

In the Matter of
the Securities Legislation of
British Columbia, Alberta and Ontario (the **Jurisdictions**)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Dixie Energy Trust (the **Filer**)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is deemed to have ceased to be a reporting issuer (the **Exemptive Relief Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Alberta Securities Commission is the principal regulator for this application; and
- (b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and Multilateral Instrument 11-102 *Passport System* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is an unincorporated open-ended limited purpose trust established pursuant to the laws of the Province of Alberta with its registered address located in Calgary, Alberta.
2. Dixie Energy Ltd., the administrator of the Filer (the **Administrator**), is a corporation governed by the *Business Corporations Act* (Alberta) with its registered address located in Calgary, Alberta.

3. The Filer is governed by the second amended and restated trust indenture made as of February 28, 2013 between Olympia Trust Company (the **Trustee**) and the Administrator, as amended by the supplemental indenture made as of June 6, 2014 between the Trustee and the Administrator (collectively, the **Trust Indenture**).
4. The Filer is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. The Filer is not in default of any of its obligations under the securities legislation of the Jurisdictions.
5. The Filer is authorized to issue an unlimited number of trust units (**Trust Units**), of which 57,082,559 Trust Units are issued and outstanding. Other than Trust Units, the Filer has no other securities issued and outstanding.
6. No securities of the filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
7. The Filer does not intend to have any of its Trust Units (or any other securities of the Filer) traded on any marketplace in Canada or any other jurisdiction.
8. Computershare Trust Company of Canada (**Computershare**) is the registrar and transfer agent of the Filer.
9. Computershare has advised the Filer that there are an aggregate of 235 registered holders of Trust Units (**Unitholders**), with 221 Unitholders in Canada holding 55,414,596 Trust Units (98.30% of the issued and outstanding Trust Units) as follows:
 - (a) British Columbia: 177 Unitholders (75.32% of all outstanding Unitholders) holding 21,095,713 Trust Units (36.96% of the issued and outstanding Trust Units);
 - (b) Alberta: 41 Unitholders (17.45% of all outstanding Unitholders) holding 15,399,475 Trust Units (26.98% of the issued and outstanding Trust Units);
 - (c) Ontario: nine Unitholders (3.83% of all outstanding Unitholders) holding 18,916,798 Trust Units (33.14% of the issued and outstanding Trust Units); and
 - (d) Québec: four Unitholders (1.70% of all outstanding Unitholders) holding 2,610 Trust Units (0.00% of the issued and outstanding Trust Units).

There are four Unitholders (1.70% of all outstanding Unitholders) in the United States holding 1,667,963 Trust Units (2.92% of the issued and outstanding Trust Units).

10. The Filer is not eligible to use the procedure to voluntarily surrender its reporting issuer status in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 security holders.
11. The Filer is not eligible to file under the simplified procedure in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because the Filer is a reporting issuer in British Columbia and has 15 or more securityholders in certain jurisdictions of Canada and 51 or more securityholders in total worldwide.
12. An annual and special meeting of Unitholders was held on December 29, 2014 (the **Special Meeting**).
13. Unitholders of record on November 10, 2014, the record date for the Special Meeting (the **Record Date**), were entitled to receive notice of, and attend and vote at, the Special Meeting. Unitholders holding 75.87% of the Trust Units outstanding on the Record Date voted at the Special Meeting.
14. At the Special Meeting Unitholders approved:
 - (a) a special resolution (the **Sale and Winding-Up Resolution**) authorizing and approving: (i) the sale of all or substantially all of the assets of the Filer (the **Sale Transaction**); and (ii) subject to completion of the Sale Transaction, the winding-up of the Filer pursuant to the termination provisions of the Trust Indenture and a winding-up procedure established by Ernst & Young Inc. as claims administrator in conjunction with the Trustee and the board of directors (the **Board**) of the Administrator as described in the Management Information Circular of the Filer dated December 2, 2014 (the **Information Circular**); and
 - (b) an ordinary resolution (the **Exemptive Relief Resolution**) authorizing the Administrator, on behalf of the Filer, to make an application for the Filer to cease to be a reporting issuer pursuant to applicable Canadian provincial securities legislation.
15. Of the votes cast at the Meeting, 99.92% voted in favour of each of the Sale and Winding-Up Resolution and the Exemptive Relief Resolution.
16. The Sale Transaction closed on December 29, 2014, following which the Filer ceased to have an operating business or any property or assets other than the cash proceeds of the Sale Transaction (the **Sale Proceeds**).
17. Effective January 13, 2015 the Board approved the commencement of the winding-up of the Filer pursuant to the termination provisions of the Trust Indenture and the winding-up procedure described in the Information Circular.

18. Pursuant to an order (**Order**) of the Court of Queen's Bench of Alberta (the **Court**) dated January 20, 2015, Ernst & Young Inc. was appointed claims administrator (the **Claims Administrator**) of the Filer for the purpose of administering, in addition to a claims procedure for creditors of the Filer, a procedure to identify and determine claims of Unitholders (collectively, the **Claims Procedure**).
19. In addition to other matters, with respect to Unitholders the Order provided:
 - (a) for notice (the **Winding-Up Notice**) to Unitholders who were holders of Trust Units as of the Record Date:
 - (i) that the winding-up of the Filer had commenced and including the claim of such Unitholder based on the register of Trust Units, along with a blank proof of claim and instruction letter;
 - (ii) of the date of closing of the register of Trust Units, being March 23, 2015;
 - (iii) of the deadline for Unitholders to surrender certificates representing their Trust Units for cancellation, being July 31, 2015 (the **Deadline**); and
 - (iv) that the Claims Administrator may from time to time apply to the Court for direction in respect of the Claims Procedure and for a final order (**Final Order**) providing relief relating to the winding-up and termination of the Filer, and setting forth a method for Unitholders to advise the Claims Administrator whether they want to be given notice of either:
 - (i) all applications made by the Claims Administrator and the Trustee in respect of the winding-up of the Filer, if any, including the application for the Final Order, if any; or
 - (ii) only the application for the Final Order, if any, such notice to be given by the Claims Administrator (if so requested) by electronic mail in accordance with instructions received from Unitholders requesting notice;
 - (b) that any certificates representing Trust Units not surrendered for cancellation by the Deadline shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their pro-rata share of any distributions of the Sale Proceeds;
 - (c) for a process for claims of Unitholders to be accepted (or deemed accepted in certain circumstances), disputed or resolved; and
 - (d) that the Claims Administrator, together with the Trustee, may apply to the Court for a Final Order upon notice to, among others, Unitholders that requested notice, for certain relief summarised as follows:
 - (i) in respect of proven claims, declarations in respect of the amount of each claim;

- (ii) authorizing distributions to Unitholders from the Sale Proceeds after provision for the payment of all liabilities and obligations of the Filer;
- (iii) discharging the Trustee, the Administrator and the Claims Administrator from all duties and obligations relating to the Filer, including the administration thereof; and
- (iv) approving the winding-up of the Filer and terminating the Filer,

(collectively, the **Relief**), which relief will only be granted if the Court deems it appropriate upon the application for the Final Order.


20. By news release dated January 21, 2015 the Filer announced, among other things, the appointment by the Court of the Claims Administrator in connection with the winding-up of the Filer, that the Claims Administrator (together with the Trustee) will establish the Claims Procedure and that additional information regarding the Claims Procedure will be provided by the Claims Administrator and would be available on a specified website of the Claims Administrator.
21. On January 26, 2015, the Trustee, on behalf of the Trust and the Claims Administrator, sent the Winding-Up Notice to Unitholders.
22. On February 13, 2015, CDS Clearing and Depository Services Inc. published a bulletin announcing the closing of the register of Trust Units as of 5:00 p.m. (MST) on March 23, 2015 and that following such closing, transfers of Trust Units will no longer be recorded.
23. There is currently no active market for trading of Trust Units and the Filer does not expect an active market to develop.
24. The Filer has no current intention to seek public financing by way of offering of securities.
25. Transfers of Trust Units will not be permitted after March 23, 2015, being the date of the closing of the register of Trust Units, unless, in the opinion of the Claims Administrator, material extenuating circumstances exist and such circumstances can be evidenced to the Claims Administrator in a manner satisfactory to the Claims Administrator.
26. By press release dated February 18, 2015, the Filer announced that it had applied for a decision under the securities legislation of British Columbia, Alberta and Ontario that the Filer cease to be a reporting issuer.

27. The Claims Administrator has established a website (the **Website**) in respect of the Claims Procedure where it intends to make available information in respect of the Claims Procedure, including notices provided to Unitholders, proofs of claim and other documents related to the Claims Procedure. Notice of the website was included in the Winding-Up Notice and the news release of the Filer dated January 21, 2015.
28. The Claims Administrator intends to report to Court in the course of administering the Claims Procedure, and such reports will be available on the Website.
29. The Filer does not expect that there will be any activities of the Filer that will require the approval of the Unitholders, which would necessitate continuous disclosure to obtain such approval.
30. The Filer has ceased carrying on business other than for the purpose of winding-up, and will be wound-up and terminated after all claims are resolved and all remaining Sale Proceeds are distributed to Unitholders.
31. The Exemptive Relief Sought would alleviate costs of maintaining reporting issuer status under the Legislation, which would outweigh any benefits that the Unitholders may receive from continuous disclosure reporting and diminish the amounts available for distribution to the Unitholders.
32. The Filer, upon the granting of the Exemptive Relief Sought, will no longer be a reporting issuer in any jurisdiction in Canada.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.


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