

Clerk' Stamp:

COURT FILE NUMBER 2401 -  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
IN THE MATTER OF THE RECEIVERSHIP OF  
CATALX CTS LTD. and CATALX MANAGEMENT LTD.  
APPLICANTS CATALX CTS LTD. and HYUK JAE PARK  
RESPONDENTS CATALX CTS LTD. and CATALX MANAGEMENT LTD.  
DOCUMENT **ORIGINATING APPLICATION**  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MILLER THOMSON LLP  
Barristers and Solicitors  
525 – 9<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB T2P 1G1

Attention: James W. Reid / John-David D'Souza  
Phone: 403-298-2418 / 403-298-2431  
E-mail: jwreid@millerthomson.com /

jdsouza@millerthomson.com

File No.: 0281594.0001

**NOTICE TO RESPONDENT(S):**

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

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

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

Date	<u>January 19, 2024</u>
Time	<u>3:30 PM</u>
Where	<u>Calgary Law Courts (via WebEx)</u>
Before Whom	<u>The Honourable Justice R.A. Neufeld</u>

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

**Remedy sought:**

1. The Applicants, CatalX CTS Ltd. (“**CatalX**”) and Hyuk Jae Park (“**Mr. Park**”) seek an order substantially in the form attached hereto as **Schedule “A”**:
  - (a) abridging, if necessary, the time for service of notice of this Originating Application and materials in support thereof, and declaring service of the same to be good and sufficient;
  - (b) appointing Deloitte Restructuring Inc. as receiver-manager of CatalX pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c. J-2, and section 99(a) of the *Business Corporations Act*, RSA 2000, c. B-9 (the “**ABCA**”);
  - (c) appointing Deloitte Restructuring Inc. as receiver-manager of Catalx Management Ltd. (“**Catalx Management**”, and together with CatalX, the “**Companies**”) pursuant to section 39 of the *Law and Equity Act*, RSBC 1996, c. 253; and
  - (d) such further and other relief as this Court deems just and appropriate.

**Basis for this claim:**

*Background on the Companies*

2. Until recently, CatalX operated an internet-based platform for the trading of crypto assets, which enables customers to buy, sell, hold, deposit, and withdraw crypto assets such as Bitcoin, Ether, and anything commonly considered to be a crypto asset, digital or virtual currency, or digital or virtual token (collectively, “**Crypto**”).
3. CatalX was formed in British Columbia in February 2018 under the name CatalX Exchange Inc., and was continued in Alberta under the ABCA on September 10, 2019. CatalX changed its name to CatalX CTS Ltd. on January 4, 2021. CatalX’s registered office is located in Calgary, Alberta.
4. Catalx Management was incorporated pursuant to the laws of British Columbia pursuant to the *Business Corporations Act*, SBC 2002, c 57 on August 28, 2018, and has its registered office located in Vancouver, British Columbia. It is extra-provincially registered in Alberta.

5. Until recently, Catalx Management employed the employees that provided services to Catalx. Catalx Management also held the bank accounts that CatalX used for its operations.
6. Mr. Park is the Chief Executive Officer of CatalX. He is now also the only remaining officer and sole director of CatalX.
7. Until December 22, 2023, upon CatalX accepting his resignation, Jae Ho Lee (“**Mr. Lee**”) was a director and the Chief Financial Officer of CatalX. As former CFO, Mr. Lee was understood to be the only known person that has access to the digital wallets and accounts at Bittrex Global GmbH (“**Bittrex Global**”) that hold CatalX’s Crypto and the Crypto held on behalf of CatalX’s customers (the “**CatalX Wallets**”).
8. Mr. Park and Mr. Lee are the only two directors of Catalx Management.
9. At all relevant times the operations of the Companies were interconnected.

*CatalX’s Decision to Cease Operations*

10. CatalX operated its platform for the trading of Crypto through its platform-support supplier, Bittrex Global, which served as custodian for the Crypto of CatalX’s clients.
11. Bittrex Global and its related entity Bittrex Global (Bermuda) Ltd. are major shareholders of CatalX. Bittrex Global, through various technology and licensing agreements, provided CatalX with substantially all of the technology and liquidity required for CatalX to operate its Crypto trading platform.
12. On November 20, 2023, without notice to the Companies, Bittrex Global publicly announced its decision to wind-down its operations and cease the provision of all trading services effective as of December 4, 2023.
13. CatalX determined it was not feasible for it to continue to operate its platform without the required technological and liquidity support from Bittrex Global and in light of certain financial difficulties (as discussed below).
14. On December 4, 2023, CatalX notified the Alberta Securities Commission (“**ASC**”) that it was withdrawing its application to become a licensed securities exchange.
15. During a meeting between Mr. Park and Mr. Lee on November 24, 2023, certain without prejudice information was disclosed about CatalX’s financials, which information needed

to be verified. This information caused concern and Mr. Park began making internal enquires.

16. Mr. Park became aware that CatalX had ceased allowing withdrawals of customer deposits. Further, Mr. Park became aware that CatalX Management had ceased paying its employees.
17. Mr. Park understood the responsibilities of managing trades within and withdrawals from the CatalX Wallets, and paying employees, had been overseen and completed by CatalX's CFO, Mr. Lee.
18. By mid-December, Mr. Park became aware Mr. Lee was not performing these duties as CFO and requested via email the login information for access to the CatalX Wallets and the bank accounts of the Companies.
19. After not receiving a response to Mr. Park's email, counsel to CatalX wrote to counsel for Mr. Lee demanding access to the CatalX Wallets and the bank accounts.
20. No response was received from the above letter and CatalX followed up with a further letter to counsel to Mr. Lee on December 19, 2023. In addition to demanding access to the CatalX Wallets and the bank accounts, in this letter counsel to CatalX also advised that based on a review of the records that could be viewed by certain CatalX Management staff, the balances of customer funds in the CatalX Wallets had been withdrawn or transferred out of the accounts.

#### *The ASC Investigation*

21. On December 21, 2023, CatalX advised the ASC of the situation, including that the balances of customer funds in the CatalX Wallets had been withdrawn or transferred out of the accounts, and that CatalX was in the process of engaging Deloitte LLP to conduct an investigation into the transactions that have taken place in the CatalX Wallets and the Companies' bank accounts (the "**Letter**").
22. Following receipt of the Letter, on December 21, 2023, the ASC granted an interim cease trade order, among other things, advising that the ASC has commenced an investigation respecting, among others, CatalX, and ordering, among other things, that CatalX must cease trading in or purchasing any securities or derivatives (the "**Interim Cease Trade Order**").

23. On January 5, 2024, the ASC issued an interim order extending the Interim Cease Trade Order to January 5, 2025.

CatalX's Engagement of Deloitte

24. Mr. Park caused CatalX to engage Deloitte LLP to provide independent and impartial forensic and investigative services in connection to the tracing of Crypto transfer and location(s) of the Crypto that was to be held by CatalX for its customers in its Bittrex Global accounts.
25. Additionally, Mr. Park caused CatalX to retain Deloitte Restructuring Inc. to assist it and CatalX Management in the orderly wind-down of the Companies.
26. Since its engagement, Deloitte LLP and Deloitte Restructuring Inc. have been working closely with the Companies' management and former employees to gather and secure records and documents, including with respect to the CatalX Wallets.

Efforts by the Applicants to Prevent Harm

27. To fund the ongoing engagement of counsel for CatalX as well as its retention of Deloitte LLP and Deloitte Restructuring Inc., Mr. Park loaned CatalX \$800,000 in cash.
28. Further, CatalX is working with Deloitte LLP to investigate the alleged Crypto misappropriation to the best of its abilities.

The Appointment of a Receiver is Necessary and Appropriate

29. This Honourable Court has jurisdiction to appoint a receiver-manager over CatalX pursuant to section 99 of the ABCA:

... on an application by any interested person, the Court may make any order it thinks fit including...

- a) an order appointing, replacing or discharging a receiver or receiver-manager and approving the receiver's or receiver-manager's accounts.

30. This Court has jurisdiction to appoint a receiver-manager over Catalx Management pursuant to section 39 of the *Law and Equity Act*, RSBC 1996, c. 253:

39 (1) An injunction or an order in the nature of mandamus may be granted or a receiver or receiver manager appointed by an interlocutory order of the court in all cases in which it appears to the court to be just or convenient that the order should be made.

(2) An order made under subsection (1) may be made either unconditionally or on terms and conditions the court thinks just.

31. This Court may also order the appointment of a receiver under section 13(2) of the *Judicature Act*, RSA 2000, c J-2 if it is satisfied that it is just and equitable that a receiver be appointed.

32. It is just, equitable, and convenient that a receiver be appointed for the following reasons:

- (a) There may be claims from CatalX customers against the Companies, as customers are no longer able to withdraw Crypto from the CatalX platform. A Court-appointed receiver-manager would permit customers to submit claims in an open and transparent manner.
- (b) Given the ongoing ASC investigation and the Interim Cease Trade Order, a Court-appointed receiver-manager would ensure that the Companies are operated and managed by an independent third-party approved by the Court.
- (c) Given Deloitte LLP and Deloitte Restructuring Inc.'s background and involvement with the Companies from its investigation, Deloitte Restructuring Inc. is in the best position to gather the necessary information and attempt to trace and locate the Crypto for the benefit of the Companies' customers and stakeholders.
- (d) Third parties, including Bittrex, Mr. Lee, and other former employees and service providers are more likely to assist and provide timely information to a Court-appointed officer and at the direction of the Court than they would otherwise.
- (e) Mr. Park, the only secured creditor of CatalX, supports the appointment.
- (f) The Companies have no ongoing operations and an orderly wind-down of their business by a receiver-manager is not prejudicial to any party.
- (g) Deloitte Restructuring Inc. has consented to act as receiver-manager over the Companies.

33. In the circumstances, the balance of convenience weighs in favour of the appointment of Deloitte Restructuring Inc. being appointed as receiver-manager, and it is just, equitable and convenient to appoint Deloitte Restructuring Inc. as receiver-manager over the Companies.

**Material or evidence to be relied on:**

34. Affidavit of Hyuk Jae Park, sworn January 10, 2024, to be filed.
35. Consent to Act of Deloitte Restructuring Inc., to be filed.
36. Pre-filing report of Deloitte Restructuring Inc., to be filed.
37. Bench Brief of the Applicants.
38. Such further and other materials as counsel may advise and this Honourable court may permit.

**Applicable Acts, Rules and Regulations:**

39. *Business Corporations Act*, RSA 2000, c B-9, section 99.
40. *Judicature Act*, RSA 2000, c J-2, section 13(2).
41. *Law and Equity Act*, RSBC 1996, c 253.
42. *Alberta Rules of Court*, Alta Reg 124/2010, Part 3 Division 2 and Part 6.

**Any irregularity complained of or objection relied on:**

43. None.

**How the application is proposed to be heard or considered:**

44. On the Commercial List, via WEBEX before the Honourable Justice R.A. Neufeld.

**WARNING**

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.



**SCHEDULE "A"**

**Proposed form of Receivership Order**

Clerk's Stamp

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IN THE MATTER OF THE RECEIVERSHIP OF  
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RESPONDENTS CATALX CTS LTD. and CATALX MANAGEMENT LTD.  
DOCUMENT **RECEIVERSHIP ORDER**  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MILLER THOMSON LLP  
Barristers and Solicitors  
525 – 9<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB, T2P 1G1  
Attention: James W. Reid / John-David D'Souza  
Phone: 403-298-2418 / 403-298-2431  
E-mail: jwreid@millerthomson.com /  
jdsouza@millerthomson.com  
File No.: 0281594.0001

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DATE ON WHICH ORDER WAS PRONOUNCED: **January 19, 2024**  
LOCATION OF HEARING: **Calgary, Alberta**  
NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice R.A. Neufeld**

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**UPON** the application of CatalX CTS Ltd. ("**CatalX**") and Hyuk Jae Park in respect of appointing a receiver-manager over CatalX and Catalx Management Inc. ("**Catalx Management**"), and together with CatalX the "**Companies**";

**AND UPON** having read the Originating Application, the Affidavit of Hyuk Jae Park sworn January 10, 2024, and the Affidavit of Service of Marica Ceko sworn January [●], 2024, filed;

**AND UPON** reading the consent of Deloitte Restructuring Inc. to act as receiver-manager (the "**Receiver**" or "**Deloitte**") of the Companies, filed;

**AND UPON** hearing counsel for CatalX, counsel for Hyuk Jae Park, counsel for Jae Ho Lee, counsel for the proposed Receiver, and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

**Service**

1. The time for service of the Originating Application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient, if applicable, and this application is properly returnable today.

**Appointment**

2. Pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c. J-2, section 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and section 39 of the *Law and Equity Act*, RSBC 1996, c. 253 (as applicable), Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of Companies’ current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

**Receiver’s Powers**

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate and carry on the business of the Companies, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Companies;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to take possession of and exercise control over the Property;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Companies and to exercise all remedies of the Companies in collecting such monies, including, without limitation, to enforce any security held by the Companies;
- (g) to settle, extend or compromise any indebtedness owing to or by the Companies;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor for any purpose pursuant to this Order;
- (i) to undertake an investigation into the Companies' dealings, business, operations, and assets (including without limitation (i) the crypto currency assets of the Companies and (ii) the crypto currency assets or entitlements of the Companies' customers, whether now or previously in the possession of the Companies);
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize

- the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
  - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
    - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000;
    - (ii) with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause:

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P 7 or any other similar legislation in any other province or territory shall not be required.
  - (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
  - (n) to report to, meet with, and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality required by the *Securities Act* (Alberta) or as the Receiver deems advisable;
  - (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
  - (p) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have;

- (q) to undertake a claims process to determine claims or entitlements of any creditors or customers against the Companies or their assets now or previously in the possession of the Companies (including without limitation cryptocurrency assets or fiat currencies);
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (s) assign the Companies into bankruptcy;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Companies, and without interference from any other Person (as defined below).

#### **Duty to Provide Access and Co-operation to the Receiver**

4. (i) The Companies, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto,

provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

#### **No Proceedings Against the Receiver**

7. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **No Proceedings Against the Companies or the Property**

8. No Proceeding against or in respect of the Companies or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Companies or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by

statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Companies or an action, suit or proceeding that is taken in respect of the Companies by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province and for clarity it includes the Alberta Securities Commission and British Columbia Securities Commission.

### **No Exercise of Rights of Remedies**

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:
  - (a) empower the Companies to carry on any business that the Companies are not lawfully entitled to carry on;
  - (b) prevent the filing of any registration to preserve or perfect a security interest;
  - (c) prevent the registration of a claim for lien; or
  - (d) exempt the Companies from compliance with statutory or regulatory provisions relating to health, safety or the environment.
  
10. Nothing in this Order shall prevent any party from taking an action against the Companies where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party, except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

### **No Interference with the Receiver**

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,



licence or permit in favour of or held by the Companies, except with the written consent of the Companies and the Receiver, or leave of this Court.

### **Continuation of Services**

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Companies, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Companies,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Companies or exercising any other remedy provided under such agreements or arrangements. The Companies shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with the payment practices of the Companies, or such other practices as may be agreed upon by the supplier or service provider and each of the Companies and the Receiver, or as may be ordered by this Court.

### **Receiver to Hold Funds**

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation its investigation or the sale of all or any of the Property in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

## **Employees**

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Companies until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c B-3 ("BIA"), other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").

## **Limitation on Environmental Liabilities**

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
  - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order:
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of

the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

- (A) complies with the order; or
  - (B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
- (A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order;
  - (B) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

#### **Limitation on the Receiver's Liability**

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

#### **Receiver's Accounts**

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver

and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **Funding of the Receivership**

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
24. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds collected from the investigation or the sale of any assets without further approval of this Court.

#### **Allocation**

25. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

#### **General**

26. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
27. Notwithstanding Rule 6.11 of *the Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
28. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
30. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

### **Filing**

32. This Order is issued and shall be filed in Court of King's Bench Action No. 2401-[●]
33. The Receiver shall establish and maintain a website in respect of these proceedings at [●] (the "**Receiver's Website**") and shall post there as soon as practicable:
  - (a) all materials prescribed by statute or regulation to be made publicly available; and
  - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
34. Service of this Order shall be deemed good and sufficient by:
  - (a) serving the same on:

- (i) persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;  
and

(b) posting a copy of this Order on the Receiver's Website

and service on any other person is hereby dispensed with.

35. Service of this Order and any other materials filed in these proceedings may be effected by facsimile, electronic mail, ordinary mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of King's Bench of Alberta

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO.

\_\_\_\_\_

AMOUNT

\$

\_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver and receiver manager (the "**Receiver**") of all of the assets, undertakings and properties of the CatalX CTS Ltd. and Catalx Management Ltd. (the "**Companies**") appointed over by Order of the Court of King's Bench of Alberta (the "**Court**") dated the 19<sup>th</sup> day of January, 2024 (the "**Order**") made in action number 2401 - [●], has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of [●], being part of the total principal sum of [●] that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ● day of each month] after the date hereof at a notional rate per annum equal to the rate of [●] per cent above the prime commercial lending rate of Bank of [●] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.



7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**Deloitte Restructuring Inc.** solely in its capacity as Receiver of CatalX CTS Ltd. and Catalx Management Ltd., and not in its personal or corporate capacity

Per: \_\_\_\_\_  
Name:  
Title: