

COURT FILE NUMBER **1903 21122**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA
DEFENDANTS MACHINE WORKS INDUSTRIAL INC., PAUL
BURNS, JODY COOMBS, AND ALLAN MCNUTT
DOCUMENT **APPLICATION BY RECEIVER**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DUNCAN CRAIG LLP Lawyers Mediators 2800 Scotia Place 10060 Jasper Avenue Edmonton, Alberta T5J 3V9	Lawyer: Ryan Quinlan Telephone: 780.441.4336 Fax: 780.428.9683 Email: rquinlan@dcllp.com File Number: 445- 203220
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NOTICE TO RESPONDENTS

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

You have the right to state your side of this matter before the master/judge.

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

Date	October 29, 2019
Time	2:00 p.m.
Where	Law Courts Building, Edmonton, Alberta
Before Whom	The Honourable Mr. Justice Gill sitting on the Commercial List

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:
 - (a) declaring Service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of this Application to the time actually given;
 - (b) approving the offer in respect of the Property of Machine Works Industrial Inc. and vesting title to the Property in the purchaser free and clear of all encumbrances;
 - (c) authorizing the Receiver to conclude the transaction contemplated by the Purchase Agreement and to take all such steps and execute all such documents as reasonably be necessary to complete the transaction contemplated therein;
 - (d) temporarily sealing the Confidential Supplement to the Receiver's First Report (the "Confidential Supplement");
 - (e) approving the activities of the Receiver as set out in its First Report and the Confidential Supplement; and
 - (f) providing for such other relief as this Honourable Court deems just.

Grounds for making this application:

2. On August 13, 2019, Machine Works Industrial Inc. (the "Company") was placed into receivership pursuant to an Order (the "Receivership Order") issued by the Court of Queen's Bench of Alberta (the "Court"). Deloitte Restructuring Inc. (the "Receiver") was appointed as receiver and manager, without security, of all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").
3. The Company primarily serviced oil and gas customers, providing welding, mechanical, structural fabrication, piping fabrication and technical services throughout Alberta for the past 10 years. The Property consists of vehicles and other equipment related to the business previously carried on by the Company.
4. The Receiver ran a solicitation and information process.
5. The Receiver has made significant efforts to obtain the best price for the Property and has pursued offers to the best of its abilities, a number of which were received, evaluated and discussed by the Receiver.
6. The offers received for the Property and the sales process are outlined more particularly set out in the Receiver's First Report and the Confidential Supplement.
7. The Receiver is recommending acceptance of the Century Services Corp.'s offer, and corresponding Asset Purchase Agreement, and reasonably believes that further marketing efforts for the Property will not result in higher net realization for the estate.
8. The factors set out in *Royal Bank of Canada v. Soundair* are satisfied. It is just and appropriate to approve the recommended offer for the Property.
9. The Confidential Supplement contains sensitive information that should not be released to the public at this time. As such, the Receiver is of the reasonable opinion that the Confidential Supplement should remain unfiled pending closing of the Purchase Agreement, or alternatively temporarily sealed, in order to preserve any further sales activity for the Property in the event that the sale is not completed.
10. It is just and appropriate to temporarily seal the Confidential Supplement.
11. Such further and other grounds as counsel may advise and this Honourable Court may accept.

Material or evidence to be relied on:

12. Receivership Order granted in these proceedings.
13. First Report of the Receiver and the Confidential Supplement thereto.
14. The pleadings and proceedings taken in this matter.
15. Such further and other material as legal counsel for the Receiver may advise and this Honourable Court may permit.

Applicable rules:

16. Rules 1.3, 1.5, 6.11, 6.28, 6.47(c), 11.27 and 13.5 of the *Alberta Rules of Court*.

17. Such further and other authority as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

18. *Business Corporations Act, (Alberta)* R.S.A. 2000, c. B-9 and in particular section 99 thereof.
19. *Judicature Act*, R.S.A. 2000, c. J-2, and in particular section 8 thereof.
20. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, sections 81.3(4), 81.4(4), 69(3), 243(1), 246(2), 247, 248, 249 and General Rule 126.
21. *Personal Property Security Act (Alberta)*, and in particular sections 64 and 65(7).
22. Such further Acts and Statutes as counsel may advise.

Any irregularity complained of or objection relied on:

23. n/a

How the application is proposed to be heard or considered:

24. In person, on the Commercial List before the Honourable Mr. Justice Gill.

WARNING

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.