

**IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI**

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of the *Judicature Act*, R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

BETWEEN:



**THE BANK OF NOVA SCOTIA, a Canadian chartered bank
with a registered office in the City of Saint John, Province of
New Brunswick**

APPLICANT

- and -

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

ORDER

(Approval of the Deh Cho Settlement Agreement and the Second Interim Distribution)

*Sup
23 April 2013*

THIS MOTION, made by Ernst & Young Inc. in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of the Respondents (the “**Receiver**”) for an order, *inter alia*:

- (i) approving the Deh Cho Settlement Agreement (as defined below) and approving and authorizing the execution of the Deh Cho Settlement Agreement by the Receiver;
- (ii) authorizing and directing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the settlement contained in the Deh Cho Settlement Agreement;
- (iii) authorizing, empowering and directing the Receiver to distribute certain amounts to the Secured Creditors (as defined below), which have been agreed to and accepted by the Secured Creditors; and
- (iv) approving the conduct, actions and activities of the Receiver in administering this receivership proceeding as set out in the Twenty-Fourth Report of the Receiver dated 15 February 2013 (the “**Twenty-Fourth Report**”), and the Twenty-Fifth Report of the Receiver dated 8 April 2013 (the “**Twenty-Fifth Report**”),

was heard this day at 673 King George Highway, Miramichi, New Brunswick.

ON READING the Receiver’s Notice of Motion dated 9 April 2013, the Twenty-Fifth Report, and on hearing the submissions of counsel for the Receiver, and such other counsel in attendance, and on reading the affidavit of service of Mary Arzoumanidis sworn 10 April 2013, and on being advised of the consent of each of The Bank of Nova Scotia (the “**Bank**”), the Province of New Brunswick (the “**Province**”), Aviva Insurance Company of Canada and its affiliated entities (“**Aviva**”), and GE Canada Equipment Financing G.P. and its affiliated entities (“**G.E.**”, and together with the Bank, the Province and Aviva, the “**Secured Creditors**”) to this Order,

JLR
23 April 2013

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion, the Twenty-Fifth Report and the Record on Motion shall be and is hereby abridged and validated so that the motion is properly returnable today, and that any further service thereof is hereby dispensed with.

APPROVAL OF ACTIVITIES OF THE RECEIVER

2. **THIS COURT ORDERS** that the conduct, actions and activities of the Receiver in administering this receivership proceeding as set out in the Twenty-Fourth Report and the Twenty-Fifth Report, be and are hereby approved.

APPROVAL OF DEH CHO SETTLEMENT AGREEMENT

3. **THIS COURT ORDERS AND DECLARES** that the Deh Cho Settlement Agreement (as defined in the Twenty-Fifth Report and attached as Appendix "C" thereto), and the execution of the Deh Cho Settlement Agreement by the Receiver, is hereby approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the terms of the settlement contained in the Deh Cho Settlement Agreement.

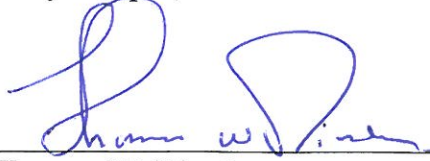
DISTRIBUTIONS

4. **THIS COURT ORDERS** that the Receiver is authorized, empowered and directed, upon receipt of the settlement amount under the Deh Cho Settlement Agreement, to pay from proceeds in its possession:

- (a) the sum of \$1,300,000.00 to the Bank;
- (b) the sum of \$18,048.51 to G.E.;
- (c) the sum of \$7,871.86 to the Province; and
- (d) the sum of \$7,551.09 to Aviva.

Jan
28 April 2013

Dated at Miramichi, New Brunswick, this 23rd day of April, 2013.

A handwritten signature in blue ink, appearing to read 'Thomas W. Riordon', is written over a horizontal line.

Thomas W. Riordon

Judge of the Court of Queen's Bench of
New Brunswick

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