the State of Nevada, 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 31st day of January 2014 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) *State of Nevada KB*  
before me at the city of ~~Calgary~~ *Las Vegas KB* in the Province of ~~Alberta~~ *NB*, on this 10th day of February 2014.

*Kelly Backman*

*Eric Boes*  
Eric Boes



District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

FORM 78 -- Continued

List "A"  
Unsecured Creditors

Paragon Alexis Holdings Inc.

| No.    | Name of creditor         | Address  | Unsecured claim | Balance of claim | Total claim   |
|--------|--------------------------|--|-----------------|------------------|---------------|
| 1      | Canada Revenue Agency    | 9700 Jasper Avenue<br>Edmonton AB T5J 4C8                  | 250.00          | 0.00             | 250.00        |
| 2      | Silver Point Finance LLC | 2 Greenwich Plaza<br>Greenwich CT 06830-6353 United States | 0.00            | 81,607,424.59    | 81,607,424.59 |
| Total: |                          |  | 250.00          | 81,607,424.59    | 81,607,674.59 |

06-Feb-2014

Date



Eric Boes

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

FORM 78 -- Continued

List "B"  
Secured Creditors

Paragon Alexis Holdings 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      | Silver Point Finance LLC | 2 Greenwich Plaza<br>Greenwich CT<br>06830-6353 United States | 81,607,424.59   | Other - Investment      |            | 0.00                        |                                 | 81,607,424.59              |
| Total: |                          |   | 81,607,424.59   |                         |            | 0.00                        | 0.00                            | 81,607,424.59              |

06-Feb-2014

Date



Eric Boes

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

FORM 7B -- Continued

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

Paragon Alexis Holdings 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                            |

06-Feb-2014

Date



Eric Boes

District of: Alberta  
Division No. 02 - Calgary  
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Estate No. 24-1823086

FORM 78 -- Continued

List "D"  
Contingent or Other Liabilities

Paragon Alexis Holdings Inc.

| No.    | Name of creditor<br>or claimant | Address<br>and occupation | Amount of<br>liability or claim | Amount<br>expected to<br>rank for dividend | Date when liability<br>incurred | Nature of liability |
|--------|---------------------------------|---------------------------|---------------------------------|--|---------------------------------|---------------------|
| Total: |                                 |                           | 0.00                            | 0.00                                       |                                 |                     |

06-Feb-2014

Date



Eric Boes

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

FORM 78 -- Continued

List "E"  
Debts Due to the Bankrupt

Paragon Alexis Holdings Inc.

| No.    | Name of debtor | Address and occupation | Nature of debt | Amount of debt<br>(good, doubtful,<br>bad) | Folio of ledgers or<br>other book where<br>particulars to be found | When<br>contracted | Estimated to<br>produce | Particulars of any<br>securities held for<br>debt |
|--------|----------------|------------------------|----------------|--|--|--------------------|-------------------------|---|
| Total: |                |                        |                | 0.00<br>0.00<br>0.00                       |  |                    | 0.00                    |   |

06-Feb-2014

Date



Eric Boes

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

FORM 7B -- Continued

List "F"

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

Paragon Alexis Holdings Inc.

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

06-Feb-2014

Date



Eric Boes



District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

FORM 78 -- Continued

List "G"  
Real Property or Immovables Owned by Bankrupt

Paragon Alexis Holdings Inc.

| Description of property | Nature of bankrupt 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              |

06-Feb-2014

Date

  
Eric Boes

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

FORM 78 -- Concluded

List "H"  
Property

Paragon Alexis Holdings 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 institutions       |          |                     | 0.00          | 0.00                 |
| (d) Cash on hand                         |          |                     | 0.00          | 0.00                 |
| (e) Livestock                            |          |                     | 0.00          | 0.00                 |
| (f) Machinery, equipment and plant       |          |                     | 0.00          | 0.00                 |
| (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                                |          | Investment          | 1,500,000.00  | 0.00                 |
|  |          |                     | Total:        | 0.00                 |

06-Feb-2014

Date



Eric Boes

Court No. 24-1823086

File No. 24-1823086

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

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Alvarez & Marsal Canada Inc. - Trustee  
Per:

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Tim Reid  
Bow Valley Square I  
202 6th Avenue S.W.  
Calgary AB T2P 2R9  
Phone: (403) 538-4756 Fax: (403) 538-7551



## **CHECKLIST FOR PROOF OF CLAIM**

This checklist is provided to assist you in preparing the proof of claim form and, if appropriate, the proxy form in a complete and accurate manner.

### **General**

- The **signature of a witness** is required.
- The document **must be signed** by the individual completing the declaration.
- **Provide the complete address** where all notices or correspondence are to be forwarded along with your phone number, fax number and email address where appropriate.

### **Notes:**

- It is permissible to file a proof of claim by fax.
- A creditor may vote either in person or by proxy at any meeting of creditors if the proof of claim is filed with the Trustee prior to the time appointed for the meeting.
- A quorum at any meeting of creditors is at least one creditor with a valid proof of claim in attendance in person or by proxy.
- A corporation may vote by an authorized agent or mandatory at meetings of creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.
- A creditor who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.
- In the case of an individual bankrupt, by checking the appropriate boxes at the bottom of the proof of claim form, you may request that the Trustee advise you of any material change in the financial situation of the bankrupt or the amount of the bankrupt is required to pay into the bankruptcy, and a copy of the Trustee's report on the discharge of the bankrupt.

### **Paragraph (1)**

- Creditor must state full and complete legal name of the individual, company or firm.
- If the individual completing the proof of claim is a representative of the creditor, the individual's position or title must be identified.

### **Paragraph (3)**

- The amount owing must be set out in paragraph 3.
- A **detailed statement of account** must be attached to the proof of claim and marked "Schedule A" and must show the date, number and amount of all the invoices, charges, credits or payments. The amount on the statement of account must correspond to the amount indicated on the proof of claim.



## Paragraph (4)

### Notes:

- **Paragraph A** applies to the **ordinary unsecured claims**. In addition to recording the amount of the claim, please indicate whether the claim has a priority pursuant to section 136 of the Act.
- **Paragraph B** applies to **lessor claims in a commercial proposal**. Please ensure that the claim applies to a commercial proposal and, if so, include the full particulars of the claim.
- **Paragraph C** applies to **secured claims**. Please indicate the dollar value of the security and attach copies of the security documents. In addition, please attach copies of the security registration, where appropriate.
- **Paragraph D** applies to **inventory claims of farmers, fisherman and aquaculturists**. Please note that such claims apply only to inventory supplied from farmers, fishermen and aquaculturists within 15 (fifteen) days of the date of bankruptcy. In addition, please attach copies of any applicable sales agreement and delivery slips.
- **Paragraph E** applies to **claims by wage earners**. Please note that such claims apply only for unpaid wages owed upon bankruptcy of an employer or when the employer becomes subject to a receivership.
- **Paragraph F** applies to **claims by employees for unpaid amounts regarding pension plans**. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- **Paragraph G** applies to **claims against directors**. Please note that such claims apply only to directors of corporations that have filed a commercial proposal to creditors that includes a compromise of statutory claims against directors.
- **Paragraph H** applies to **claims of customers of a bankrupt securities firm**. Please ensure that the claim of the customer is for net equity and, if so, include the full particulars of the claim, including the calculations upon which the claim is based.
- In order to prepare its claim, the creditor should refer to the *Bankruptcy and Insolvency Act*, copy of which is accessible at <http://laws.justice.gc.ca/eng/StatutesByTitle>.

## Paragraph (5)

- All claimants must indicate whether or not they are related to the debtor, as defined in section 4 of the Act, or dealt with the debtor in a non-arm's length manner.

## Paragraph (6)

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
  - a) **within the three (3) months preceding** the initial bankruptcy event (including the bankruptcy or the proposal);
  - b) **within the twelve (12) months preceding** the initial bankruptcy event (including the bankruptcy or the proposal) in the case where the claimant and the debtor were not dealing at arm's length.

Bow Valley Square I  
202 6th Avenue S.W.  
Calgary AB T2P 2R9  
Phone: (403) 538-4756 Fax: (403) 538-7551  
E-mail: treid@alvarezandmarsal.com

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

- FORM 31 -  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

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

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the bankruptcy of Paragon Alexis Holdings Inc. of the city of Las Vegas in the State of Nevada and the claim of \_\_\_\_\_, creditor.  
I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy, namely the 31st day of January 2014, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

☐ A. UNSECURED CLAIM OF \$ \_\_\_\_\_

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

☐ Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

☐ Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

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

☐ C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this 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 you assess the security, and attach a copy of the security documents.)

☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_

(Attach a copy of sales agreement and delivery receipts.)

- ☐ E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_
- ☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,
- ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_,
- ☐ F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_
- ☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,
- ☐ That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_,
- ☐ G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*

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

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

- ☐ H. CLAIM OF A CUSTOMER OF A BANKRUPT 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 full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- ☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

Phone Number: \_\_\_\_\_

Fax Number : \_\_\_\_\_

E-mail Address : \_\_\_\_\_

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: 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 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Alberta  
Division No. 02 - Calgary  
Court No. 24-1823086  
Estate No. 24-1823086

- FORM 36 -

Proxy

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby  
appoint \_\_\_\_\_, of \_\_\_\_\_, to be my  
proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without) power to  
appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Alvarez & Marsal Canada Inc. - Trustee  
Per:

\_\_\_\_\_  
Tim Reid  
Bow Valley Square I  
202 6th Avenue S.W.  
Calgary AB T2P 2R9  
Phone: (403) 538-4756 Fax: (403) 538-7551  
E-mail: treid@alvarezandmarsal.com