

January 7, 2010

TO ALL CREDITORS:

**IN THE MATTER OF THE RECEIVERSHIP OF
ARTEVO CORPORATION**

Our firm was appointed Receiver and Manager of Artevo Corporation on December 18, 2009 and a statutory notice and statement of Receiver is attached for your information.

Since being appointed, the Receiver has:

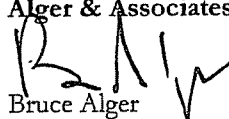
- taken possession of the assets and undertakings of Artevo
- completed framing and other work in progress
- commenced collection of accounts receivable
- conducted a partial liquidation of the Victoria inventory and terminated the Victoria store operation
- commenced exploring the sale of the events business as a going concern
- terminated operation of the Calgary gallery and art frame business
- commenced soliciting proposals to liquidate the inventory of art and other assets
- commenced negotiations with the other 50 percent owner of the premises at 514 – 11th Avenue SW Calgary, AB, to realize on Artevo's interest in this building. These negotiations have been complicated by damage, which the building sustained, allegedly, as a result of the excavation and construction of the large real estate development immediately north of the building.
- terminated all staff and provided final pay cheques and records of employment

Based on a very preliminary review of the company's liquidation prospects, it is anticipated that there will not be any realization available for unsecured creditors. Should this situation change, unsecured creditors will be contacted.

Any artists with legitimate consignment agreements for art, or leasing companies requiring the return of leased assets are requested to visit www.alger.ca/artevo/index.html to obtain a claim form for completion and submission to the Receiver.

Contact information is contained in the attached notice, should you require further information.

Yours very truly,
Alger & Associates Inc.



Bruce Alger

T 403 296 2970
balger@alger.ca
Enclosures

District of: Alberta
Division No. 02-Calgary
Court Action No. 0901-18773

NOTICE AND STATEMENT OF RECEIVER
(Subsections 245(1) and 246(1) of the Act)

**IN THE MATTER OF THE RECEIVERSHIP OF
ARTEVO CORPORATION**

TAKE NOTICE THAT:

1. On the 18th day of December, 2009, the undersigned, Alger & Associates Inc., was appointed receiver and manager ("Receiver") in respect of the property of Artevo Corporation ("the Company") that is described below:

Assets

	Net Book Value Per Debtor
Cash in Bank	\$ 26,970
Cash on Hand	1,150
Trust Account re medical plan	7,000
Accounts Receivables	111,314
GST Refund	77,667
Inventory	1,992,407
Prepaid Expenses	194,230
Fixed Assets	1,686,646
Due from SMIF	695,322
Interco AR	4,855
Investment in SMIF Shares	<u>1</u>
	\$ <u>4,797,562</u>

2. The undersigned became a receiver and manager in respect of the property described above by virtue of being appointed by the Court of the Queen's Bench of Alberta pursuant to the Order of the Court of Queen's Bench Action No. 0901-18773 ("the Order").
3. The undersigned took possession or control of the property described above on 18th day of December, 2009.

4. The following information relates to the receivership:

- a) Address: 514 – 11th Avenue SW, Calgary, AB T2R 0C8
- b) Principal line of business: Art galleries, events planning, & custom framing
- c) Location of the business: Calgary, Alberta and Victoria, British Columbia
- d) The amount owe to each secured creditor, as obtained from Company records and Personal Property Registry Search, is as follows:

Royal Bank of Canada	\$	119,189
Subordinated Secured Debentures		2,036,000
Beth Fredeen		200,000
Secured Leases		<u>1</u>
	\$	<u>2,355,190</u>

- e) The list of other creditors including amount owed to each is listed of Exhibit “A” attached hereto. The total amount due to these creditors is \$ 5,659,570.
- f) The intended plan of action of the receiver during the receivership, to the extend that such a plan has been determined, is to realize upon the assets of the Company subject to the approval by the Court of Queen’s Bench of Alberta as required under the Order.
- g) Contact person for Receiver: Marina Clark
Telephone No.: 403-296-2977
Fax No.: 403-296-2988
Email: mclark@alger.ca

Court documents will be posted on our website at
<http://www.alger.ca/artevo/index.html>

DATED at Calgary, Alberta this 6th day of January, 2010.

ALGER & ASSOCIATES INC.



Bruce Alger, CA•CIRP

**In the Matter of the Receivership of
Artevo Corporation**

Creditor Name	Amount
1. 1126188 Alberta Inc.	1,030,246.57
2. ADT Security Services Canada Inc.	268.39
3. Airport Concierge Services	79.20
4. Art Gallery Collections	3,235.52
5. Aull, Patrick	1,225.00
6. BBB of Southern Alberta	577.50
7. Billich Gallery	2,172.50
8. Bruce McGraw Graphics Canada	203.40
9. Burgess, Barbara	51,512.33
10. Burstall, Dale	51,512.32
11. Calgary Exhibition & Stampede	4,500.00
13. Calgary Herald	1,102.23
14. Calgary Stampede Foundation	4,035.19
15. Canada Revenue Agency	37,282.00
16. Canadian Art Prints	1,161.56
17. CFS Alberta	52.56
18. Checker Courier	118.29
19. Chifan Cleaning	1,428.00
20. Chrysler Financial Services Canada Inc.	496.94
21. City of Victoria	100.00
22. City Window Cleaners	42.00
23. CNW Group	1,359.75
24. Collection Group of Canada Inc.	179.02
25. Collins Barrow LLP	25,732.88
26. Commerical Lighting Products Ltd.	462.00
27. Concept Electric Ltd.	1,296.04
28. Cranston, Toller	1,630.88
29. Craters & Freighters of Los Angeles	1,160.16
30. Creative Avenue Ltd.	32.89
31. Culligan	90.32
32. Davis LLP	1.00
33. Deljou Art Group	1,355.97
34. Denholm, Gordon	139,083.29
35. Deringer	1,360.75
36. Dewar, Ken	4,000.00
37. Digicopy Imaging	826.14
38. Direct Energy	793.70
39. Direct Energy	575.74
40. Doug Levitt Studio	265.83
41. Eagle Security Controls Ltd.	68.25
42. Enmax	5,621.30
43. Exclusive Sedan Service	906.51

**In the Matter of the Receivership of
Artevo Corporation**

Creditor Name	Amount
44. Expeditors, The	67.00
45. Federal Express Canada Ltd.	6,938.86
46. Feys & Hobbs	2,640.23
47. Folkgraphis Frames (1992) Ltd.	2,851.07
48. Frameguild	6,752.76
49. Fredeen, Beth	605,917.81
50. Fusion Art & Design Inc.	11,297.38
51. Gallerieswest	210.00
52. General Fasteners Ltd.	2,894.04
53. Gray, Donna	530.25
54. Great Events Catering Inc.	8,940.99
55. Great Events Rentals Inc.	4,550.62
56. Greater Victoria Chamber of Commerce	157.50
57. Hamilton, Anita	103,024.66
58. Hamilton, Robert	103,024.66
59. Hawes, Janet	206,049.32
60. Hawes, Michael	206,049.32
61. Highlander Wine & Spirits	1,808.21
62. House of Mirrors & Glass	2,261.65
63. Indel-Davis Inc.	235.20
64. Info Laser	341.22
65. Intercept Systems Corporation	96.00
66. Johal, Jagdeep S.	25,756.16
67. Johnson Diversy Canada Inc.	273.00
68. Judson, Andrew	128,780.82
69. Juhl, Larson	8,989.81
70. Keen-Edge Sharpening Servcie	656.36
71. Kramer Sculptures	186.40
72. Krause, Larry	103,024.66
73. Kushniruk, Dwayne	25,756.16
74. Kwik Kopy	372.43
75. Lawson Lundell LLP	4,739.75
76. Len-Cam Electric Corp	282.05
77. Linen Liners Inc.	1,561.21
78. Michelangelo Inc.	15,057.52
79. Miles Davison LLP	1.00
80. Monashee Spring Water (Calgary)	108.00
81. Mondrian-Hall Inc.	2,920.42
82. Monk Office	351.02
83. Mourvedre Investment	36,058.63
84. National Glass Ltd.	1,001.08
85. Network Engineering Technologies	62,064.35
86. NexLevel Solutions Inc.	225.92
87. Nielsen & Bainbridge Canada Inc.	2,187.00

**In the Matter of the Receivership of
Artevo Corporation**

Creditor Name	Amount
88. Omega Moulding Company	5,970.68
89. Paboom	1,445.20
90. Palos Capital Pool LP	77,268.49
91. Panajott, Steve	25,756.16
92. Parsons, Reginald	1,764.00
93. Patrick J. Barry Insurance Agencies Ltd.	25,756.16
94. PBE Distributors Inc.	293.62
95. Precise Parklink (West) Ltd.	945.00
96. Print Production	2,412.90
97. Progressive Fine Art	3,739.01
98. Pro-Lam a Division of 1005460 Alberta Ltd.	723.85
99. Purolator Courier Ltd.	1,872.53
100. Purolator Freight	1,536.61
101. Quintaro Imaging Inc.	2,778.30
102. Raymond Reed Enterprises	92,722.19
103. RB Marr Holdings Ltd.	1,442,345.20
104. Receivable Management Services	758.67
105. Reimer Express Lines Ltd	443.79
106. Rogers	643.53
107. Rustad, Karen	25,756.16
108. Schiffner, Randy & Elayne	25,756.16
109. Schindler Elevator Corporation	1,839.25
110. Securiguard Service Limited	131.25
111. Sewchuck, Richard	113,327.13
112. Sharpe, Jeffrey E.	51,512.33
113. Sharp's Audio-Visual Ltd.	18.38
114. Shaw Cable	154.73
115. Shi Fei	2,000.00
116. Shred-it	407.92
117. Sire Energy Consultants Ltd.	25,756.16
118. Skinner, Jody	444.65
119. SMIF Holdings Inc.	183,507.80
120. Smithinsky, Steve	51,512.33
121. Sonic Wall Services	2,034.06
122. SP Trust	51,512.33
123. Special Event Rentals	1,572.24
124. Stampede Entertainment Inc.	6,720.00
125. Swipe IT	800.00
126. Talbot, Christopher	117,593.79
127. Telus	6,310.11
128. The Print Shoppe	123.90
129. Thomas Kinkade Company	2,063.94
130. ThyssenKrupp Elevator	378.00
131. Times & Colonist	5,095.75

**In the Matter of the Receivership of
Artevo Corporation**

	<u>Creditor Name</u>	<u>Amount</u>
132	Toshiba Business Systems	601.96
133	UPS	2,430.57
134	Van Ginkel, Paul	94.58
135	Van Houtte Coffee Services Inc.	113.93
136	Vestate (Canada) Ltd.	619.54
137	Victoria International Guide	2,231.25
138	Wagemakers, Gloria	103,024.66
139	Waste Management	1,051.23
140	WiBand Communications Corp	2,541.00
141	World Wide Customs Brokers Ltd.	352.80
142	WSIB	9.12
143	Young, Wayne	51,512.33
144	Zach, Vilem	14,700.00
		<u>5,659,570.07</u>