



Grant Thornton

COURT FILE NUMBER 1601 - 10510

COURT COURT OF QUEEN'S BENCH  
OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF: ROYAL BANK OF CANADA

DEFENDANT: MJ'S WATER HAULING CO. LTD. AND 1825377  
ALBERTA LTD.

DOCUMENT RECEIVER'S FIRST REPORT  
SEPTEMBER 16, 2016

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING DOCUMENT

RECEIVER

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CLERK OF THE COURT  
**FILED**  
SEP 16 2016  
JUDICIAL CENTRE  
OF CALGARY

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1. Receivership Order pronounced August 10, 2016
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5. Statement of Receipts and Disbursements to September 15, 2016

## Introduction

1. On August 10, 2016, on application by Royal Bank of Canada ("**RBC**"), the Court of Queen's Bench of Alberta (the "**Court**") pronounced an order (the "**Receivership Order**") appointing Grant Thornton Limited (the "**Receiver**") as receiver of MJ's Water Hauling Co. Ltd. ("**MJ's**") and 1825377 Alberta Ltd. ("**1825377**" or collectively the "**Companies**").
2. The purpose of this report (the "**Receiver's First Report**") is to provide this Honourable Court with information regarding:
  - a. the Receiver's actions since its appointment;
  - b. preliminary background information on the Company, its operations, assets, creditors and current financial situation; and
  - c. Receiver's application seeking approval of the sales process to realize upon the equipment of MJ's (the "**Sales Process**").
3. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein shall adopt the meaning as defined in RBC receivership application materials.

## Limitations of Report

4. The information contained in the Receiver's First Report has been obtained from the records of the Company, publicly available information, and/or is based upon discussions with and representations made by the Companies management and shareholders and other professional advisors retained in this matter. The information was not audited nor otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this report may not disclose all significant matters about the Companies. Accordingly, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may

refine or alter its observations as further information is obtained or is brought to its attention after the date of this report.

5. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction, or use of the Receiver's First Report. Any use that any party makes of this report, or any reliance on or decisions to be made based on it is the responsibility of such party.
6. A copy of the Receiver's reports, Court Orders in the receivership proceedings and other relevant documents are available on the Receiver's website at:  
[http://www.grantthornton.ca/services/reorg/bankruptcy\\_and\\_insolvency/MJwaterhauling](http://www.grantthornton.ca/services/reorg/bankruptcy_and_insolvency/MJwaterhauling)

### **Corporate Background**

7. MJ's was a privately held company that provided water hauling, vacuum truck and wheeled loader services primarily to the oil and gas industry in Western Canada. The Company was based out of Strathmore, Alberta.
8. 1825377 was also a privately held company that owns the real estate (land and building) that MJ's operated out of in Strathmore.

### **Receiver's Initial Actions**

9. Immediately upon its appointment the Receiver:
  - a. attended the Companies head office in Strathmore, Alberta and met with management;
  - b. together with the MJ's staff commenced an inventory reconciliation process for the MJ's trucks, trailers, tanks and other miscellaneous equipment (collectively referred to as "**Equipment**") that was located at various work sites across Alberta relative to the equipment listing and financial records of the Company;
  - c. supervised the release and return of the on-site leased Daimler Truck Financial equipment as these items were excluded from the Receivership Order;

- d. confirmed that appropriate insurance policies were in place;
- e. secured the premises which included changing the building and yard locks, recoding electronic access cards and the security access codes;
- f. arranged for a contract employee to remain on site to provide onsite security over the remaining units in the yard and the building;
- g. took possession of the Companies books and records;
- h. cancelled the computer logins and remote access abilities for all employees, except for those who were contracted by the Receiver to assist with the administration of the Receivership;
- i. retained several employees on a contract basis, as they were terminated prior to the Receiver's appointment, for a short period of time to assist in retrieving off-site equipment and update the books and records of the Companies; and
- j. froze the corporate bank accounts and credits cards.

10. Since the appointment of the Receiver, the following additional actions have been undertaken:

- a. collected the outstanding MJ's Equipment that was located across various work sites in Northern Alberta;
- b. issued letters to the outstanding accounts receivables to request payment;
- c. prepared the Notice and Statement of the Receiver (the "**Receiver's Notice**") required to be sent within 10 days of our appointment. This was sent out on August 18, 2016 and is attached as Appendix 2 to this report;
- d. engaged DLA Piper LLP ("**DLA**") as legal counsel for the Receiver to commence a review of the validity and enforceability of the security of various leasing companies (New West Freightliner, Shaganappi GMC, Wells Fargo, Ford

Credit, Element Financial). DLA provided the opinion that the leasing companies have a valid and enforceable security over the assets and the Receiver supervised the release of certain pieces of equipment. Where it is accretive to the realizations of the Receivership, the Receiver is intending to payout certain leases in order to realize on the equity on the Equipment;

- e. prepared T4's and ROE's and provided information required by the Wage Earner's Protection Program to employees and Service Canada;
- f. prepared the request for proposal ("RFP") for the sale of 1825377 Alberta Ltd.'s assets (land and building); and
- g. other miscellaneous matters to attend to the administration of the Receivership.

### Company Assets

11. The Companies assets and their Net Book Value ("NBV") as obtained from the Companies records as at August 10, 2016, the latest date available, are comprised of the following major classes:

|                                     | <u>NBV</u>  |
|-------------------------------------|-------------|
| a. Accounts Receivable              | \$1,004,028 |
| b. Prepaid Expenses                 | \$13,943    |
| c. Inventory                        | \$146,336   |
| d. Property, plant and Equipment    | \$7,525,789 |
| e. Land and Building                | \$3,890,863 |
| f. Amounts due from related parties | \$573,558   |

### Creditor Matters

12. A summary of the classes of creditors, based on the initial review of the corporate records, is as follows:

|                            |                    |
|----------------------------|--------------------|
| Royal Bank of Canada       | \$4,902,058        |
| Shaganappi GMC             | \$528,127          |
| Element Financial          | \$508,268          |
| Wells Fargo                | \$117,496          |
| Ford Credit                | \$13,518           |
| Bank of Nova Scotia        | \$34,780           |
| John Deere Financial       | \$143,509          |
| New West Freightliner Inc. | \$1,088,857        |
| Total Secured Creditors    | <u>\$7,336,613</u> |

A detailed listing of the unsecured creditors is provided for in the Receiver's Notice attached as Appendix 2. We note that the Company's records show that approximately \$4.9 million is due to Daimler Truck Financial. Pursuant to the Receivership Order, Daimler Truck Financial's equipment subject to a conditional sales contract has been excluded from the Receivership Order.

13. There are amounts owing to Canada Revenue Agency for source deductions and GST. A copy of the Receiver's Notice has been sent to these parties but at this preliminary stage in the receivership proceedings, we have not received a written statement of amounts owed to the Receivership date.
14. There will also be amounts owing pursuant to section 81.4 of the Bankruptcy and Insolvency related to unpaid wages. The Receiver is in the process of confirming the priority amount but anticipates the amount payable will be approximately \$128,000.
15. Given the existence of potential priority claims, the Receiver is requesting the authority to assign the Companies into bankruptcy to avoid the expense of the secured creditor filing for a Bankruptcy Order, which expense would increase the amount of their secured claim.

16. DLA, legal counsel for the Receiver, has been requested to conduct an independent review of the validity and enforceability of the RBC security over the Companies assets.

### **Sales Process**

17. Based on the nature of the equipment and our discussions with RBC, an auction of MJ's equipment would result in the highest potential realization as there was little likelihood of an en bloc sale of the assets or a going concern sale. Five auctioneers, located in Canada and the US, were invited to submit proposals ("**Proposals**") for the equipment to either:
- a. purchase the equipment outright;
  - b. auction the equipment on a commission basis with a net minimum guarantee; or
  - c. auction the equipment on a straight commission basis.
18. The Receiver compiled an information package for the interested parties which included:
- a. descriptions of the equipment;
  - b. requirements for an offer or proposal submitted to the Receiver; and
  - c. the process for obtaining access to the equipment for viewing.
19. A summary of the Proposals, including the recommended Sales Process, can be found in Confidential Appendix 3. Copies of all of the proposals submitted to the Receiver are attached as Confidential Appendix 4.

### **Results of the Proposal Process**

20. Based on the analysis performed by the Receiver, the Receiver has entered into an agreement with Century Services Inc. ("**Century Proposal**"), subject to Court approval to sell the MJ's Equipment. The Receiver has confirmed with RBC that they are in agreement with the selection of the Century proposal.

21. The Receiver believes that the Court should consider approving the Century's Proposal for the following reasons:
- a. The proposal included has the greatest potential for realization upon MJ's equipment with a competitive net minimum guarantee and the opportunity for the Receiver to participate in further realizations upon a successful auction process;
  - b. The proposal includes full payment of the net minimum guarantee amount upon court approval;
  - c. The equipment will be sold on or before November 15, 2016; and
  - d. The proposal involves a reputable company with specialized auction and liquidation experience.

#### **Interim Statement of Receipts and Disbursements.**

22. A summary of the interim statement of Receipts and Disbursements ("R&D") is attached as Appendix 5. The balance of funds held by the Receiver is \$574,446 which includes the collection of \$600,851 in accounts receivable. We note the R&D does not include WIP or unpaid amounts for the Receiver or its legal counsel.

#### **Confidentiality of Appendices**

23. The documents attached as Confidential Appendices contain and discuss matters of a sensitive commercial nature, including pricing of the Proposals, and their publication prior to completion of the Sales Process could result in irreparable damage to the Companies, the parties that submitted Proposals and any future sales process in the event the proposed Sales Process is not completed. The Receiver will be requesting the Court to seal the Confidential Appendices.

#### **Recommendations and Intended Course of Action**

24. The Receiver respectfully requests approval from this Honourable Court with respect to the following:

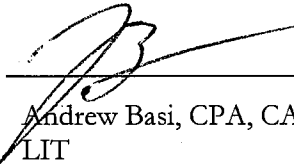
- a. the Receiver's activities and conduct as outlined in the Receiver's First Report the sale of MJ's assets; and
- b. the sealing of the Confidential Appendices until such time as all of the Companies assets have been sold by the Receiver.

25. Subject to approval from this Honourable Court, the Receiver intends to:

- a. attend to the further administration of the receivership;
- b. accept the Century Proposal for the sale of MJ's assets;
- c. complete the RFP process to sell 1825377's real estate (land and building);
- d. formulate a process to realize upon the remainder of the Companies assets; and
- e. follow any further directions this Honourable Court wishes to provide.

Dated at Calgary, Alberta, the 16th day of September, 2016.

PER: Grant Thornton Limited

  
\_\_\_\_\_  
Andrew Basi, CPA, CA, CIRP,  
LIT  
Senior Vice President

  
\_\_\_\_\_  
Mark Kearl, CA, CPA  
Senior Manager



COURT FILE NUMBER 1601 - 10510  
 COURT COURT OF QUEEN'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY  
 APPLICANT ROYAL BANK OF CANADA  
 RESPONDENTS MJ'S WATER HAULING CO. LTD., 1825377 ALBERTA LTD., DARREN BISHOP, VANESSA BISHOP, 1521580 ALBERTA LTD.  
 DOCUMENT CONSENT RECEIVERSHIP ORDER

ADDRESS FOR SERVICE  
 AND CONTACT  
 INFORMATION OF  
 PARTY FILING THIS  
 DOCUMENT

Norton Rose Fulbright Canada LLP  
 400 3<sup>rd</sup> Avenue SW, Suite 3700  
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 Phone: +1 403.267.8222  
 Fax: +1 403.264.5973

I hereby certify this to be a true copy of  
 the original ORDER

Dated this 10 day of August

Attention: Howard Gorman, Q.C.  
[howard.gorman@nortonrosefulbright.com](mailto:howard.gorman@nortonrosefulbright.com) for Clerk of the Court

File No. 01100375-0607

DATE ON WHICH ORDER WAS PRONOUNCED: August 10, 2016  
 NAME OF JUDGE WHO MADE THIS ORDER: Mr./Madam Justice C. DARIO  
 LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of the Royal Bank of Canada (the "Lender") in respect of MJ's Water Hauling Co. Ltd. and 1825377 Alberta Ltd. (the "Debtors"); AND UPON reading the Application, and the Affidavit of Arnold Masson dated August 10, 2016, filed; AND UPON reading the consent of Grant Thornton Limited to act as receiver and manager (the "Receiver") of the Debtors, filed; AND UPON noting the consent of the Debtors endorsed hereon; AND UPON the Court being satisfied that in the circumstances the method for service on the Debtors and on the various interested parties is good, sufficient and should be validated; AND UPON hearing counsel for the Lender, the Debtors, the Receiver and any other interested parties that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("BIA"), section 13(2) of the *Judicature Act*, RSA 2000, c J-2, and s 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7, Grant Thornton Limited is hereby appointed Receiver, without security, of all of

the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof except the equipment subject to conditional sales contracts between MJ's Water Hauling Co. Ltd. and Daimler Truck Financial, a business unit of Mercedes-Benz Financial Services Canada Corporation ("DTF") as specifically set out on the schedule attached hereto as Schedule "B (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 and control of 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 Debtor, 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 other business, or cease to perform any contracts of the Debtor;
  - (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 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 continue the business of the Debtor or any part or parts thereof;
  - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
  - (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
  - (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 environmental or workers' health and safety assessments of the Property and operations of the Debtor;
  - (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 Debtor, 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 \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$400,000; and
    - (ii) with the approval of this 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 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 as the Receiver deems advisable;
  - (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
  - (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
  - (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
  - (r) to exercise any shareholder, partnership, joint venture, or other rights which the Debtors may have;
  - (s) upon the application of the Receiver to this Court upon notice to all affected and interested parties, and where the Court is of the opinion on the making of such an application that it is proper and in the best interests of the estate, to assign the Debtors into bankruptcy or obtain a bankruptcy order against the Debtors; and
  - (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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 (as defined below), including the Debtor, and without interference from any other Person.

#### DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its 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 dependant 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 Debtor, 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 5 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 DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor 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 Debtor 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 8; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor 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.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. No Person shall 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 Debtor, including with respect to the Receiver's powers pursuant to paragraph 3 of this Order, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms. This provision does not impact the right or ability of DTF to take any steps and/or remedies pursuant to conditional sales contracts between it and the Debtor regarding the equipment set out on Schedule "B", including, but not limited to termination and/or enforcement steps regarding any of the equipment set out on Schedule "B".

#### **CONTINUATION OF SERVICES**

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, 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 Debtor are hereby restrained until further Order of this Court (or alternatively, until receiving written permission of the Receiver, which the Receiver may choose in its discretion to provide) from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, Internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

12. 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 the sale of all or any of the Property and the collection of any accounts receivable 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

13. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor 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 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*, SC 2005, c 47 ("WEPPA").
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### 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 (a) 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; or
  - 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.

Nothing in this Order shall derogate from the protection afforded to the Receiver by section 14.06 of the BIA, any other applicable legislation, or the common law.

#### **LIMITATION ON 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 and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, incurred 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) 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 is at liberty and is hereby empowered to borrow by way of a revolving credit or otherwise from the Plaintiff, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (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) 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.

#### ALLOCATION

24. 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.

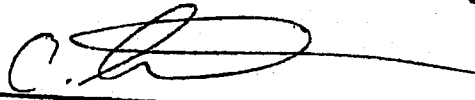
#### GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. 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 the same not including an original signature.
27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 or to assist the Receiver and its agents in carrying out the terms of this Order.
29. 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.
30. The Plaintiff shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. Any interested party may apply to this Court to vary or amend this order on not less than 7 days' notice (or such other time as this Court in its discretion may allow) 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**

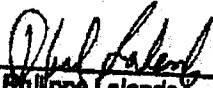
32. The Receiver shall establish and maintain a website in respect of these proceedings on their website and shall post there as soon as practicable;
- (a) all materials prescribed by statute or regulation to be made publically available; and
  - (b) all applications, reports, affidavits, orders and 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.

  
Justice of the Court of Queen's Bench of Alberta

CONSENTED AS TO FORM AND CONTENT  
THIS 12 DAY OF July, 2016

McLeod Law LLP

Per:

  
V. Philippe Lalonde  
Counsel to the Respondents  
MJ's Water Hauling Co. Ltd. and  
1825377 Alberta Ltd.

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_  
AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of MJ's Water Hauling Co. Ltd. and 1825377 Alberta Ltd.. (the "Debtors") appointed by Order of the Court of Queen's Bench of Alberta (the "Court") dated the \_\_\_\_ day of \_\_\_\_, 201\_\_ (the "Order") made in action number \_\_\_\_\_, 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 \$250,000 which 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 the 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 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 \_\_\_\_\_.  
*For the Bankruptcy and Insolvency Act*
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 defined in the Order) 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 \_\_\_\_\_, 201\_\_.

Grant Thornton Limited, solely in its capacity as  
Receiver and Manager of the Property (as defined  
in the Order), and not in its personal capacity

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

**Schedule "B"**

| Customer                    | Account       | Contract Date | Equipment                                                                                            | Orig Cost     |
|-----------------------------|---------------|---------------|------------------------------------------------------------------------------------------------------|---------------|
| Mj's Water Hauling Co. Ltd. | 0020043089001 | 11/20/2012    | 2013 Freightliner Coronado Sn 1FVPGNDR3DBY8176 Incl Cusco Durvac 820 Sn TSV-T4-TR-4400-DOT-T12132    | \$ 411,623.81 |
| Mj's Water Hauling Co. Ltd. | 0020043110001 | 11/20/2012    | 2012 International 5900 Sn 1HTNWBMT4CJ681701 Incl Cusco Durvac 820 Sn TSV-T4-TR-4400-DOT-T12130      | \$ 405,599.69 |
| Mj's Water Hauling Co. Ltd. | 0020043167001 | 11/27/2012    | 2013 Western Star 4900 Sn SKKPALDRKDFBX4385 Incl 120 BBL Water Tank Sn 2ABSTLK07DE000102             | \$ 261,376.96 |
| Mj's Water Hauling Co. Ltd. | 0020043168001 | 11/27/2012    | 2013 Western Star 4900 Sn SKKPALDRKDFBX4387 Incl 120 BBL Water Tank Sn 2ABSTLK05DE000101             | \$ 261,376.96 |
| Mj's Water Hauling Co. Ltd. | 0020043271001 | 12/03/2012    | 2013 Western Star 4900 Sn SKKPALDR7DFH89129 Incl Rebel 109 BBL TC-412 Vss System Sn PRTVAC-633-10-12 | \$ 449,258.96 |
| Mj's Water Hauling Co. Ltd. | 0020043272001 | 12/14/2012    | 2013 Western Star 4900 Sn SKKPALDR7DFH89113 Incl Rebel 109 BBL TC-412 Vss System Sn PRTVAC-632-10-12 | \$ 449,258.96 |
| Mj's Water Hauling Co. Ltd. | 0020043301001 | 12/10/2012    | 2013 Freightliner Coronado Sn 3ALPOND83DOB7934 Incl 120 BBL C-Max Tank Sn 2ABSTLK02DE000105          | \$ 260,586.61 |
| Mj's Water Hauling Co. Ltd. | 0020043628001 | 1/16/2013     | 2013 Western Star 4900 Sn SKKPALDR3DFH89138 Incl 120 BBL Tank Sn 2ABSTLK00DE000104                   | \$ 254,108.49 |
| Mj's Water Hauling Co. Ltd. | 0020043775001 | 02/25/2013    | 2013 Freightliner Coronado Sn 3ALPOND87DOB7936 Incl C-Max 120 BBL Tank Sn 2ABSTLK02DE000105          | \$ 261,024.41 |
| Mj's Water Hauling Co. Ltd. | 0020043790001 | 02/11/2013    | 2013 Freightliner Coronado Sn 3ALPOND8DOB7938 Incl Option Industries Tank Sn 08121634                | \$ 453,681.76 |
| Mj's Water Hauling Co. Ltd. | 0020044240001 | 04/16/2013    | Two 2013 Doosler Gravel Trucks Sn 2D80HDX1381030487 and 2D80HDX1381030912                            | \$ 166,933.12 |
| Mj's Water Hauling Co. Ltd. | 0020044408001 | 03/15/2013    | 2013 Freightliner Coronado Sn 3ALPOND8DOB7935 Incl Option Industries Vss Tank Sn 10121635            | \$ 469,572.75 |
| Mj's Water Hauling Co. Ltd. | 0020044533001 | 03/22/2013    | 2013 Freightliner Coronado Sn 3ALPOND8MDFG6470 Incl Option Industries Vss Sn 12121570                | \$ 410,486.96 |
| Mj's Water Hauling Co. Ltd. | 002004484001  | 04/17/2013    | 2014 Western Star 4900 Sn SKKHALDRAPFK9933                                                           | \$ 663,664.95 |
|                             |               |               | 2014 Western Star 4900 Sn SKKALDI1EPFF2933                                                           |               |
|                             |               |               | 2014 Western Star 4900 Sn SKKHALDRAPFK9932                                                           |               |
|                             |               |               | 2006 Vss Trailer Sn 2ATD022E261003520                                                                |               |
|                             |               |               | 2006 Vss Trailer Sn 2ATD0201161003019                                                                |               |
| Mj's Water Hauling Co. Ltd. | 0020045202001 | 07/29/2013    | 2014 Western Star 4900 Sn SKKALDI1EPFF2937 Incl Wet Kit and Waste Fliter                             | \$ 490,599.26 |
|                             |               |               | 2014 Western Star 4900 Sn SKKALDI1EPFF2938 Incl Wet Kit and Waste Fliter                             |               |
|                             |               |               | 2014 Doosler Impact End Dump Trailer Sn 2D80HDX1381030912                                            |               |
|                             |               |               | 2014 Doosler Impact End Dump Trailer Sn 2D80HDX1381030913                                            |               |
|                             |               |               | 2014 Doosler Impact End Dump Trailer Sn 2D80HDX1381030914                                            |               |
|                             |               |               | 2014 Doosler Impact End Dump Trailer Sn 2D80HDX1381030915                                            |               |
|                             |               |               | 2014 Doosler Impact End Dump Trailer Sn 2D80HDX1381030916                                            |               |
|                             |               |               | 2014 Doosler Impact End Dump Trailer Sn 2D80HDX1381030917                                            |               |
|                             |               |               | 2014 Doosler Impact End Dump Trailer Sn 2D80HDX1381030918                                            |               |
| Mj's Water Hauling Co. Ltd. | 0020045859001 | 10/21/2013    | 2014 Western Star 4900 Sn SKKPALDR8DFH891480 Incl Rebel Vss System Sn PRTVAC-634-10-13               | \$ 440,262.22 |
| Mj's Water Hauling Co. Ltd. | 0020045961001 | 10/16/2013    | 2014 Western Star 4900 Sn SKKALDI1EPFF1326 Incl Rebel Vss System Sn PRTVAC-636-09-13                 | \$ 548,328.57 |
|                             |               |               | 2014 Scania Tri Axle Trailer 2BPC4J057H3000934                                                       |               |
| Mj's Water Hauling Co. Ltd. | 0020046033001 | 11/5/2013     | 2013 Western Star 4900 Sn SKKPALDRKDFH89148 Incl Advanced 19,600L Tank Sn 2ABSTLB06DE000141          | \$ 536,937.62 |
|                             |               |               | 2013 Western Star 4900 Sn SKKPALDRKDFH89147 Incl Advanced 19,600L Tank Sn 2ABSTLB04DE000140          |               |
| Mj's Water Hauling Co. Ltd. | 0020046170001 | 11/28/2013    | 2014 Western Star 4900 Sn SKKPALDI1EPFF2939 Incl Rebel 109BBL TC-412 Vss Sn PRTVAC-634-09-13         | \$ 649,508.60 |
| Mj's Water Hauling Co. Ltd. | 0020046373001 | 12/12/2013    | 2014 Western Star 4900 Sn SKKPALDI1EPFF2938 Incl Rebel 109BBL TC-412 Vss Sn PRTVAC-635-09-13         | \$ 582,994.60 |
| Mj's Water Hauling Co. Ltd. | 0020047005001 | 3/21/2014     | 2013 Freightliner Coronado Sn 3ALPOND8DOB7936 Incl Option Industries Tank Sn 10121637                | \$ 590,261.23 |



# NOTICE AND STATEMENT OF RECEIVER

(Subsections 245(1) and 246(1) of the Act)

## IN THE MATTER OF THE RECEIVERSHIP OF MJ'S WATER HAULING CO. LTD. & 1825377 ALBERTA LTD.

### THE RECEIVER HEREBY GIVES NOTICE AND DECLARES THAT:

1. On the 10<sup>th</sup> day of August, 2016, Grant Thornton Limited (the "**Receiver**") was appointed the receiver and manager of MJ's Water Hauling Co. Ltd. and 1825377 Alberta Ltd. (the "**Companies**"). The assets of the Companies and their book values are described below based on the most recent historical accounting records:

|                               | Book Value           |
|-------------------------------|----------------------|
| Accounts Receivable           | \$ 1,004,028         |
| Prepaid Expenses              | 13,493               |
| Inventory                     | 146,336              |
| Property, Plant and Equipment | 7,525,789            |
| Land and Building             | 3,890,863            |
|                               | <b>\$ 12,580,509</b> |

2. The undersigned was appointed receiver and manager of the Companies and their assets pursuant to an order ("**Order**") of the Court of Queen's Bench of Alberta (File No: 1601-10510) on August 10, 2016.
3. The undersigned took possession or control of the Companies assets on the 10<sup>th</sup> day of August, 2016.
4. The following information relates to the receivership:
  - a) Address of the business: PO Box 2442  
Strathmore, AB T1P 1K3
  - b) Principal line of business: Oil & Gas Services
  - c) Location of the business: Strathmore, Alberta

- d) According to the books and records of the Companies and the Personal Property Registry, creditors who have registered security against the Companies assets are described below:

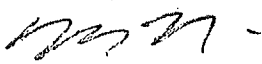
|                            | <b>Amount</b>       |
|----------------------------|---------------------|
| Daimler Truck Financial    | \$ 4,902,058        |
| Royal Bank of Canada       | \$ 3,329,946        |
| Shaganappi GMC             | \$ 528,127          |
| Element Financial          | \$ 508,268          |
| Wells Fargo                | \$ 117,496          |
| Ford Credit                | \$ 13,518           |
| Bank of Nova Scotia        | Unknown             |
| John Deere Financial       | Unknown             |
| Xerox Canada               | Unknown             |
| New West Freightliner Inc. | Unknown             |
|                            | <b>\$ 9,399,413</b> |

- e) The list of other creditors of the Companies, including amounts estimated to be owed to each of them, is detailed in the attached Appendix "A". This list was as obtained from the records of the Companies.
- f) The intended plan of Receiver, to the extent it has been formulated as of the date of this notice, is to realize upon the assets of the Companies.
- g) Contact person for Receiver: Jazzmind Hicken  
 Telephone No.: 1(403) 260-2514  
 Fax No.: 1(403) 260-2571  
 Email: [jazzmind.hicken@ca.gt.com](mailto:jazzmind.hicken@ca.gt.com)

A copy of the Order, other materials and future reports of the Receiver will be posted on our website at: [www.grantthornton.ca/creditorupdates](http://www.grantthornton.ca/creditorupdates)

**DATED** at Calgary, Alberta, this 18<sup>th</sup> day of August, 2016.

**Grant Thornton Limited,**  
*in its capacity as receiver and manager of*  
 MJ's Water Hauling Co. Ltd. and  
 1825377 Alberta Ltd.  
*and not in its corporate or personal capacity*

  
 Per: Mark Kearn, CPA, CA  
 Senior Manager

**Appendix "A"**

**In the Matter of the Receivership of  
MJ's Water Hauling Co. Ltd. and 1825377 Alberta Ltd.**

**Unsecured Creditor List**

**Please note the following:**

1. This list of creditors has been prepared using the information contained in the books and records of the Company.

| <b>Creditor</b>                           | <b>Amount (\$CAD)</b> |
|-------------------------------------------|-----------------------|
| 1040958 Alberta Ltd.                      | 232.50                |
| 1644618 Alberta Ltd.                      | 196,446.51            |
| 1776761 Alberta Ltd.                      | 971.98                |
| 1963677 Alberta Inc.                      | 1,950.00              |
| 77253 Alberta Limited o/a Merv's Mechanic | 5,302.43              |
| Acklands Grainger Inc.                    | 4,290.69              |
| Adams MacFarlane Chartered Accountants    | 20,947.50             |
| Albe's Oilfield Services Ltd.             | 3,307.50              |
| Allrockat Waterhauling Ltd.               | 20,895.00             |
| Alpine Water Store Ltd.                   | 624.50                |
| Assist Business Centre                    | 4,425.92              |
| B&E DropOff Bins Inc.                     | 336.00                |
| Bluewave Energy                           | 41,352.05             |
| Brandell Diesel Inc                       | 16,055.76             |
| Bro-Tech Plumbing and Heating             | 1,228.51              |
| Bumper to Bumper                          | 291.19                |
| Can-Am Repair Service Ltd.                | 49,544.22             |
| Can Telematics                            | 11,081.70             |
| Canada Revenue Agency - Payroll           | 168,547.27            |
| CEM Heavy Equipment Ltd.                  | 8,143.03              |
| Cintas                                    | 1,614.39              |
| City of Airdrie                           | 344.75                |
| City Wide Radiator Ltd.                   | 3,233.33              |
| Colpoys Welding Ltd.                      | 9,568.53              |
| Corbiell Electrical Ltd.                  | 810.83                |
| D.L.M. Oilfield Enterprises Ltd.          | 663.34                |
| D2 Heavy Haul                             | 3,712.50              |
| Danny Thiessen                            | 9,760.25              |
| DataDrill Communications Inc.             | 1,552.32              |
| Drive Products Calgary                    | 902.11                |
| Drivers Collision                         | 1,108.08              |
| Dunlop Sterling Western Star              | 5,026.88              |
| Enmax                                     | 6,920.37              |

|                                       |            |
|---------------------------------------|------------|
| Fargo Ventures Ltd.                   | 1,157.79   |
| Fin-Wall Site Services                | 2,116.80   |
| First Truck Centre                    | 686.77     |
| Fleet Brake Parts & Services          | 352.80     |
| Fountain Tire                         | 4,867.73   |
| Glover International Trucks Ltd.      | 574.20     |
| Gold Key Registry Ltd.                | 5,321.17   |
| Greatwest Kenworth Ltd.               | 2,334.52   |
| Gregg Distributors                    | 30,521.51  |
| Greyhound Courier Express             | 550.18     |
| Griz Oilfield Construction Ltd.       | 1,764.00   |
| Hotsy Cleaning Systems                | 425.25     |
| Hybrid Wireless Inc.                  | 1,575.00   |
| J & A Oilfield Services Ltd.          | 38,283.38  |
| K.M.W. Heating                        | 430.50     |
| Kaltire                               | 2,057.50   |
| Kaltire                               | 20,631.68  |
| Kee Bee Propane Ltd.                  | 1,540.74   |
| Kirk's Tire Craft                     | 1,745.73   |
| Kopala Environmental Services         | 6,413.29   |
| LM Industries                         | 2,005.75   |
| Lonestar Oilfield Contracting Ltd.    | 1,155.00   |
| M & M Drilling Co. Ltd.               | 147.00     |
| McLeod Law                            | 3,774.23   |
| Miller Supply Ltd.                    | 430.50     |
| Motor Transport Management Group Inc. | 220.50     |
| Murray Hamula Holdings Ltd.           | 520.80     |
| Napa Parts                            | 165.35     |
| New West Freightliner Inc.            | 28,344.13  |
| Neway Oilfield Services               | 200.00     |
| Oil City Answering Service Ltd.       | 1,837.50   |
| Overdrive Heavy Duty Services Ltd.    | 1,307.74   |
| P.S.I. Fluid Power Ltd.               | 7,829.37   |
| Paramount Parts Inc.                  | 23.33      |
| Purolator Inc.                        | 82.05      |
| Quality Auto Supply                   | 1,112.08   |
| Rebel Metal Fabricators Ltd.          | 5,310.17   |
| Receiver General                      | 103,232.85 |
| Red-L Distributors Ltd.               | 5,814.34   |
| SAFEblu Fire & Safety Services        | 3,112.24   |
| SearchNot Solutions                   | 1,215.39   |
| Segue Systems                         | 93.71      |
| Shale Industrial Ltd.                 | 70.00      |
| SND Industrial 2008 Ltd.              | 231.00     |
| Southland International Trucks Ltd.   | 9,266.25   |

|                                           |                               |
|-------------------------------------------|-------------------------------|
| Sterling Western Star                     | 2,257.93                      |
| Strathmore Economy Taxi                   | 12.60                         |
| Strathmore Ford                           | 77.89                         |
| Superior Propane                          | 456.31                        |
| Telus Communications                      | 518.23                        |
| Telus Mobility                            | 560.97                        |
| The Phoenix Signs & Graphics              | 415.54                        |
| The Regional Municipality Of Wood Buffalo | 101.39                        |
| Tim's Glass - Home & Auto                 | 3,219.30                      |
| Town of Strathmore (Bulk Water)           | 5,091.37                      |
| UFA                                       | 54,910.12                     |
| Wajax Equipment                           | 3,780.00                      |
| Western Star & Freightliner               | 646.77                        |
| Westron Pumps, Compressors & Blowers      | 1,426.74                      |
| Wheatland County                          | 104,156.88                    |
| Williams Scotsman of Canada               | 3,343.77                      |
| Willy D Boilers & Fabricating Ltd.        | 40,950.00                     |
| Wrangler Rentals Ltd.                     | 12,967.50                     |
| Xerox Canada Ltd.                         | 1,374.72                      |
|                                           | <u><u>\$ 1,138,311.79</u></u> |



MJ's Water Hauling Co. Ltd.  
Receiver's First Report  
Grant Thornton Limited  
September 16, 2016

Confidential Appendix 4

**IN THE MATTER OF THE RECEIVERSHIP OF**  
**MJ's WATER HAULING CO. LTD.**  
**INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD AUGUST 10, 2016 TO SEPTEMBER 15, 2016**

**Receipts**

|              |                |
|--------------|----------------|
| AR Collected | \$ 600,851     |
|              | <u>600,851</u> |

**Disbursements**

|                              |               |
|------------------------------|---------------|
| Contractors                  | 16,398        |
| Possession Costs             | 2,864         |
| Receiver's fees and expenses | 722           |
| Transportation costs         | 6,060         |
| Repairs and maintenance      | 361           |
|                              | <u>26,405</u> |

|                    |                          |
|--------------------|--------------------------|
| Cash held in trust | <u><u>\$ 574,446</u></u> |
|--------------------|--------------------------|