



Clerk's stamp:

COURT FILE NO. **1501-09424**
 COURT **COURT OF QUEEN'S BENCH OF ALBERTA**
 JUDICIAL CENTRE **CALGARY**
 PLAINTIFF **NATIONAL BANK OF CANADA**
 DEFENDANT **WALDRON ENERGY CORPORATION**
 DOCUMENT **APPLICATION**

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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	<u>Thursday, August 24, 2017</u>
Time	<u>2:00 p.m.</u>
Where	<u>Calgary Courts Centre, Justice in Chambers</u>
Before Whom	<u>The Honourable Mr. Justice C.M. Jones</u>

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

Remedy claimed or sought:

1. FTI Consulting Canada Inc., in its capacity as Court-appointed receiver and manager (the "**Receiver**") of Waldron Energy Corporation ("**Waldron**"), 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) authorizing and approving the Receiver to make a final distribution in the amount of \$157,113, substantially as described in the Fourth Report of the Receiver dated August 15, 2017 (the "**Fourth Report**");
- (c) approving the actions, conduct and activities of the Receiver and its legal counsel as outlined in the Fourth Report and all other reports filed by the Receiver in these receivership proceedings;
- (d) approving the Receiver's Statement of Receipts and Disbursements for the period from August 17, 2015, to August 14, 2017 as set out in the Fourth Report;
- (e) directing the Clerk of the Court to pay the funds that were paid into Court pursuant to the Order of The Honourable Mr. Justice R.A. Graesser on August 24, 2016 (the "**Payment into Court Order**") to the Receiver and dismissing any claim to the funds by Capital Oil Ltd.;
- (f) authorizing the Receiver to destroy the books and records of Waldron that are not claimed by the former directors within 30 days of the filing of the Order discharging the Receiver;
- (g) approving the Receiver's accounts and the accounts of its independent legal counsel, inclusive of all accrual for the fees and disbursements of the Receiver and those of its legal counsel in connection with the completion of these receivership proceedings, including the costs of this Application;
- (h) declaring that the Receiver has duly and properly discharged its duties, responsibilities and obligations as Receiver;
- (i) discharging and releasing the Receiver from any and all further obligations as Receiver and any and all liability in respect of any act done by the Receiver in these receivership proceedings, and its conduct as Receiver pursuant to its appointment in accordance with the Receivership Order, or otherwise; and
- (j) 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 17, 2015, Waldron became subject to these receivership proceedings pursuant to an Order of the Honourable Mr. Justice K.D. Yamauchi (the "**Receivership Order**");
 - (b) as a result of a marketing and sales process conducted by the Receiver in these proceedings, an offer was received from Capital Oil Ltd. for substantially all of the assets of Waldron;
 - (c) Capital Oil Ltd. made a non-refundable deposit in the amount of \$110,000 for the assets of Waldron in accordance with the proposed transaction, which deposit is currently held by the Court pursuant to the Payment into Court Order;
 - (d) the transaction contemplated between the Receiver and Capital Oil Ltd. did not close due to the failure of Capital Oil Ltd. and the transaction was terminated by the Receiver in accordance with the asset purchase agreement between the Receiver and Capital Oil Ltd.;
 - (e) subsequently, the Receiver received other offers for the assets of Waldron, which transactions have been approved by the Court and closed;
 - (f) the realization of all assets and property of Waldron is complete and there are no further assets to be realized upon or recovered;
 - (g) as set out in the Fourth Report, the Receiver proposes to distribute the remaining funds available, minus a holdback of \$44,500, which total \$157,113 (inclusive of the Capital Oil Ltd. deposit), to the County of Ponoka for unpaid non-linear property taxes owing in the amount of \$3,931, and National Bank of Canada, in partial satisfaction of its secured claim, in the amount of \$153,182;
 - (h) as set out in the Fourth Report, other than the unpaid non-linear property taxes owing to the County of Ponoka, there are no other claims that rank ahead of the secured claim of National Bank of Canada;
 - (i) with the exception of some minor administrative matters, the Receiver has performed its mandate as Receiver under the Receivership Order and it is now appropriate that

the Receiver be discharged as Receiver, subject to the completion of the final administrative tasks;

- (j) the reasons described in the Fourth Report; and
- (k) 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 Payment into Court Order, filed;
- (c) the First Report of the Receiver, filed;
- (d) the Second Report of the Receiver, filed;
- (e) the Supplement to the Second Report of the Receiver, filed;
- (f) the Third Report of the Receiver, filed;
- (g) the Fourth Report, filed; and
- (h) 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 C.M. Jones on August 24, 2017.

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

COURT FILE NUMBER **1501-09424**

COURT **COURT OF QUEEN'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PLAINTIFF **NATIONAL BANK OF CANADA**

DEFENDANT **WALDRON ENERGY CORPORATION**

DOCUMENT **ORDER FOR FINAL DISTRIBUTION,
APPROVAL OF RECEIVER'S FEES AND
DISBURSEMENTS, APPROVAL OF
RECEIVER'S ACTIVITIES AND DISCHARGE OF
RECEIVER**

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File: 79294/9

DATE ON WHICH ORDER WAS PRONOUNCED: August 24, 2017

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice C.M. Jones

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Waldron Energy Corporation (the "**Debtor**") for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver;

AND UPON having read the Application, the Fourth Report of the Receiver dated August 15, 2017 (the "**Fourth Report**"), filed; **AND UPON** having read the Affidavit of Service of [●] sworn [●],

2017, filed; **AND UPON** hearing counsel for the Receiver and counsel for other interested parties; **AND UPON** being satisfied that it is appropriate to do so,

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

ACCOUNTS & ACTIVITIES OF RECEIVER

2. The Receiver's accounts for fees and disbursements, as set out in the Fourth Report are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel Blake, Cassels & Graydon LLP ("**Blakes**"), for its fees and disbursements, as set out in the Fourth Report are hereby approved without the necessity of a formal assessment of its accounts.
4. The Receiver's activities as set out in the Fourth Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as set out in paragraph [44] of the Fourth Report, are hereby ratified and approved.

THE CAPITAL OIL DEPOSIT

5. Capital Oil Ltd. has no claim to the \$110,000 non-refundable deposit made pursuant to the Asset Purchase Agreement dated February 1, 2016 between the Receiver and Capital Oil Ltd. that was paid into Court by Blakes pursuant to the Order of The Honourable Mr. Justice R.A. Graesser on August 24, 2016 (the "**Payment into Court Order**").
6. The Clerk of the Court is directed to pay the funds that were paid into Court pursuant to the Payment into Court Order to the Receiver forthwith for distribution in accordance with the provisions of this Order.

FINAL DISTRIBUTION

7. The Receiver is authorized and directed to make the following distributions:
 - (a) \$3,931 to the County of Ponoka for unpaid non-linear property taxes owing; and
 - (b) \$153,182 to National Bank of Canada in partial satisfaction of its secured claim.
8. The Receiver is hereby authorized and directed to holdback \$44,500.00 (the "**Holdback**") of the funds available for distribution for: (i) estimated operation and wind down expenses; and (ii) professional fees associated with attending to the final administrative matters of the receivership proceedings.
9. If there are amounts remaining of the Holdback upon the completion of all final matters of the receivership proceedings, the Receiver is authorized and directed to distribute those amounts, if any, to National Bank of Canada.

DISCHARGE

10. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
11. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
12. Upon the Receiver filing with the Clerk of the Court a sworn Affidavit of a licensed Trustee employed by the Receiver confirming that:
 - (a) all matters set out in paragraph [7] of this Order have been completed; and

(b) the Receiver's Certificate confirming the closing of the transaction between Sequoia Resources Corporation and the Receiver has been filed with the Court,

then the Receiver shall be discharged as Receiver of the Debtor, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

GENERAL

13. The Receiver is authorized and directed to destroy the books and records of the Debtor that are not claimed by the directors or former directors of the Debtor within 30 days of the filing of this Order.
14. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
15. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.

Schedule "B"

Service List

(see attached)

Schedule "B"

COURT FILE NUMBER 1501-09424

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT CALGARY

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT WALDRON ENERGY CORPORATION

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