

COURT FILE NO. 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 THE RECEIVER, DELOITTE RESTRUCTURING INC.  
FOR APPROVAL OF THE RECEIVER'S ACTIVITIES, APPROVAL OF  
RECEIVER'S FEES AND DISBURSEMENTS FOR AN ORDER FOR  
FINAL DISTRIBUTION, AND FOR DISCHARGE OF THE RECEIVER**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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File # 204- -203220

**DUNCAN CRAIG LLP**  
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2800 Scotia Place  
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Edmonton, Alberta Canada T5J 3V9

Clerk's Stamp

**NOTICE TO RESPONDENT: ROYAL BANK OF CANADA**

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: May 13, 2021  
Time: 2:00 PM  
Where: Law Courts, Edmonton, Alberta  
Before Whom: Justice Lema

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 generally in the form attached as Schedule "A":
  - (a) if necessary, abridging time for service of notice of this application set to the time actually given and an order deeming service of notice of this application good and sufficient;
  - (b) approving the passing of accounts for the fees and disbursements of the Receiver and its legal counsel, Duncan Craig LLP;
  - (c) approving the actions of the Receiver as set out in the Receiver's Third Report;
  - (d) approving the final distribution of funds;
  - (e) directing that upon a distribution of the funds and the Receiver filing a sworn Affidavit of a Licensed trustee employed by the Receiver confirming the same, the Receiver be discharged with all ancillary relief pertaining thereto;
  - (f) such further Orders, directions, and declarations, including declarations as to priority to proceeds, as may be necessary or appropriate in order to give effect to the relief so sought or as the Court considers appropriate in the circumstances.

**Grounds for making this application:**

2. Deloitte Restructuring Inc. (the "Receiver") was appointed Receiver of all of the assets and undertakings of the Debtor pursuant to an Order of this Honourable Court granted on August 13, 2019 (the "Receivership Order").
3. The Debtor carried on business from a leased premise located at 11405 85 Avenue, Fort Saskatchewan, Alberta (the "Head Office"), primarily servicing oil and gas customers, providing welding, mechanical, structural fabrication, piping fabrication and technical services.
4. On application by the Receiver, the Court granted an order on October 29, 2019 approving the sale of, among other things, the Debtor's primary assets and liabilities to Century Service Corp., attached as Schedule A to the Receiver's Third Report, which was completed November 14, 2019.
5. An interim order was granted by the Court on March 10, 2020 authorizing the distribution of proceeds of \$1,700,000 to Royal Bank of Canada ("RBC"), \$32,045.19 to Bennington Financial Corp, and \$225,319.15 to Jim Peplinski Leasing Inc., attached as Schedule B to the Receiver's Third Report.
6. The Receiver has realized upon all the known realizable assets of the Debtor and is not aware of any further issues which are the responsibility of the Receiver, and the Receiver is of the opinion that the administration of this Receivership will be completed upon the matters above being approved by the Court, and the anticipated final steps and distributions, as set out in the Receiver's Third Report, are implemented and completed once granted.

7. The Receiver believes that the actions taken, accounts, time dockets, and anticipated final distribution are just and appropriate in the circumstances.
8. The Receivership is otherwise concluded and the Receiver ought to be discharged; and
9. Such further and other grounds as counsel may advise and this Honourable Court permit.

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

10. Receivership Order granted in these proceedings on August 13, 2019.
11. Third Report of the Receiver dated April 30, 2021; and
12. Such further and other materials or evidence as counsel may advise and this Honourable Court permit.

**Applicable rules:**

13. Part 1 and Rules 6.2, 6.3, and 13.5 of the *Alberta Rules of Court*, Alta Reg 124/2010.

**Applicable Acts and regulations:**

14. *Business Corporations Act*, R.S.A. 2000, c. B-9, and in particular section 99(a) thereof;
15. *Judicature Act*, R.S.A. 2000, c. J-2, and in particular section 8 thereof;
16. *Personal Property Security Act* R.S.A. 2000, c P-7 and in particular sections 64 and 65(7) thereof;
17. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and in particular sections 249, 250 and 251 thereof; and
18. Such further and other Acts and Regulations as counsel may advise and this Honourable Court permit.

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

19. N/A.

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

20. By Webex, before the Honourable Mr. Justice Lema.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant 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 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.

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**DUNCAN CRAIG LLP**  
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Edmonton, Alberta Canada T5J 3V9

**DATE ON WHICH ORDER WAS PRONOUNCED: May 13, 2021**

**LOCATION OF HEARING OR TRIAL: Edmonton, Alberta**

**NAME OF MASTER/JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice Lema**

UPON THE APPLICATION of Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertaking, property and assets of Machine Works Industrial Inc. (the "Debtor") for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver; AND UPON hearing read the Receiver's Third Report dated April 30, 2021 (the "Receiver's Third Report"); AND UPON hearing counsel for the Receiver, counsel for the Debtor and counsel for various creditors; AND UPON being satisfied that it is appropriate to do so, IT IS ORDERED THAT

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

2. The Receiver's accounts for fees and disbursements, as set out in the Receiver's Third Report are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel Duncan Craig 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.
4. The Receiver's activities as set out in the Receiver's Third Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Receiver's Third Report, are hereby ratified and approved.
5. The Receiver is authorized and directed to make the following distributions:
  - a. funds for remaining expenses and additional legal fees, disbursements, taxes required to complete the additional legal fees, disbursements, and taxes required to complete the administrations of the receivership as described in the Receiver's Third Report;
  - b. an amount totalling \$384,117,93 to Royal Bank of Canada in respect to their outstanding secured claim; and
  - c. the remaining funds to be transferred to the bankruptcy estate for distribution to proven unsecured creditors.
6. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
7. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity of conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
8. Upon the Receiver filing with the Clerk of the Court a sworn Affidavit of a licensed Trustee employed by the Receiver confirming that:
  - a. all matters set out in paragraph 5 of this Order have been completed;
  - b. completing other administrative matters incidental to the Receiver's appointment and pending discharge, including the filing of reports pursuant to sections 246(2) and 246(3) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and the cancelling of all open operating accounts, if any;

then the Receiver shall be discharged as Receiver of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration

of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

9. 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 next business day following the transmission or delivery of such documents.
10. Service of this Order on any party not attending this application is hereby dispensed with.

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Justice of the Court of Queen's Bench of Alberta