

This order is **SIGNED**.

Dated: November 16, 2017



**R. KIMBALL MOSIER**  
U.S. Bankruptcy Judge



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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:  US OIL SANDS INC.,  Debtor in a Foreign Proceeding.	Case No. 17-29716  Chapter 15  Judge R. Kimball Mosier
In re:  US OIL SANDS (UTAH) INC.,  Debtor in a Foreign Proceeding.	Case No. 17-29717  Chapter 15  Judge R. Kimball Mosier

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**ORDER GRANTING RECOGNITION AS FOREIGN MAIN PROCEEDING**

Upon consideration of the *Receiver's Petition for Recognition as Foreign Main Proceeding Pursuant to Section 1517 of the United States Bankruptcy Code and Related Relief* filed by FTI Consulting Canada Inc., solely in its capacity as court appointed receiver and manager (the "**Receiver**") of the assets, properties, and undertakings of US Oil Sands Inc. and US Oil Sands (Utah) Inc. (collectively, the "**Chapter 15 Debtors**"), under the Canadian Bankruptcy and Insolvency Act (the "**CBIA**") based upon the *Receivership Order* dated September 14, 2017 (the "**Receivership Order**"), entered by the Court of Queen's Bench of Alberta (the "**Canadian**

Court”) in a proceeding brought before it (the “**Canadian Proceeding**”), and authorized foreign representative of the Chapter 15 Debtors, and all of the evidence and argument of the parties, and after due deliberation and consideration of this Court’s powers and discretion under 11 U.S.C. §§ 105, 1507, 1515, 1517, 1520, and 1521, and sufficient cause appearing therefore, including for the reasons set forth on the record by the Court, the Court finds and concludes as follows:

- A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. Venue is proper in this district pursuant to 28 U.S.C. § 1410.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(F).
- C. This Court has constitutional authority to enter final orders on this matter under *Stern v. Marshall*, 564 U.S. 2 (2011), or, in the alternative, by consent of the parties. See *Executive Benefits Ins. Agency v. Arkison*, 134 S. Ct. 2165 (2014).
- D. The Canadian Proceeding is entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.
- E. US Oil Sands (Utah) Inc. is a Utah corporation and is wholly owned by US Oil Sands Inc. and therefore US. Oil Sands Inc. meets the requirements of 11 U.S.C. § 109(a).
- F. The Receiver is a person within the meaning of 11 U.S.C. § 101(41) and is the duly appointed foreign representative of the Chapter 15 Debtors within the meaning of 11 U.S.C. § 101(24).
- G. These cases were properly commenced pursuant to 11 U.S.C. §§ 1504 and 1505.
- H. The Canadian Proceeding is a foreign proceeding within the meaning of 11 U.S.C. § 101(23).
- I. This Court finds that the center of main interest for each of the Chapter 15 Debtors is Canada. Accordingly, the Court finds that the Canadian Proceeding is a foreign main proceeding with respect to each of the Chapter 15 Debtors.
- J. There is a substantial likelihood that with the relief granted herein, the Receiver will be able to successfully liquidate the assets of the Chapter Debtors’ as part of the Canadian Proceeding and the above-referenced Chapter 15 bankruptcy cases, which will benefit all stakeholders.
- K. Relief is needed to protect the assets of the Chapter 15 Debtors and the interests of the creditors pursuant to 11 U.S.C. § 1521. Therefore, the Receiver is entitled to the additional relief afforded under Section 1521 of the Bankruptcy Code as set forth herein (the “**1521 Relief**”).

- L. There is a substantial threat of irreparable injury if the 1521 Relief is not issued.
- M. Any threatened injury to the Chapter 15 Debtors and their assets outweighs any damage the injunction might cause to the opponents. The 1521 Relief would actually benefit the Chapter Debtors' creditors by ensuring an equitable and orderly distribution of asset and facilitate the Canadian Proceeding.
- N. The Court finds that the interests of creditors and other interested entities, including the Chapter 15 Debtors, are sufficiently protected as required by 11 U.S.C. § 1522(a) and therefore may grant the 1521 Relief.
- O. The 1521 Relief will not disserve the public interest. The 1521 Relief is in the public interest as it facilitates a cross-border proceeding that will provide a benefit to the Chapter 15 Debtors' cases. The 1521 Relief is supported by notions of comity and will allow the Receiver to maximize the value available from the Chapter 15 Debtors' cases.
- P. As a result, the Receiver, in its role as foreign representative of the Chapter 15 Debtors, and the Chapter 15 Debtors, are entitled to the full protections and rights available pursuant to Section 1521 of the Bankruptcy Code as set forth herein.
- Q. The relief granted is necessary and appropriate, in the interest of the public and international comity, consistent with the United States public policy, and will not cause any hardship to any party-in-interest that is not outweighed by the benefits of granting the requested relief.

NOW THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceeding is hereby recognized as a foreign main proceeding pursuant to 11 U.S.C. § 1517 with respect to each of the Chapter 15 Debtors.
2. The Receivership Order is consistent with the public policy of the United States and is therefore granted comity. The terms of the Receivership Order granted in the Canadian Proceeding under the CBIA on September 14, 2017, is given full force and effect in the United States.
3. The Receiver is granted all of the relief afforded under 11 U.S.C. § 1520, including, without limitation, the following:
  - a. 11 U.S.C. §§ 361 and 362 apply with respect to the Chapter 15 Debtors and the property of the Chapter 15 Debtors that is within the territorial jurisdiction of the United States;

- b. 11 U.S.C. §§ 363, 549, and 552 apply to a transfer of an interest of the Chapter 15 Debtors in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate;
- c. The foreign representative may operate the Chapter 15 Debtors' business and may exercise the rights and powers of a trustee under and to the extent provided by 11 U.S.C. §§ 363 and 552; and
- d. 11 U.S.C. § 553 applies to property of the Chapter 15 Debtors that is within the territorial jurisdiction of the United States.

4. The Receiver and the Chapter 15 Debtors are authorized to implement the terms of the Receivership Order as may hereafter be amended by the Canadian Court.

5. The following additional relief under 11 U.S.C. § 1521(a)(1), (2), (3), (4), and (5) is hereby granted:

- a. The commencement or continuation of any action or proceeding concerning the assets, rights, obligations, or liabilities of the Chapter 15 Debtors, including any action or proceeding against FTI Consulting Canada Inc. in its capacity as Receiver of the Chapter 15 Debtors, to the extent not stayed under 11 U.S.C. § 1520(a), is hereby stayed;
- b. Execution against the assets of the Chapter 15 Debtors to the extent not stayed under 11 U.S.C. § 1520(a) is hereby stayed;
- c. The right of any person or entity, other than the Receiver, to transfer or otherwise dispose of any assets of the Chapter 15 Debtors to the extent not suspended under 11 U.S.C. § 1520(a) is hereby suspended;
- d. The Receiver may undertake the examination of witnesses, the taking of evidence, and the delivery of information concerning the assets, affairs, rights, obligations, or liabilities of the Chapter 15 Debtors; and
- e. The administration or realization of all or part of the assets of the Chapter 15 Debtors within the territorial jurisdiction of the United States is hereby entrusted to the Receiver, and the terms of the Receivership Order shall apply to the Chapter 15 Debtors, their creditors, the Receiver, and any other parties-in-interest.

6. Notwithstanding Federal Rule of Bankruptcy Procedure 7062, made applicable to this case by Federal Rule of Bankruptcy Procedure 1018, the terms and conditions of this Order

shall be immediately effective and enforceable upon its entry and, upon its entry, shall become final and appealable.

7. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 cases, and any request by an entity for relief from the provisions of this Order. The relief provided herein shall survive the termination of the Canadian Proceeding, subject to further order of this Court after notice and hearing.

8. This Order applies to all parties-in-interest in these Chapter 15 cases and all of their agents, employees, and representatives, and all those who act in concert with them who receive notice of this Order.

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