

Clerk's stamp

COURT FILE NUMBER 2001-04485

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF SANDTON CREDIT SOLUTIONS MASTER FUND IV, LP

DEFENDANTS ACCEDE ENERGY SERVICES LTD., ACCEDE FIRE & SAFETY LTD., 1537723 ALBERTA LTD. and ACCESS VALVE LTD.

APPLICANT FTI CONSULTING CANADA INC., in its capacity as receiver and manager of ACCEDE ENERGY SERVICES LTD., ACCEDE FIRE & SAFETY LTD., 1537723 ALBERTA LTD. and ACCESS VALVE LTD.

DOCUMENT **APPLICATION
(Interim Distribution, Approval of Receiver's Fees and Disbursements, and Approval of Receiver's Activities)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **MLT AIKINS LLP**
2100, 222 3 Ave
Calgary, Alberta T2P 0B4
Attention: Ryan Zahara/Catrina Webster
Counsel for the Receiver, FTI Consulting Canada Inc.
Phone: 403.693.5420/4347
Fax: 403.508.44349
File: 0052752.00002

NOTICE TO RESPONDENTS (SERVICE LIST APPENDED AS SCHEDULE "A"):

This application is made against you. You are the 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: October 22, 2020
Time: 2:00 pm
Where: WEBEX
Before Whom: The Honourable Mr. Justice C.M. Jones, In Chambers

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. An Order abridging the time for service of notice of this Application and deeming service of this notice of Application and materials in support thereof good, valid, timely and sufficient.
2. An Order substantially in the form attached hereto as **Schedule "B"** approving, among other things, the following:
 - a. a distribution of proceeds, subject to a limited holdback;
 - b. the Receiver's fees and disbursements, including the fees of its legal counsel, MLT Aikins LLP; and
 - c. the Receiver's activities, including approval of the Receiver's Statement of Receipts and Disbursements.

in respect of the receivership of Accede Energy Services Ltd., Accede Fire & Safety Ltd., 1537723 Alberta Ltd., and Access Valve Ltd. (collectively, the "**Debtors**") as recommended by FTI Consulting Canada Inc., Court-appointed receiver of the Debtors (the "**Receiver**").

3. An Order granting such other and further relief as the circumstances may require and as this Honourable Court shall deem appropriate.

Grounds for Making the Application:

4. By way of a Receivership Order granted on March 23, 2020 (the "**Receivership Order**"), the Receiver was appointed over all of the assets, undertakings, and properties of the Debtors (collectively, the "**Assets**").
5. On June 25, 2020, the Court granted four Sale Approval and Vesting Orders. The June 25, 2020 Sale Approval and Vesting Orders provided the Receiver with the Court's approval to close three separate purchase and sales agreements and one auction services agreement which contemplated, in aggregate, the sale of all the assets of the Debtors.

6. The Receiver's activities as set out in the First Report of the Receiver dated June 19, 2020, the Second Report of the Receiver dated June 30, 2019 and the Third Report of the Receiver dated October 13, 2020 (the "**Third Report**") have been commercially reasonable.
7. The fees and disbursements of the Receiver and of MLT Aikins LLP as set out in the Third Report are reasonable.
8. The Receiver is proposing a second interim distribution of funds to the secured creditor in the amount of \$3,262,405.00 as set out in the Receiver's Third Report dated October 13, 2020, with an appropriate holdback being made to account for any other amounts outstanding under the receivership proceedings.
9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or Evidence To Be Relied Upon:

- (a) This Notice of Application, filed;
- (b) The First Report of the Receiver dated June 19, 2020, including any confidential supplements thereto filed;
- (c) The Second Report of the Receiver dated June 30, 2020, including any confidential supplements thereto, filed;
- (d) The Third Report of the Receiver dated October 13, 2020, including any confidential supplements thereto, to be filed;
- (e) The Affidavit of Service of Joy Mutuku, to be filed;
- (f) The Receivership Order filed on March 23, 2020;
- (g) The Sale Approval and Vesting Orders filed on June 25, 2020;
- (h) The inherent jurisdiction of this Honourable Court to control its own process; and
- (i) Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- (a) Rules 11.27 and 13.5 and Part 6, Division 4 of the Alberta *Rules of Court*.

Applicable Acts and Regulations:

- (a) The *Judicature Act*, R.S.A. 2000, c. J-2, as amended, specifically section 8.

How the Application is Proposed to be Heard or Considered:

- (a) In person before the Honourable Justice C.M. Jones.

WARNING TO THE RESPONDENTS:

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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"

COURT FILE NUMBER: 2001- 04485

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PLAINTIFF SANDTON CREDIT SOLUTIONS MASTER FUND IV, LP

DEFENDANTS ACCEDE ENERGY SERVICES LTD., ACCEDE FIRE & SAFETY LTD., 1537723 ALBERTA LTD. and ACCESS VALVE LTD.

APPLICANT FTI CONSULTING CANADA INC., in its capacity as receiver and manager of ACCEDE ENERGY SERVICES LTD., ACCEDE FIRE & SAFETY LTD., 1537723 ALBERTA LTD. and ACCESS VALVE LTD.

DOCUMENT SERVICE LIST

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CANADA REVENUE AGENCY Surrey National Verification and Collection Centre 9755 King George Boulevard Surrey, BC V3T 5E1	866.891.7403	866.219.0311	
ACCEDE ENERGY SERVICES LTD. c/o Registered Office 27312 Township Road 394, Unit 12 Lacombe, Alberta T4L 0E3 Email: ghansen@accedeenergy.com FASKEN MARTINEAU DUMOULIN LLP TRAVIS LYSAK Email: tlysak@fasken.com	403.261.5501	403.261.5351	Counsel for Defendants
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<p>MCDUGALL AUCTIONEERING LTD. 610 North Service Rd. Emerald Park, SK S4L 3G7 CHAD GUAY Email: chad@mcdougallauction.com</p>			Auction House – Asset Purchase
<p>WEST GROVE CAPITAL ADVISORS LTD. Suite 300, 407-2nd Street SW Calgary, AB T2P 2Y3 BRUCE MACLENNAN CAM SHERBAN Email: bmaclennan@centuryservices.com cam.sherban@westgrovecapital.com</p>			Selling Agent
<p>SISSON ENTERPRISES CORP. Lot 26, 26308 TWP Rd, 525A Acheson, Alberta T7X 5A6</p>			
<p>TANKS DIRECT Lot 26, 26308 TWP Rd, 525A Acheson, Alberta T7X 5A6</p>			

ATB FINANCIAL 100, 4911 51 Street Red Deer, Alberta T4N 6V4	403.314.2698	403.341.08969	Creditor
CANADIAN WESTERN BANK 5407 Discovery Way Leduc, Alberta T9E 8N4 Canadian Western Bank Suite 285, 4000 Glenmore Court SE Calgary, AB T2C 5R8	780.986.9858	780.986.0179	Creditor
1800982 Alberta Ltd. RR1 Site 2 Box 10 Bentley, Alberta T0C 0J0			Creditor
CAM CLARK LEASING LTD. 417 Lantern St. Red Deer County, Alberta T4E 0A5 Email: dan.peterson@camclarkford.com			Creditor
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Thomas E. Plupek Barrister & Solicitor #300, 10209- 97 Street Edmonton, AB T5J 0L6 TOM PLUPEK Email: thomasplupeklaw@gmail.com	780.453.4387	780.424.7379	Counsel for Jamie Moench

KAL TIRE, A CORPORATE PARTNERSHIP 1540 Kalamalka Lake Road Vernon, B.C. V1T 6V2 Email : absecparties@avssystems.ca			Creditor
CANADIAN NATURAL RESOURCES LIMITED 2100, 855- 2 Street S.W. Calgary, Alberta T2P 4J8 Attention: Jelena Molnar Email: jelena.molnar@cnrl.com	403.716.6202	403.517.7350	In-house Counsel

SCHEDULE "B"
PROPOSED FORM OF ORDER

Clerk's Stamp

COURT FILE NUMBER 2001-04485

COURT COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF SANDTON CREDIT SOLUTIONS MASTER
FUND IV, LP

DEFENDANTS ACCEDE ENERGY SERVICES LTD., ACCEDE
FIRE & SAFETY LTD., 1537723 ALBERTA LTD.
and ACCESS VALVE LTD.

APPLICANT FTI CONSULTING CANADA INC., in its capacity
as receiver and manager of ACCEDE ENERGY
SERVICES LTD., ACCEDE FIRE & SAFETY LTD.,
1537723 ALBERTA LTD. and ACCESS VALVE LTD.

DOCUMENT **ORDER**
(Distribution, Approval of Receiver's Fees and
Disbursements, and Approval of Receiver's
Activities)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **MLT AIKINS LLP**
2100, 222 3 Ave
Calgary, Alberta T2P 0B4
Attention: Ryan Zahara/Catrina Webster
Counsel for the Receiver, FTI Consulting Canada Inc.
Phone: 403.693.5420/4347
Fax: 403.508.44349
File: 0052752.00002

DATE ON WHICH ORDER WAS PRONOUNCED: OCTOBER 22, 2020

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

NAME OF JUDGE WHO MADE THIS ORDER: HONOURABLE JUSTICE C.M. JONES

UPON THE APPLICATION of FTI Consulting Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Accede Energy Services Ltd., Accede Fire & Safety Ltd., 1537723 Alberta Ltd., and Access Valve Ltd. (collectively, the "**Debtors**"), for an Order of an interim distribution of certain sales proceeds, approval of the Receiver's fees and disbursements, and approval of the Receiver's activities; **AND UPON**

HAVING READ the Receiver's Third Report dated October 13, 2020 (the "**Receiver's Third Report**"); **AND UPON** hearing counsel for the Receiver, counsel for the Plaintiff, and counsel for any other parties in attendance; **AND UPON** being satisfied that it is appropriate to do so, **IT IS ORDERED THAT:**

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.
2. The Receiver is authorized and directed to make the following distribution:
 - (a) \$3,262,405.00 payable to Sandton Credit Solutions Master Fund IV, LP which represent some of the funds in the Receiver's trust account, with a holdback for any potential priority amounts and the expenses of the receivership estate for any priority charges and the legal and professional fees necessary to complete the administration of the Debtors' estates.
3. The Receiver's activities as set out in the Receiver's Third Report and the Statement of Receipts and Disbursements as attached to the Receiver's Third Report, are hereby ratified and approved.
4. The Receiver's accounts for fees and disbursement, as set out in the Receiver's Third Report are hereby approved without the necessity of a formal passing of accounts.
5. The accounts of the Receiver's legal counsel MLT Aikins LLP, for its fees and disbursements, as set out in the Receiver's Third Report, are hereby approved without the necessity of a formal assessment of its accounts.
6. 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 day of the transmission or delivery of such documents.

7. Service of this Order on any party not attending the Application is hereby dispensed with.

The Honourable Justice C.M. Jones
Justice of the Court of Queen's Bench of Alberta