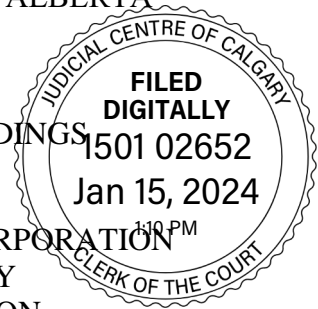


COURT FILE NUMBER 1501-02652
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT PACER CONSTRUCTION HOLDINGS CORPORATION
RESPONDENTS PACER PROMEC ENERGY CORPORATION
AND PACER PROMEC ENERGY CONSTRUCTION CORPORATION
DOCUMENT FIFTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF PACER PROMEC ENERGY CORPORATION AND PACER PROMEC ENERGY CONSTRUCTION CORPORATION



January 15, 2024

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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INTRODUCTION

1. On March 10, 2015 (the “**Date of Appointment**”), FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all the current and future assets, undertakings and properties (the “**Property**”) of Pacer Promec Energy Corporation (“**PPEC**”) and its wholly-owned subsidiary, Pacer Promec Energy Construction Corporation (“**PPEC Construction**” and together with PPEC, the “**Debtors**”) by order of the Honourable Justice J.C. Hawco (the “**Receivership Order**”) pronounced in the Court of King’s Bench of Alberta Court File Number 1501-02652 (the “**Receivership Proceedings**”) pursuant to an application by Pacer Construction Holdings Corporation (“**Pacer**”).
2. The Receivership Order authorized the Receiver, among other things, to take possession of and exercise control over the Property, carry on the business of the Debtors and to make such arrangements or agreements as deemed necessary by the Receiver.
3. On May 7, 2015, the Honourable Justice B. Nixon granted an order which, among other things, provided for:
 - (a) an increase to the Receiver’s borrowing powers, allowing additional borrowings of \$68 million, bringing the total approved borrowings for the Receivership Proceedings to \$78 million;
 - (b) the creation of the Krupp Facility Charge and General Facility Charge, and ranking those charges against the Debtors’ various assets;
 - (c) approval of the proposed Lien Management process;
 - (d) approval of the proposed Claims Procedure;
 - (e) appointment of the Claims Officer; and

- (f) approval of the activities of the Receiver set out in the first report of the Receiver dated May 1, 2015.

(collectively, the “**May 2015 Orders**”).

- 4. On September 4, 2015, the Honourable Justice K.M. Horner granted various orders which, among other things:

- (a) approved the repayment of the amounts owing under the Receiver’s Certificates as set out in the second report of the Receiver dated May 1, 2015, and the repayment of any other obligations incurred by the Receiver on account of its borrowings in these Receivership Proceedings;

- (b) approved the fees, disbursements, and accounts of the Receiver up to and including July 31, 2015, and of its legal counsel up to and including July 27, 2015;

- (c) approved the activities of the Receiver as set out in the first report of the Receiver dated May 1, 2015, and the second report of the Receiver dated August 19, 2015; and

- (d) approved the sale of the PPEC Equipment by way of public auction pursuant to the terms set out in the liquidation agreement between the Receiver and Century Services Inc. dated July 24, 2015.

(collectively, the “**September 2015 Orders**”).

- 5. On November 17, 2015, the Honourable Justice MacLeod granted an Order which, among other things, approved the GE Distribution and the CWB Distribution in respect of the PPEC Equipment described in the third report of the Receiver dated November 10, 2015.

6. On November 3, 2016, the Honourable Justice Nixon granted various orders which, among other things;
 - (a) authorized and approved the Receiver to take such steps as were necessary to complete the settlement agreements between PPEC, through the Receiver, Pacer, and thyssenkrupp Industrial Solutions (Canada) Inc., formerly known as Krupp Canada Inc. (“**Krupp**”), and granted related relief (the “**Krupp Settlement Agreements**”);
 - (b) approved the activities of the Receiver as set out in the third report of the Receiver dated November 10, 2015 (the “**Third Report**”), and the fourth report of the Receiver dated October 28, 2016 (the “**Fourth Report**”), including the Receiver’s receipts and disbursements; and
 - (c) approved the distribution to repay certain amounts owing under the Receiver’s Certificates and authorized and directed the Receiver to make the distribution upon receipt of the proceeds from the Krupp Settlement Agreements.

(collectively, the “**November 2016 Orders**”).

7. Electronic copies of all materials filed in respect of these Receivership Proceedings and other statutory materials are available on the Receiver’s website at <http://cfcanada.fticonsulting.com/ppec>.
8. The purpose of this report (this “**Report**”) is to inform this Honourable Court of the following:
 - (a) the activities of the Receiver since date of the Fourth Report;
 - (b) the details of the secured and potential priority claims against the Debtors;

- (c) the Receiver's statement of receipts and disbursements from the Date of Appointment to January 15, 2024;
 - (d) a summary of the Receiver's fees and expenses (the "**Receiver's Fees**") and the Receiver's Counsel's (as defined below) fees and disbursements (the "**Receiver's Counsel's Fees**"); and
 - (e) a summary of the estimated net proceeds available for distribution and remaining tasks to complete the administration of the Receivership Proceedings.
9. The Receiver is requesting the following relief from this Honourable Court at its application returnable on January 25, 2024 (the "**Application**"):
- (a) approval of the Receiver's activities since the date of the Fourth Report including its statement of receipts and disbursements for the same period;
 - (b) approval of the Receiver's Fees and the Receiver's Counsel's Fees without the necessity of a formal passing of accounts;
 - (c) authorization to hold back certain funds to complete the administration of these Receivership Proceedings, as set out below;
 - (d) authorization for the Receiver to destroy the Debtors' remaining corporate books and records if unclaimed by any person entitled to the same within 30 days of the Receiver posting a copy of the order approving destruction to its website; and
 - (e) the discharge of the Receiver and termination of the Receivership Proceedings upon completion of the remaining administrative matters set out below.

TERMS OF REFERENCE

10. In preparing this Report, the Receiver has relied upon unaudited financial information, other information available to the Receiver and, where appropriate, the Debtors' books and records and discussions with various parties (collectively, the "**Information**").
11. Except as described in this Report:
 - (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*; and
 - (b) the Receiver has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.
12. Future oriented financial information reported or relied on in preparing this Report is based on assumptions regarding future events; actual results may vary from forecasts and such variations may be material.
13. The Receiver has prepared this Report in connection with the Application. This Report should not be relied on for other purposes.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order.

BACKGROUND

15. PPEC was a private corporation incorporated in April 2013 under the laws of the Province of Alberta with offices in Calgary, Alberta. PPEC's operations involved the provision of a wide range of civil, mechanical and electrical contracting services to customers in the oil sands developments in northern Alberta. PPEC Construction was a private entity incorporated under the laws of Alberta. PPEC Construction had no operations or assets but employed some of the trade employees working on PPEC's construction contracts.
16. PPEC had two shareholders each with a 50% ownership interest, Pacer and Construction Promec Inc. ("**Promec**").
17. PPEC and National Bank of Canada (as lender, "**National Bank**") entered into a credit agreement (the "**Credit Agreement**"), by which National Bank agreed to make certain credit facilities available to PPEC in the aggregate amount of \$30,850,000 (the "**Credit Facilities**").
18. As a result of ongoing losses on its various construction contracts, PPEC defaulted under the Credit Agreement in about November 2014. Prior to the Date of Appointment, due to a lack of available funds under the Credit Facilities as a result of the existing defaults, PPEC's operational cash needs had been primarily funded by secured advances from Pacer totaling \$21.9 million.
19. As described below the security under the Credit Agreement was subsequently acquired by Pacer.
20. At the time of the Receivership Proceedings PPEC's main contracts included:
 - (a) construction of certain aspects of Krupp's Kearl Lake Expansion project and the Mildred Lake Mine Replacement project (collectively, the "**Krupp Contracts**"); and

- (b) four contracts relating to construction on the Horizon Oilsands site for Canadian Natural Resources Limited (“CNRL” and collectively, the “CNRL Contracts”).

- 21. PPEC completed work on the Krupp Contracts prior to the Date of Appointment, however had not collected all of the outstanding accounts receivable (“AR”) due to various disputed invoice amounts and unapproved and/or disputed change orders (the “Krupp Claims”). PPEC and various subcontractors filed liens with respect to the Krupp Contracts as further described below.

- 22. At the commencement of these Receivership Proceedings, the CNRL Contracts related to four projects at various stages of completion. Immediately after being appointed the Receiver began to evaluate various options to maximize recoveries for the various stakeholder groups.

- 23. In evaluating the various recovery scenarios it was important to note the following:
 - (a) Pacer guaranteed all the CNRL Contracts and the amounts owed by PPEC under the Credit Agreement. Accordingly, if any of the on-going CNRL Contracts were not completed, Pacer would be liable for their completion;

 - (b) Promec guaranteed the amounts owed by PPEC under the Credit Agreement and the CNRL contracts, excluding the N-5000 project. Therefore, Promec would be jointly liable for any amounts owing under the Credit Agreement and completion of the CNRL Contracts, excluding the N-5000 project; and

 - (c) both the Krupp Contracts and CNRL Contracts had a series of liens and/or outstanding trade payables relating to work completed on the various projects.

24. The Receiver's assessment of the CNRL Contracts was that, in the ordinary course, the Receiver would not complete the projects given the risk associated with completing the projects and the costs required to do so.
25. Ultimately, the Receiver, in consultation with Pacer, determined that recoveries for all stakeholders, including lienholders and Pacer and Promec, to the extent of their guarantee of the CNRL Contracts, would be greater by completing the CNRL Contracts, collecting the outstanding AR and progress billings for work completed after the Date of Appointment.
26. Completion of the CNRL Contracts required substantial funding that was provided by Pacer in the form of Receiver's Certificates. Given that Promec had not guaranteed the N-5000 project, a 'completion protocol' was implemented, and approved by this Honourable Court, such that funding required to complete the CNRL Contracts was provided and secured under the 'General Facility Charge'.
27. Funding required to advance and pursue the Krupp Claims was provided and secured under the 'Krupp Facility Charge'.
28. As among them, the Receiver's Charge, the Receiver's Borrowing Charge, the Krupp Facility Charge, the General Facility Charge, and the security interest granted by the Debtors to the National Bank rank as follows:
 - (a) with respect to any amounts recovered from Krupp relating to the Krupp Claim:
 - first, the Receiver's Charge;
 - second, the Receiver's Borrowing Charge;
 - third, the Krupp Facility Charge;

- fourth, the National Bank Charge; and
 - fifth, the General Facility Charge.
- (b) with respect to all Property other than the purchase money security interest granted to and perfected by certain equipment lessors and recoveries other than the Krupp Claim:
- first, the Receiver’s Charge;
 - second, the Receiver’s Borrowing Charge;
 - third, the General Facility Charge.
 - fourth, the Krupp Facility Charge; and
 - fifth, the National Bank Charge.

ACTIVITIES OF THE RECEIVER

29. PPEC’s ongoing operations were substantially completed in September 2015, and as a result since the date of the Fourth Report, the Receiver’s primary activities have been focused on the following:
- (a) completing the Krupp Settlement Agreements;
 - (b) ongoing discussions with CNRL and settlement of the final amounts owing under the CNRL Contracts;
 - (c) resolving the remaining disputed claims; and
 - (d) dealings with the Canada Revenue Agency (“**CRA**”) with respect to a Notice of Objection filed by the Receiver.

30. A summary of these activities is provided below along with a brief history of each matter for the benefit of this Honourable Court given the passage of time.

KRUPP CONTRACTS

31. As described above, prior to the Date of Appointment PPEC had completed the Krupp Contracts and the Receiver initiated significant claims against Krupp in connection with work done by PPEC.
32. Krupp had communicated significant counterclaims against both PPEC and additional parties regarding the work done in connection with the Krupp Contracts. The Receiver and Krupp undertook settlement discussions and ultimately, finalized the Krupp Settlement Agreements effective October 5, 2016.
33. The November 2016 Orders approved the Krupp Settlement Agreements and authorized and directed the Receiver to complete and give effect to the terms of the Krupp Settlement Agreements.
34. On January 5, 2017, the Receiver received the proceeds payable under the Krupp Settlement Agreements in full and final satisfaction of the Krupp Claims.
35. As noted above, pursuant to the September 2015 Orders, this Honourable Court authorized and approved the repayment of the Receiver's Certificates and repayment of any other obligations incurred by the Receiver on account of its borrowings in these Receivership Proceedings.
36. Upon completion of the Krupp Settlement Agreements there were no amounts owing under the Receiver's Charge nor the Receiver's Borrowing Charge and therefore, the proceeds from the Krupp Settlement Agreements were used to completely repay the \$2.0 million owing under the Krupp Facility Charge and the balance was applied in partial satisfaction of the National Bank Charge (consistent with priority of the charges set out above).

Resolution of Krupp Builders' Liens

37. Four of PPEC's subcontractors in connection with the Krupp Contracts registered builders' liens against the projects. Prior to the Krupp Settlement Agreements, the Receiver reached settlement agreements with three of the four subcontractors and acquired their builders' liens which were subsequently discontinued as part of the Krupp Settlement Agreements.
38. The fourth claim was advanced by Manseau & Perron Inc. ("**M&P**"). M&P had filed a Proof of Claim in the Receivership Proceedings pursuant to the Claims Procedure, alleging a secured builders lien claim in the amount of \$798,795.88.
39. On August 21, 2015 Krupp filed an Application with this Honourable Court in Court of King's Bench of Alberta Action No. 1501-02878 seeking a declaration that the builders' lien filed by M&P against the Kearl Lake Project had ceased to exist as a result of M&P not filing a Statement of Claim to preserve its builders' lien as required by the *Builders' Lien Act* (Alberta), and as required by a previous Order of the Court in Action No. 1501-02878.
40. On October 6, 2015, Master Robertson, Q.C. granted the Application made by Krupp and in doing so found that the M&P builders' lien had ceased to exist.
41. M&P appealed the Order of Master Robertson, Q.C., which appeal was heard by the Honourable Mr. Justice Brooker on October 12, 2016, and on December 10, 2018, Justice Booker ordered that the appeal of Master Robertson's order was dismissed.

42. As part of the Krupp Settlement Agreements, the Receiver agreed that the Kearn Lien Bond posted by Krupp in Court of King's Bench of Alberta Action No. 1501-02878 should be returned to counsel for Krupp. To facilitate this, the Receiver posted the amount of the M&P builders' claim (being \$798,795.88) with this Honourable Court in these proceedings as security for the M&P claims in substitution for the Kearn Lien Bond (the "**M&P Security**").
43. On February 28, 2019, the Honourable Justice Nixon granted an order which permitted the Receiver to release the M&P Security by canceling the lien bond.

CNRL CONTRACTS

44. As described above, PPEC completed construction on the remaining CNRL contracts and demobilized from the CNRL job site on or around September 4, 2015.
45. Throughout 2016 and 2017 the Receiver met with and engaged with CNRL with respect to the completion of the CNRL Contracts and the outstanding payments to the Receiver for that work.
46. The Receiver initiated significant claims against CNRL in connection with work done by PPEC on the CNRL Contracts (the "**CNRL Claim**").
47. Subsequently, on October 20, 2017, and March 18, 2018, PPEC, through the Receiver, Pacer, and CNRL entered into settlement agreements with respect to the CNRL Claim (the "**CNRL Settlement Agreements**").
48. On December 19, 2017, and March 29, 2018, the Receiver received the proceeds payable under the CNRL Settlement Agreements in full and final satisfaction of the CNRL Claim.

49. As noted above, pursuant to the September 2015 Orders, this Honourable Court authorized and approved the repayment of the Receiver's Certificates and repayment of any other obligations incurred by the Receiver on account of its borrowings in these Receivership Proceedings.
50. Upon completion of the CNRL Settlement Agreements there were no amounts owing under the Receiver's Charge or the Receiver's Borrowing Charge and therefore, the proceeds from the CNRL Settlement Agreements were applied in partial satisfaction of the General Facility Charge (consistent with priority of the charges set out above).

Resolution of CNRL Builders' Liens

51. Since the date of the Fourth Report the Receiver continued to implement the Claims Procedure contained in the Order of this Honourable Court granted on May 7, 2015. In doing so the Receiver litigated disputed builders' lien claims which could not be resolved consensually with the claimants. Two such builders' lien claims required the Receiver and the claimant to litigate before the Claims Officer appointed in these proceedings. In both instances the Claims Officer found the disputed builders' liens to be invalid.
52. One of the builders' lien claimants appealed the decision of the Claims Officer to the Court of King's Bench of Alberta. The hearing of that appeal took place on August 23, 2016 and on December 9, 2016, the Court released a decision, reported as 2016 ABQB 697, allowing the appeal.
53. The Receiver appealed the Court of King's Bench decision to the Court of Appeal of Alberta. The Receiver's appeal was subsequently dismissed in a decision reported as 2018 ABCA 113. The claimant and the Receiver subsequently reached an agreement with respect to the value of the claim in accordance with the Receiver's authority under the Claims Procedures.

CANADA REVENUE AGENCY

54. Since the date of the Fourth Report the Receiver has been engaged in ongoing discussions with the Canada Revenue Agency (the “CRA”) with respect to a notice of objection filed on December 14, 2017 (the “**Notice of Objection**”).
55. The Notice of Objection related to a dispute over approximately \$0.7 million of input tax credits (“ITC”) claimed and \$0.4 million related to amended returns (the “**Amended Returns**”) filed by the Receiver in January 2017 and which were disallowed by the CRA after an audit.
56. Despite repeated attempts to follow up with the CRA, the Notice of Objection was not assigned to an objections officer until October 2019. The review of the Notice of Objection was ultimately delayed by the Covid-19 Pandemic.
57. In January 2021, the Receiver was advised that CRA was allowing approximately \$0.7 million of the ITCs claimed by the Receiver, however the CRA did not address the amounts in the Amended Returns.
58. On March 2, 2022, the CRA advised that it had denied the request to adjust the amounts in the amended returns because the limitation period had been exceeded. The Receiver then contacted the CRA to alert them to the fact that the Amended Returns had been filed along with the Notice of Objection in December 2017 and it was due to the CRA delays that they had not been reviewed within the limitation period.
59. After additional correspondence, and significant efforts by the Receiver between March 2022 and August 2023 to provide satisfactory evidence to the CRA with respect to the Amended Returns, the CRA denied the adjustments requested for the GST/HST return for the period ending March 31, 2015. A copy of the notice received from the CRA on August 10, 2023, is attached as Appendix “A”.

60. The Receiver, in consultation with Pacer (who as described below would obtain the benefit of any funds recovered), determined that it had exhausted all prudent efforts with respect to pursuing the Amended Returns and the Receiver paid the outstanding amount on the account on January 11, 2024.

DETAILS OF SECURED AND POTENTIAL PRIORITY CLAIMS

61. The Receiver is aware of the following secured claims, charges and liens that are owed by the Debtors, either pursuant to statute, or which have been registered against the Property.

Secured Claim

62. As described in the statement of claim issued on March 9, 2015, on May 23, 2014, PPEC (as borrower) and National Bank (as lender) entered into the Credit Agreement, by which National Bank of Canada agreed to make the Credit Facilities available to PPEC.
63. The Credit Agreement was secured by a General Security Agreement with PPEC executed on May 23, 2014 (the “**Security**”). The Security was registered under the *Personal Property Security Act* of Alberta.
64. Under a Guarantee and Subordination Agreement dated May 23, 2014, Pacer and Promec guaranteed PPEC’s obligations to National Bank under the Credit Agreement.
65. On February 18, 2015, National Bank issued and delivered to PPEC a Demand of Payment and Notice of Intention to Enforce Security pursuant to Section 244 of the BIA. The amount owed to National Bank by PPEC was \$26,043,421.37 in principal and interest. Also, on February 18, 2015, National Bank demanded from Pacer and Promec, as guarantors of the Credit Agreement.

66. On March 5, 2015, Pacer honoured the guarantee by repaying PPEC's debt to National Bank under the Credit Agreement in full. Pacer was thereby subrogated to National Bank's rights under the Credit Agreement (Pacer in its capacity under the Credit Agreement, the "**Secured Creditor**").

Wage Earner Protection Program

67. As at the Date of Appointment, certain current and former employees were owed wages relating to retention bonus owed by the Debtors in connection with projects which were completed prior to the Receivership Proceedings. Additionally, employees that were terminated during the Receivership Proceedings on behalf of the Debtors were not paid vacation pay that accrued prior to the Date of Appointment or termination and/or severance pay.
68. In accordance with the *Wager Earner Protection Program Act (Canada)*, the Receiver made the former employees aware of the existence of such program and advised that the Receiver would review the Debtors' books and records and identify employees who were owed eligible wages under the Wage Earner Protection Program (the "**WEPP**").
69. Pursuant to section 81.4(4) of the *Bankruptcy and Insolvency Act*, the WEPP claims are secured against the respective Debtors' current assets to the extent of \$2,000 per employee for wages and compensation (including vacation pay, but excluding severance and termination pay).
70. As of the date of this Report the amount of Service Canada's subrogated claim against PPEC Construction was \$95,963.94, including \$88,983.28 claimed as super-priority and \$6,980.66 claimed as unsecured. However, given that PPEC Construction had no current assets the amount claimed by Service Canada as a superiority under section 81.4 of the BIA was not paid.

71. Service Canada had a subrogated claim against PPEC for \$15,735.31, including \$14,729.67 claimed as super-priority (the “**WEPP Priority Claim**”) and \$1,005.64 claimed as unsecured. The Receiver paid \$14,729.67 to Service Canada in satisfaction of its subrogated WEPP Priority Claim on January 11, 2024.

Deemed Trust Claim

72. On August 11, 2015, the CRA delivered a notice (the “**August 2015 CRA Notice**”) in respect of certain indebtedness owing by PPEC Construction in connection with outstanding payroll deductions. The CRA submitted a trust claim with the Receiver pursuant to subsections 227(4) of the *Income Tax Act*, 23(3) of the *Canada Pension Plan*, 57(2) of the *Unemployment Insurance Act* and 86(2) of the *Employment Insurance Act*. A copy of the August 2015 CRA Notice is attached as Appendix “B”.
73. On September 2, 2015, the Receiver delivered a letter to the CRA stating the PPEC Construction had no assets or properties to realize and therefore there would be no distribution to the CRA in the Receivership Proceedings. A copy of the letter is attached as Appendix “C”.
74. On March 21, 2017, the CRA completed a payroll audit for the account of PPEC for the periods from January 1, 2015, to February 28, 2017. The result of the payroll audit revealed that PPEC had under remitted for certain periods which pre-dated the Receivership Order. On June 24, 2019, the CRA delivered a notice (the “**June 2019 CRA Notice**”) asserting a trust claim with the Receiver pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Unemployment Insurance Act* and the *Employment Insurance Act* (the “**CRA Deemed Trust Claim**”). A copy of the June 2019 CRA Notice is attached as Appendix “D”.
75. On January 29, 2020, the Receiver paid the CRA Deemed Trust Claim, in the amount of \$416,373.17.

DETAILS OF UNSECURED CLAIMS

76. As there are insufficient funds to pay in full the Court-Ordered priority claims, the Receiver has not engaged in an analysis of the quantum and validity of any unsecured claims.
77. The Receiver considered whether to provide notice of the Application to parties asserting an unsecured claim, and determined that doing so would likely put such parties to inconvenience and cost for no useful purposes, particularly given that the claims such parties assert, by their nature, do not claim priority over secured claims. Accordingly, the Receiver has not expanded the service list for this matter to include every party who has lodged an unsecured claim.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

78. The figure below presents a summary of the Receiver's statement of receipts and disbursements from the Date of Appointment to January 15, 2024.

Statement of Receipts and Disbursements for the period of March 10, 2015 to January 15, 2024					
	N5000	R100	Other	Total	Notes
Receipts					
Receivers Certificates	\$ -	\$ -	\$ 49,693,217	\$ 49,693,217	a
Settlement Agreements	-	-	44,310,150	44,310,150	b
Receipts	20,756,927	13,070,809	3,523,832	37,351,568	c
HST Collected / Refund	-	-	4,175,626	4,175,626	d
Sale of Assets	-	-	3,802,850	3,802,850	e
Opening cash	-	-	444,068	444,068	f
Total - Receipts	\$ 20,756,927	\$ 13,070,809	\$ 105,949,744	\$ 139,777,480	
Disbursements					
Repayment of Receiver's Certificates	-	-	44,900,121	44,900,121	g
Labour and Benefits	30,227,144	6,711,186	1,290,648	38,228,977	h
Lien Settlements	-	-	16,312,094	16,312,094	i
Repayment of National Bank Debt	-	-	14,249,879	14,249,879	j
Professional Fees	-	-	5,058,024	5,058,024	k
Equipment	3,450,196	797,142	-	4,247,338	l
Camp costs	2,584,812	1,038,037	-	3,622,849	m
HST Paid / Remitted	-	-	3,662,143	3,662,143	n
Materials	1,966,723	550,979	-	2,517,702	o
Distribution to Lessors	-	-	2,474,884	2,474,884	p
Travel	1,254,953	545,063	-	1,800,016	q
Project Consumables	659,258	356,038	-	1,015,296	r
General Overhead	-	-	1,078,343	1,078,343	s
CRA Deemed Trust Claim	-	-	416,373	416,373	t
WEPP Priority Claim	-	-	14,730	14,730	u
Total - Disbursements	40,143,086	9,998,444	89,457,238	139,598,769	
Net Cash on Hand	\$ (19,386,159)	\$ 3,072,364	\$ 16,492,506	\$ 178,711	

- (a) Receiver's Certificates are amounts borrowed under the Receiver's Borrowing Charge, the General Facility Charge and the Krupp Facility Charge and in accordance with the terms of the Receivership Order;
- (b) Settlement Agreements includes amounts collected in connection with Krupp Settlement Agreements and CNRL Settlement Agreements to finalize the amounts owing under the Krupp Contracts and CNRL Contracts;
- (c) Receipts include amounts collected by the Receiver for progress billings from the CNRL Contracts;
- (d) HST Collected / Refund are sales taxes collected and HST refunds;
- (e) Sale of Assets including the proceeds from the sale of the condominium and the PPEC Equipment;
- (f) Opening Cash is funds transferred to the Receiver's bank account in accordance with the terms of the Receivership Order;
- (g) Repayment of Receiver's Certificates relates to amounts repaid in accordance with the order granted by this Honourable Court on May 7, 2015;
- (h) Labour and Benefits are amounts disbursed by the Receiver relating to payroll and employee related deductions;
- (i) Lien Settlements are amounts paid to valid lien holders to settle the liens as permitted by the Claims Procedure;
- (j) Repayment of National Bank Debt includes amounts repaid from the Krupp Settlement Agreements in accordance with the priority of the court charges;

- (k) Professional Fees including the Receiver and the Receiver's Counsel fees and disbursements and other professional fees associated with resolving the Krupp Claims;
- (l) Equipment relates to costs incurred for rental and purchased equipment in connection with the completion of the CNRL Contracts;
- (m) Camp Costs relates to expenses incurred for employee lodging in connection with the completion of the CNRL Contracts;
- (n) HST Paid / Remitted are sales taxes paid and remitted;
- (o) Materials relates to costs incurred for material required to complete the CNRL Contracts;
- (p) Distribution to Lessors are amounts repaid to lessors in accordance with the order granted by this Honourable Court on November 17, 2015;
- (q) Travel relates to costs incurred relating to PPEC employee travel to complete the CNRL Contracts;
- (r) Project Consumables including fuel, small tools, welding supplies and various other supplies to complete the CNRL Contracts; and
- (s) General Overhead includes general and administrative costs of the receivership, including among other things, costs related to the retention of professionals to assist with the settlement agreements, insurance, storage and utilities;
- (t) CRA Deemed Trust Claim relating to payroll deductions as described above; and

(u) WEPP Priority Claim paid to Service Canada in satisfaction of its subrogated WEPP Priority Claim against PPEC.

79. As at January 15, 2024, the Receiver holds \$178,711 in cash on hand.

80. This Honourable Court previously approved the Receiver's actions and activities as set out in the Third Report and the Fourth Report (which report included the Receiver's receipts and disbursements for the period ended October 26, 2016).

81. Therefore, below the Receiver has provided a summary of the Receiver's receipts and disbursements for the period of October 27, 2016 to January 15, 2024.

Statement of Receipts and Disbursements for the period of October 27, 2016 to January 15, 2024				
	N5000	R100	Other	Total
Receipts				
Receivers Certificates	\$ -	\$ -	\$ -	\$ -
Settlement Agreements	-	-	44,310,150	44,310,150
Receipts	-	-	255,982	255,982
HST Collected / Refund	-	-	2,215,508	2,215,508
Sale of Assets	-	-	-	-
Opening cash	-	-	-	-
Total - Receipts	\$ -	\$ -	\$ 46,781,639	\$ 46,781,639
Disbursements				
Repayment of Receiver's Certificates	-	-	27,900,121	27,900,121
Labour and Benefits	4,732	-	-	4,732
Lien Settlements	-	-	1,102,923	1,102,923
Repayment of National Bank Debt	-	-	14,249,879	14,249,879
Professional Fees	-	-	1,012,472	1,012,472
Equipment	-	-	-	-
Camp costs	-	-	-	-
HST Paid / Remitted	-	-	2,154,066	2,154,066
Materials	-	-	-	-
Distribution to Lessors	-	-	-	-
Travel	-	-	-	-
Project Consumables	-	-	-	-
General Overhead	-	-	150,206	150,206
CRA Deemed Trust Claim	-	-	416,373	416,373
WEPP Priority Claim	-	-	14,730	14,730
Total - Disbursements	4,732	-	47,000,770	47,005,502
Net Receipts (disbursements)	(4,732)	-	(219,130)	(223,862)
Opening cash	-	-	402,573	402,573
Ending Cash	\$ (4,732)	\$ -	\$ 183,443	\$ 178,711

82. The majority of the receipts and disbursements over the period relate to the collection of the proceeds from the Krupp Settlement, the CNRL Settlement, repayment of the Receiver's Certificates and National Bank Charge and professional fees. As noted above, on September 4, 2015, this Honourable Court granted an Order allowing the Receiver to repay the Receiver's Certificates and any other obligations incurred by the Receiver in connection with its borrowings in these proceedings.

PROFESSIONAL FEES

83. The September 2015 Orders included approval of the fees, disbursements, and accounts of the Receiver up to and including July 31, 2015, and of its legal counsel up to and including July 27, 2015. The table below presents a summary of the accounts previously approved by this Honourable Court.

Summary of Professional Fees				
March 10, 2015 to July 27/31, 2015	Fees	Costs	GST	Total
Receiver's Fees	\$ 1,666,452	\$ 168,322	\$ 91,739	\$ 1,926,512
Receiver's Counsel's Fees (Receivership Matters)	433,673	18,180	22,163	474,015
Receiver's Counsel's Fees (Krupp Claim)	48,230	3,089	2,566	53,884
Total	\$ 2,148,354	\$ 189,590	\$ 116,467	\$ 2,454,412

84. Invoices paid for professional services rendered and costs for the Receiver from August 1, 2015 to December 31, 2023, total \$1,262,340, exclusive of GST.

85. Invoices paid for professional services rendered and disbursements for the Receiver's Counsel from July 28, 2015 to December 31, 2023, total \$1,263,455, exclusive of GST.

86. The table below presents a summary of the Receiver's Fees and the Receiver's Counsel's fees.

Summary of Professional Fees				
July 28/August 1, 2015 to December 31, 2023	Fees	Costs	GST	Total
Receiver's Fees	\$ 1,122,729	\$ 139,611	\$ 63,117	\$ 1,325,457
Receiver's Counsel's Fees (Receivership Matters)	1,143,762	65,244	59,616	1,268,622
Receiver's Counsel's Fees (Krupp Claim)	53,489	960	2,722	57,171
Total	\$ 2,319,979	\$ 205,815	\$ 125,455	\$ 2,651,250

87. Invoices for the Receiver's Fees and the Receiver's Counsel's Fees can be made available upon request of this Honourable Court.

88. The Receiver is recommending a hold back for the Receiver's Fees and the Receiver's Counsel's Fees of approximately \$40,000 for accrued and unpaid professional fees for the Receiver and the Receiver's Counsel and for additional time attending to any final administrative matters of the Receivership Proceedings, including the costs of this Application.

89. Paragraph 19 of the Receivership Order allowed the Receiver to pass its accounts and the accounts of its legal counsel from time to time. The accounts of the Receiver and the Receiver's Counsel are calculated based on hours spent at rates established by each professional according to each professional's qualifications and experience. The Receiver has reviewed the fees, hourly rates, and hours worked of its legal counsel and is of the view that the Receiver's Fees and the Receiver's Counsel's Fees are reasonable and appropriate in the circumstances given the requirement to manage operations to complete ongoing works, billing and collection of ongoing and past projects, marketing, issues involving the validity and enforceability of the certain claims and settlement agreement relating to the CNRL Contracts and Krupp Contracts and coordinating the retrieval, storage and safe guarding the Property.

PROPOSED DISTRIBUTION

90. The Receiver currently holds \$178,711 and as all of the Debtors' Property has been realized upon, the Receiver does not expect any further recoveries. The Receiver is proposing a hold back of \$45,000 for accrued and unpaid professional fees for the Receiver and the Receiver's Counsel and for additional time attending to any final administrative matters of the Receivership Proceedings, including the costs of this Application, and those necessary to finalize these proceedings and costs associated with the destruction of documents of the Debtors (the "**Holdback**").
91. The Receiver will distribute the balance of funds held to the Secured Creditor in respect of the General Facility Charge in the amount set out below, maintain the Holdback and distribute any residual funds from the Holdback upon completion of all remaining administrative matters.

Proposed Distribution	
Cash on Hand	\$ 178,711
Holdback	(45,000)
Total - Proposed Distribution	\$ 133,711

92. In the Receiver's view the proposed distribution is appropriate given:
- (a) the May 2015 Orders set out the priority with respect to all Property other than the recoveries from the Krupp Claim and purchase money security interests granted to and perfected by the Equipment Lessors (defined in the May 2015 Orders), and the funds the Receiver proposes to distribute are neither recoveries from the Krupp Claim nor related to purchase money security interests;
 - (b) there are no other secured creditors with claims against the Property that rank ahead of, or potentially rank ahead of, the General Facility Charge;

- (c) as noted above, on September 4, 2015, this Honourable Court granted an Order allowing the Receiver to repay the Receiver's Certificates and any other obligations incurred by the Receiver in connection with its borrowings in these proceedings;
- (d) the Receiver used the proceeds from the Krupp Settlement Agreements to completely repay and retire the Krupp Facility Charge and applied the balance in partial reduction of the National Bank Charge. The final amounts collected with respect to the CNRL Contracts and CNRL Settlement Agreements were applied as a reduction of the General Facility Charge which remaining outstanding amounts are set out below; and

Summary of Receiver's Certificates	Borrowings	Repayments	Outstanding
Receiver's Borrowing Charge			
Certificate #1	\$ 2,000,000	\$ 2,000,000	\$ -
Certificate #2	3,000,000	3,000,000	-
Certificate #3	3,000,000	3,000,000	-
Certificate #4	2,000,000	2,000,000	-
Total - Receiver's Borrowing Charge	10,000,000	10,000,000	-
General Facility Charge			
Certificate #1	5,000,000	5,000,000	-
Certificate #2	5,649,093	5,649,093	-
Certificate #3	4,000,000	4,000,000	-
Certificate #4	5,544,124	5,544,124	-
Certificate #5	3,000,000	3,000,000	-
Certificate #6a	1,500,000	1,500,000	-
Certificate #6b	1,500,000	1,500,000	-
Certificate #7	3,000,000	3,000,000	-
Certificate #8	3,000,000	3,000,000	-
Certificate #9	Never issued	-	-
Certificate #10	4,000,000	706,904	3,293,096
Certificate #11	1,500,000	-	1,500,000
Total - General Facility Charge	37,693,217	32,900,121	4,793,096
Krupp Facility Charge			
Certificate #1	2,000,000	2,000,000	-
Total - Receiver's Certificates	49,693,217	44,900,121	4,793,096
National Bank Charge	26,227,046	14,249,879	11,977,168
Total - Court Charges	\$ 75,920,263	\$ 59,150,000	\$ 16,770,263

- (e) even after the proposed distribution and any residual funds there will be a shortfall on the repayment of the General Facility Charge and National Bank Charge and therefore no funds are available for any other creditors.
93. As the General Facility Charge was created by the May 2015 Orders, which also set out the priority of the General Facility Charge, the Receiver viewed that an opinion on the validity and priority of the General Facility Charge would be unnecessary and of no practical use, and as such relies on the May 2015 Orders to establish the validity and priority of the General Facility Charge.

CORPORATE BOOKS AND RECORDS

94. The Debtors' corporate books and records are currently located at an offsite storage facility. The Receiver is seeking the approval of this Honourable Court to destroy the remaining corporate books and records, except those required by statute, unless they are claimed by any person entitled to the same within thirty days of the Receiver posting a copy of an Order permitting destruction of the records to its website.

TERMINATION OF THE RECEIVERSHIP PROCEEDINGS

95. As described in this Report, the administration of these Receivership Proceedings is substantially complete, with exception of certain matters which are administrative in nature. To avoid the additional costs associated with subsequent Court appearances, the Receiver is seeking an Order terminating the Receivership Proceedings and discharging the Receiver of its duties and obligations under the Receivership Order upon filing a Receiver's Certificate (the "**Receiver's Certificate**") with this Honourable Court certifying that all remaining administrative matters have been concluded.

RECEIVER'S RECOMMENDATIONS

96. The Receiver respectfully requests that this Honourable Court grant the following relief:
- (a) approval of the Receiver's activities as set out in this Report, and its statement of receipts and disbursements for the period of October 27, 2016 to January 15, 2024;
 - (b) approval of the Receiver's Fees and the Receiver's Counsel's Fees without the necessity of a formal passing of accounts or a formal assessment of accounts;
 - (c) authorization for the Receiver to make the proposed distribution of up to \$133,711, maintain the Holdback and distribute any residual funds from the Holdback to the Secured Creditor under the General Facility Charge upon completion of all remaining administrative matters;
 - (d) authorization for the Receiver to destroy the Debtors' corporate books and records if unclaimed by any person entitled to the same within 30 days of the Receiver posting a copy of the Order permitting destruction to its website; and

- (e) the discharge of the Receiver and termination the Receivership Proceedings upon the completion of the Receiver's remaining administrative tasks relating to the receivership and filing of the Receiver's Certificate.

All of which is respectfully submitted this 15th day of January, 2024.

FTI Consulting Canada Inc.,
In its capacity as Court-appointed receiver and
manager of the assets undertakings and
properties Pacer Promec Energy Corporation
and Pacer Promec Energy Construction
Corporation



Dustin Olver, CPA, CA, LIT
Senior Managing Director



Brett Wilson, CFA
Managing Director

Appendix “A” – CRA Notice Dated August 10, 2023



Canada Revenue
Agency

Agence du revenu
du Canada



August 10, 2023

Pacer Promec Energy Corporation
Julie D'Avignon (Stikeman Elliot)
888 – 3rd Street SW
Calgary, Alberta T2P 5C5

Dear Julie D'Avignon,

**Subject: Taxpayer request to the goods and services tax / harmonized sales tax
(GST/HST) return for the period from March 1, 2015 to March 31, 2015
Business number: 81821 4934 RT0002**

We received your letter dated July 25, 2023, After reviewing the documents provided, we have the following comments:

- The partial general ledgers provided included the total amount of GST/HST reported, however, there was no breakdown of the sales and GST/HST to confirm that the two invoices were included in the RT0001 GST/HST returns for period ending December 31, 2014 and period ending January 31, 2015.

Based off of the review, we are denying your adjustment request for the GST/HST return period ending March 31, 2015 due to the insufficient supporting documentation provided.

The review case will be closed on September 25, 2023 if no representation and documents are provided. All representations submitted will be considered before we finalize the taxpayer request review.

Page 1 of 2

If you have any questions, please call me at 403-542-5086. My team leader, Robin Chen, can also be reached at 403-462-8541.

Sincerely,

Jessica Leclair
Auditor, GST/HST Audit Division
Alberta Tax Services Office, Western Region
Canada Revenue Agency / Government of Canada

Telephone: 403-542-5086
Facsimile: 403-292-5731
Address: 125, 220-4th Avenue South East
Calgary AB T2G 0L1
Website: canada.ca/taxes

Appendix “B” – August 2015 CRA Notice



Canada Revenue Agency

Agence du revenu du Canada

Canada Revenue Agency
Revenue Collections
Southern Alberta Tax Services Office
Room 330, 220 - 4th Avenue SE
Calgary, Alberta
T2G 0L1

FACSIMILE TRANSMITTAL SHEET

TO: Julie
COMPANY: FTI CONSULTING
FACSIMILE NUMBER: 416-649-8101
PHONE NUMBER: Phone Number
RE: Pacer Promec energy construction Corp

FROM: Ronit Elhanati
DATE: August 11, 2015
TOTAL NO. OF PAGES INCLUDING COVER: 4
PHONE NUMBER: 403 233-4620
FACSIMILE NUMBER: (403) 292-5699

[X] URGENT [] FOR REVIEW [] PLEASE COMMENT [] PLEASE REPLY [] PLEASE RECYCLE

NOTES/COMMENTS:

Please find attached the proof of claim for the above corporation.
If you have any questions, please contact the undersigned.
Roni

This message is directed solely to the persons named above. This message contains confidential client information, which is not to be disclosed. If you are not the addressee or an authorized representative thereof, please contact Rosy Lall at (403)691-6800 or Janice Kwan at (403) 691-6908 and then destroy this message as well as all existing copies. Any utilisation of this message by a person other than the addressee is strictly forbidden.

Ce message est destiné uniquement aux personnes indiquées dans l'en-tête. Il contient une information à caractère confidentiel et ne pouvant être divulguée. Si vous n'êtes pas un destinataire envisagé de ce message ou une personne autorisée à le recevoir, veuillez communiquer avec Rosy Lall au (403) 691-6800 ou Janice Kwan au (403) 691-6908 et ensuite détruire ce message ainsi que toutes les copies pouvant exister. Toute utilisation de ce message par une autre personne qu'un destinataire envisagé de celui-ci est strictement défendue.

(Fax From Calgary Sept 24, 2015)



Tax Centre
Calgary AB T2G 0L1

August 11, 2015

FTI CONSULTING
JULIE
SUITE 720, 220-2ND STREET SW
CALGARY AB T2P 5E9

Dear Madam:

Re: THE PACER PROMEC ENERGY CONSTRUCTION CORPORATION
Account number: 83835 9230 RP0001

We have been advised that you have been appointed as receiver for the above-named. At present, there is indebtedness to Canada Revenue Agency (CRA) for source deductions amounting to \$2,124,867.09.

Particulars of this liability are as follows:

Date of assessment (DD/MM/YYYY)	15/01/2015
Tax deductions:	\$4249.32
CPP:	\$866.32
UI:	\$
EI:	\$552.74
Penalties and interest:	\$
Total:	\$5,668.38
Date of assessment (DD/MM/YYYY)	04/27/2015
Tax deductions:	\$
CPP:	\$
UI:	\$
EI:	\$
Penalties and interest:	\$38,309.74
Total:	\$38,309.74
Date of assessment (DD/MM/YYYY)	14/07/2015
Tax deductions:	\$331,487.55
CPP:	\$
UI:	\$
EI:	\$
Penalties and interest:	\$34,924.76
Total:	\$366,412.31

.../2

Canada

Prairies Regional
Collections/Compliance Centre
330 220 4 Avenue S.E.
Calgary AB T2G 0L1

Local : 403-233-4620
Fax : 403-292-5699
Web site : www.cra.gc.ca

Date of assessment (DD/MM/YYYY)	14/07/2015
Tax deductions:	\$1,490,050.81
CPP:	\$
UI:	\$
EI:	\$
Penalties and interest:	\$224,425.85
Total:	\$1,714,476.66
 Grand total:	 \$2,124,867.09

Pursuant to the provisions of subsection 227(4) of the Income Tax Act (ITA), subsection 23(3) of the Canada Pension Plan (CPP), subsection 57(2) of the Unemployment Insurance Act (UIA), subsection 86(2) of the Employment Insurance Act (EIA), the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of THE PACER PROMEC ENERGY CONSTRUCTION CORPORATION in receivership.

Federal income tax:	\$4,249.32
Provincial income tax:	\$
CPP employee portion:	\$433.16
UI employee portion:	\$
EI employee portion:	\$157.93
Total:	\$4,840.41

Federal income tax:	\$
Provincial income tax:	\$
CPP employee portion:	\$
UI employee portion:	\$
EI employee portion:	\$
Total:	\$

Federal income tax:	\$198,494.75
Provincial income tax:	\$132,992.80
CPP employee portion:	\$
UI employee portion:	\$
EI employee portion:	\$
Total:	\$331,487.55

Federal income tax:	\$892,242.43
Provincial income tax:	\$597,808.38
CPP employee portion:	\$
UI employee portion:	\$
EI employee portion:	\$
Total:	\$1,490,050.81

Grand total:	\$1,826,378.77
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.../3

Payment for the total amount of this trust, namely \$1,826,378.77 should be made to the Receiver General out of the realization of any property that is subject to these statutory trusts in priority to all other creditors. Please forward payment by return mail. In the event this is not possible, please indicate when payment will be forthcoming.

Please advise when payment of the remaining balance of \$298,488.32 plus interest up to the date of payment will be forthcoming. Your attention is drawn to section 159 of the ITA, subsection 23(5) of the CPP, subsection 57(4.1) of the UIA and subsection 86(4) of the EIA.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the ITA for periods prior or subsequent to your appointment, tax deductions must be withheld and remitted in accordance with this subsection and Income Tax Regulations 101 and 108. Your attention is also directed to section 3 of the Unemployment Insurance (Collection of Premiums) Regulations, section 5 of the EIA and section 8 of the Canada Pension Plan Regulations.

If you require further information, please contact the undersigned at (403) 233-4620.

Yours truly,



R. Elhanati (1224)
Collections Officer

Appendix “C” – Receiver’s Letter to CRA dated September 2, 2015

Canada Revenue Agency
Attention: R. Elhanati (1224)
Revenue Collections
Southern Alberta Tax Services Office
Room 330, 220-4th Avenue SE
Calgary, AB T2G 0L1

September 2, 2015

Re: Pacer Promec Energy Construction Corporation
Account Number 838335 9230 RP0001

Ms. Elhanati,

As you are aware on March 10, 2015, FTI Consulting Canada Inc. was appointed as Receiver of the assets, undertakings and properties (the "Property") of Pacer Promec Energy Corporation and Pacer Promec Energy Construction Corporation (the "Debtors").

Pursuant to the letter received from R. Elhanati on August 11, 2015 in respect of the indebtedness to Canada Revenue Agency, ("CRA"), please be advised that Pacer Promec Energy Construction Corporation, ("PPEC C") has no assets and/or properties to realize. Therefore, there will be no distributions to CRA for the total amount of the trust funds, namely \$1,826,378.77 in the receivership.

If you require further information, Please contact Jamie Engen at +1 (604) 417 7375.

Sincerely,

FTI CONSULTING CANADA INC.,
in its capacity as Receiver of PPEC and PPEC C

Appendix “D” – June 2019 CRA Notice



Canada Revenue Agency
Agence du revenu du Canada

65520

Tax Centre
Edmonton AB T5J 4C8

June 24, 2019

FTI CONSULTING CANADA INC.
1610-520 5TH AVENUE SW
CALGARY AB T2P 3R7

Dear Sir or Madam:

Re: Pacer Promec Energy Corporation
Account number: 81821 4934 RP0001

We were told that you have been appointed as receiver/manager for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to \$496,722.28 for income tax and Canada Pension Plan (CPP) contributions, as well as unemployment insurance (UI) premiums and employment insurance (EI) premiums.

Details of the debt are as follows:
Particulars of this liability are as follows:

Date of assessment (DD/MM/YYYY)	22/05/2015
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
UI:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$4,307.72
Total:	\$4,307.72

Date of assessment (DD/MM/YYYY)	20/04/2017
Tax deductions:	\$416,373.17
CPP:	\$ 0.00
UI:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 41,637.82
Total:	\$458,010.49

Date of assessment (DD/MM/YYYY)	07/03/2018
Tax deductions:	\$18,674.00
CPP:	\$ 4,959.90
UI:	\$ 0.00
EI:	\$ 2,233.44

.../2

National Insolvency Office
10 - 9700 Jasper Ave NW
Edmonton AB T5J 4C8

Local: 587-489-2690
Toll Free: 1-855-496-3571
Fax: 866-219-0311
Web site: canada.ca/taxes

- 2 -

Penalties and interest:	\$ 2,536.73
Total:	\$28,404.07
Grand total:	\$490,722.28

Further to the Income Tax Act, the Canada Pension Plan, the Unemployment Insurance Act, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of Pacer Promec Energy Corporation in receivership.

Federal income tax:	\$249,324.26
Provincial income tax:	\$167,048.91
CPP employee portion:	\$ 0.00
UI employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$416,373.17
Grand total:	\$416,373.17

Payment for the total amount of this trust, namely \$416,373.17, should be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory trusts in priority to all other creditors.

Please let us know when payment of this trust amount and the remaining balance of \$74,349.11 will be made.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.

Also, see section 3 of the Unemployment Insurance (Collection of Premiums) Regulations, section 5 of the Employment Insurance Act, and section 8 of the Canada Pension Plan Regulations.

If you need more information, please call me at 587 489 2690.

Yours truly,

T. Foskocil- 1225
Resource/Complex Case Officer