

Clerk's stamp:



ESTATE NUMBER 24-2536824

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY

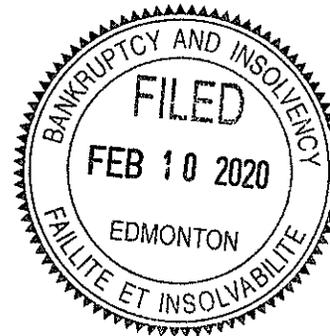
JUDICIAL CENTRE EDMONTON

PROCEEDING IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF R.D.E. VENTURES INC.

DOCUMENT **APPLICATION (Interim Distribution among other relief)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
 3500, 855 – 2nd Street S.W.
 Calgary, AB T2P 4J8
 Attention: Kelly J. Bourassa / James Reid
 Telephone: 403-260-9697 / 403-260-9731
 Facsimile: 403-260-9700
 Email: kelly.bourassa@blakes.com
james.reid@blakes.com



NOTICE TO RESPONDENT

This application is made against you. You are a respondent.

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

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

Date February 19, 2020

Time 2:00 p.m.

Where Edmonton Law Courts

Before Whom The Honourable Justice J.S. Little

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

Remedy claimed or sought:

- FTI Consulting Canada Inc., in its capacity as the receiver and manager (the "**Receiver**") over certain assets, properties, and undertaking (the "**Property**") of R.D.E. Ventures Inc. (the "**Debtor**") as particularly described in Schedule "A" to the Receivership Order (as defined below), seeks an order substantially in the form attached hereto as Schedule "**A**":

- (a) abridging the time for service of this application and declaring that this motion is properly returnable today, if necessary, and further service of this Application, other than to those listed on the Service List attached hereto as Schedule "B" is hereby dispensed with;
- (b) approving the actions, conduct and activities of the Receiver as outlined in the First Report of the Receiver dated February 10, 2020 (the "**First Report**");
- (c) approving the Receiver's interim statement of receipts and disbursements for the period from August 16, 2019, to February 7, 2020 as set out in the First Report;
- (d) authorizing and approving the Receiver to make an interim distribution to National Bank of Canada in the amount of \$2.5 million as described in the First Report;
- (e) authorizing and directing the Receiver to holdback \$206,000 of the funds available for distribution pending resolution of the property claim by Allspec Asphalt Inc., as further described in the First Report (the "**Allspec Claim Holdback**");
- (f) authorizing and directing the Receiver to holdback \$400,000 of the funds available for distribution pending determination of the validity and enforceability of the deemed trust claim by the Canada Revenue Agency, as further described in the First Report (the "**CRA Claim Holdback**");
- (g) authorizing and directing the Receiver to holdback \$122,000 of the funds available for distribution pending determination of the validity and enforceability of the Garage Keepers' Liens of Brandt Tractor Ltd., as further described in the First Report (the "**Garage Keepers' Lien Holdback**"); and
- (h) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

Grounds for making this application:

2. The grounds upon which the Receiver relies in making the within Application are as follows:

- (a) on August 16, 2019, the Property became subject to these receivership proceedings pursuant to an Order of the Honourable Justice J.H. Goss (the "**Receivership Order**");

- (b) the Receivership Order authorized the Receiver to, among other things, take possession of and exercise control over the Property and sell the Property or any parts thereof;
- (c) as a result of discussions engaged in between the Receiver and Wolverine, an offer was received from Wolverine to purchase substantially all of the Property for a purchase price of \$3.5 million;
- (d) on September 27, 2019, the Receiver entered into an asset purchase agreement with Wolverine, and the contemplated transaction closed on November 19, 2019 (the "**Wolverine Transaction**") with net proceeds of approximately \$3.5 million being collected by the Receiver;
- (e) as set out in the First Report, the Receiver proposes to distribute the proceeds from the Wolverine Transaction, minus the Allspec Claim Holdback, the CRA Claim Holdback, and the Garage Keepers' Lien Holdback, to National Bank of Canada in partial satisfaction of its secured claim, in the amount of \$2.5 million;
- (f) the reasons described in the First Report; and
- (g) such further and other reasons as counsel may request and this Honourable Court may deem just.

Material or evidence to be relied on:

- 3. The Receiver intends to rely upon the following materials:
 - (a) the Receivership Order, filed;
 - (b) the First Report, filed; and
 - (c) such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

- 4. The Receiver will rely upon and refer to the Alberta *Rules of Court* during the making of the Application.

Applicable Acts and Regulations:

5. The Receiver will rely upon and refer to the provisions of the *Bankruptcy & Insolvency Act*, RSC 1985, c B-3, as amended.

Any irregularity complained of or objection relied on:

6. None.

How application is proposed to be heard or considered:

7. Oral submission by counsel at an application before the Honourable Mr. Justice J.S. Little on February 19, 2020.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule "A"

Form of Order

(see attached)

Clerk's stamp:

ESTATE NUMBER 24-2536824
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE EDMONTON
PROCEEDING IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF R.D.E. VENTURES INC.
DOCUMENT **INTERIM DISTRIBUTION ORDER (among other relief)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BLAKE, CASSELS & GRAYDON LLP**
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attention: Kelly J. Bourassa / James Reid
Telephone: 403-260-9697 / 403-260-9731
Facsimile: 403-260-9700
Email: kelly.bourassa@blakes.com
james.reid@blakes.com

DATE ON WHICH ORDER WAS PRONOUNCED: February 19, 2020
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice J.S. Little

UPON THE APPLICATION by FTI Consulting Canada Inc., in its capacity as the receiver and manager (the "**Receiver**") over certain assets, properties, and undertakings (the "**Property**") of R.D.E. Ventures Inc. (the "**Debtor**") as further described in Schedule "A" to the Receivership Order (as defined below) for an Order for an interim distribution of proceeds, approval of the Receiver's fees and disbursements and approval of the Receiver's activities;

AND UPON having read the Application, the First Report of the Receiver dated February 10, 2020 (the "**First Report**"), filed;

AND UPON having read the Affidavit of Service of [•] sworn [•], filed;

AND UPON hearing counsel for the Receiver, counsel for the National Bank of Canada, and counsel for other interested parties in attendance at the Application,

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of this Application and supporting materials is hereby abridged, if necessary, and the Application is properly returnable today and any requirement for service of the Application upon any party not served is hereby dispensed with.

ACCOUNTS & ACTIVITIES OF RECEIVER

2. The actions, conduct and activities of the Receiver as set out in the First Report are hereby ratified and approved.
3. The Receiver's accounts for fees and disbursements, as set out in the First Report, are hereby approved without the necessity of a formal passing of its accounts.
4. The Receiver's statement of receipts and disbursements from August 16, 2019 to February 7, 2020, as set out in the First Report, are hereby ratified and approved.

INTERIM DISTRIBUTION / HOLDBACKS

5. The Receiver is authorized and directed to make an interim distribution to National Bank of Canada in the amount of \$2.5 million, as set out in the First Report.
6. The Receiver is authorized and directed to holdback \$206,000 of the funds available for distribution pending resolution of the property claim by Allspec Asphalt Inc., as further described in the First Report.
7. The Receiver is authorized and directed to holdback \$400,000 of the funds available for distribution pending determination of the validity and enforceability of the deemed trust claim by the Canada Revenue Agency as against the Property, as further described in the First Report.

8. The Receiver is authorized and directed to holdback \$122,000 of the funds available for distribution pending determination of the validity and enforceability of the Garage Keepers' Liens of Brandt Tractor Ltd., as further described in the First Report (the "**Garage Keepers' Lien Holdback**").

GENERAL

9. Service of this Order on the persons in attendance at the Application by email, facsimile, registered mail, courier, or personal delivery shall constitute good and sufficient service of this Order, and no persons, other than those in attendance at the Application, are entitled to be served with a copy of this Order.

J.C.Q.B.A.

Schedule "B"

Service List

(see attached)

COURT FILE NUMBER 24-2536824

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PROCEEDING IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF R.D.E. VENTURES INC.

SERVICE LIST

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DENTONS CANADA LLP 10220 103 Avenue NW Suite 2500, Stantec Tower Edmonton, Alberta T5J 0K4 DEAN HITESMAN E-mail: dean.hitesman@dentons.com	 780-423-7284	780-423-7276	Counsel for the Bowra Group Inc.
McCARTHY TETREAUULT LLP 421 7 th Avenue SW Calgary, AB T2P 4K9 SEAN COLLINS E-mail: scollins@mccarthy.ca	 403-260-3531	403-260-3501	Counsel for National Bank of Canada

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THE BOWRA GROUP INC. TD Tower Suite 1411 – 10088 102 Avenue Edmonton, AB T5J 2Z1 KRISTIN GRAY E-mail: kgray@bowragroup.com DOUG CHIVERS E-mail: dchivers@bowragroup.com	 780-666-9804 780-705-1717	780-705-1946	Proposal Trustee under the NOI Proposal
TRISURA GUARANTEE INSURANCE COMPANY Bay Adelaide Centre 333 Bay Street, Suite 1610 Toronto, Ontario M5H 2R2 VICTOR A. BANDIERA E-mail: victor.bandiera@trisura.com	 416-607-2123		
WOLVERINE ENERGY AND INFRASTRUCTURE INC. Suite 400, 2207 - 4 Street SW Calgary, AB T2S 1X1 JOHN PAUL SMITH E-mail: jsmith@wnrgi.com	403-264-8731 403-669-3749		
CANADA REVENUE AGENCY National Insolvency Office 10-9700 Jasper Ave NW Edmonton, AB T5J 4C8 A.J. LAROCQUE	587-489-2699	866-219-0311	
PILLAR CAPITAL CORP. Suite 920, 602 – 12 Avenue SW Calgary, AB T2R 1J3 E-mail: ppsa@pillarcapitalcorp.com			

Party	Telephone	Fax	Role
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BRANDT TRACTOR LTD. P.O. Box 3856, Highway #1 East Regina, SK S4P 3R8	306-791-5950	306-791-5945	
ALLSPEC ASPHALT INC. 110 Manitoba Court Spruce Grove, Alberta T7X 3Y9 DEAN EASTMAN E-mail: dean.eastman@rdegroupp.ca	780-554-3190	780-962-9758	