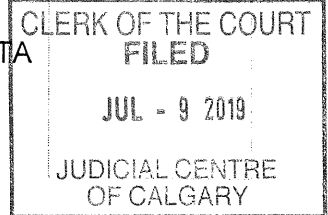


COURT FILE NO. 1601-06131

Clerk's
Stamp

COURT COURT OF QUEEN'S BENCH OF ALBERTA



JUDICIAL CENTRE CALGARY

APPLICANT **IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
CONNACHER OIL AND GAS LIMITED**

DOCUMENT **AFFIDAVIT OF MERLE JOHNSON
(RETURN OF PROPERTY ORDER)**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
Bankers Hall West, 888-3rd Street SW
Suite 3810
Calgary, Alberta T2P 5C5

Attn: Ryan Jacobs/Joseph Bellissimo/Natalie E. Levine
Tel: 403-351-2920
Fax: 403-648-1151
rjacobs@casselsbrock.com
jbellissimo@casselsbrock.com
nlevine@casselsbrock.com

**AFFIDAVIT OF MERLE JOHNSON
Sworn on July 9, 2019**

I, Merle Johnson of Calgary, Alberta, **MAKE OATH AND SAY THAT:**

1. I am the Chief Executive Officer of Connacher Oil and Gas Limited ("**Connacher**"). As such I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based on information and belief, in which case I do verily believe the same to be true.

2. I make this Affidavit in support of Connacher's application (the "**Application**") for an order substantially in the form attached as Schedule "A" to the Application (the "**Return of Property Order**"), *inter alia*,
 - (a) declaring that service of the Application and supporting documents is good and sufficient, that the time for notice is abridged to the time provided, and dispensing with further service;
 - (b) declaring that the sum of \$728,183.99 or such lesser amount as remains in the following account in The Toronto-Dominion Bank ("**TD**"):

Institution #: 004

Transit #: 02532

Account #: 5237438 (the "**Account**")

together with any interest that has accrued thereon since June 19, 2019 is the Property of Connacher, as such term is defined in the Initial Order dated May 17, 2016 (the "**Initial Order**"); and
 - (c) requiring that within 30 days of the date of the Return of Property Order, TD return the Property to Connacher by bank draft.
3. All references to dollar amounts contained herein are to Canadian dollars unless otherwise stated.
4. I am advised by counsel to the Court-appointed monitor, Ernst & Young Inc. (the "**Monitor**"), and counsel to certain of the first lien lenders (the "**Consenting First Lien Lenders**") holding in excess of 75% of the principal amount of debt outstanding under the First Lien Credit Agreement dated as of May 23, 2014, as amended (the "**First Lien Credit Agreement**") and Wilmington Trust, National Association (the "**First Lien Agent**") that such parties support Connacher's Application.
- I. **CCAA Proceeding**
5. On May 17, 2016, the Honourable Madam Justice Dario granted the Initial Order under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").
6. Since the CCAA filing Connacher has, in consultation with the Monitor, continued its operations in the ordinary course and implemented several operational and financial improvements for the benefit of the business, in all cases subject to the terms of the Initial Order and the other Court orders granted to date.
7. On June 19, 2019, Connacher held meetings of its affected creditors to vote on Connacher's Plan of Compromise and Arrangement dated May 6, 2019 (the "**2019 CCAA Plan**"). The 2019 CCAA Plan was approved unanimously by the affected creditors in each class of creditors that voted in person or by proxy at the creditors' meetings. Connacher is seeking the Court's sanction of the 2019 CCAA Plan and anticipates that an order sanctioning the 2019 CCAA Plan will be granted shortly.

II. Cyber-Fraud

8. Connacher regularly conducts business with a service provider known as Plains Midstream Canada ("**Plains**"). Plains provides transportation and midstream services to petroleum producers such as Connacher.
9. Connacher pays for Plains' services by sending electronic funds transfers ("**EFT**") from a Connacher bank account at ATB Financial ("**ATB**") to an account specified by Plains.
10. On June 11, 2019, a Connacher employee received an email (the "**First Scam Email**") appearing to originate from Plains' email system. The email provided Connacher with updated bank account details for future EFT payments to Plains, attaching instructions for a bank account at "TD Canada Trust", with a branch address in Calgary. A copy of the First Scam Email is attached hereto as **Exhibit "A"**.
11. On June 19, 2019, another email (the "**Second Scam Email**") appearing to originate from Plains' email system was sent to the same Connacher employee, asking, "Could I get an update on the attached or is there someone else I should follow up with regarding this change?" A copy of the Second Scam Email is attached hereto as **Exhibit "B"**.
12. From my review of the First Scam Email and the Second Scam Email, there is no indication that these emails originated from anywhere outside of Plains. There is nothing in either email to suggest that a cyber-fraud was being perpetrated on Connacher.
13. On June 19, 2019, in the ordinary course of business and without any knowledge of the scam being perpetrated upon it, Connacher paid by way of EFT \$728,183.99 (the "**Payment**") to the account specified in the First Scam Email.
14. On June 21, 2019, ATB contacted Connacher to advise that the fraud detection group at TD had flagged the Payment as potentially fraudulent and had asked that ATB confirm the veracity of the Payment with Connacher. The Payment had been paid into the Account of TD's client, 5002483 Ontario Inc., ("**5002483**") whose name could not be verified to correspond with the recipient named in the EFT, being Plains.
15. Upon making inquiries with Plains' accounts receivable group, Plains' advised Connacher that Plains had not received the Payment and in fact did not send the First Scam Email or Second Scam Email. It was therefore evident that the First Scam Email and Second Scam Email were part of a cyber-fraud scheme targeting Connacher, and that the Payment had been sent to an Account belonging to someone other than Plains.
16. On or about June 21, 2019, TD froze the funds in the 5002483 Account.
17. On or about June 26, 2019, Connacher filed a report of these events with the Calgary Police Service.
18. A corporate profile search dated July 4, 2019 for the entity 5002483 reveals an active Ontario-registered corporation with a registered office address in Toronto, Ontario. An Ontario business name search dated July 4, 2019 shows that the business name "Buddy's Towing" is registered to 5002483. Copies of the corporate profile search and business name search are attached hereto as **Exhibit "C"**. A Google street view search of the registered address shows a car repair business at that location. Connacher has

done no business with 5002483, any business called "Buddy's Towing", or any business located at the registered address of 5002483 and does not owe any of them any money.

19. I am advised by counsel that on July 8, 2019, Connacher sent a letter to 5002483 at its registered office address advising that it would proceed with this Application for the return of its Property.

III. Return of Property

20. Connacher is advised by Catherine P. Keyes, senior counsel at TD, that due to the quantum of funds at issue, TD requires a court order to disburse the funds back to ATB for the account of Connacher.
21. Connacher has communicated with TD to ensure a secure and timely return of the Payment funds remaining in the frozen TD Account.
22. Connacher is advised that TD does not oppose this Application.
23. Connacher believes that it is reasonable and appropriate to grant the Return of Property Order sought in the circumstances, as:
 - (a) TD has identified the transaction as fraudulent and took appropriate steps to alert Connacher to the fraud. Connacher and TD have consulted on a secure and timely way for the funds to be returned to Connacher. TD does not oppose the relief sought on this Application;
 - (b) the return of property to Connacher's bank account is positive for Connacher's cash-flow and necessary for the payment of current accounts. Connacher has suffered damage from losing access to its property, and has been required to expend time, effort and cost to prepare a resolution to this issue, including the cost and expense of bringing this Application, to the ultimate detriment of its creditors; and
 - (c) the return of property to Connacher is in the interests of justice, as the funds are rightfully the property of Connacher.
24. Connacher intends to serve this Application upon 5002483 at its registered office address.

IV. Conclusion

25. I believe the relief sought on this Application is in the best interests of Connacher and its stakeholders and, as a result, the Return of Property Order should be granted in the proposed form.

SWORN before me at the City of Calgary, in
the Province of Alberta, on July 9, 2019

Thomas Neville
Commissioner for Oaths/Notary Public in
and for the Province of Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Merle Johnson
MERLE JOHNSON

EXHIBIT "A"

This is Exhibit "A"
referred to in the affidavit of
Merle Johnson
sworn before me this 9th
day of July, 2019.
Thomas Neville
A Commissioner for Oaths in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Neville, Thomas

From: Robert Kaupp [robert.kaupp@plainsmidstream.com]
Sent: Tuesday, June 11, 2019 3:19 PM
To: Shirley McKinnon
Subject: Trucking Prepayment Advice
Attachments: EFT prepayment Advise.pdf

Good afternoon Shirley,

Going forward, please find attached our updated bank account details for future EFT prepayments. Please update your records accordingly.

Thank you,

Robert Kaupp | Manager, Truck Transportation, North
Plains Midstream Canada | Suite 1400, 607 8th Ave SW | Calgary, AB T2P 0A7
P:403.450.1255 | M:403.710.3433 | F:403.451.1092 | www.plainsmidstream.com

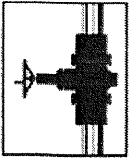
 *Studies show trees live longer when they're not cut down.*
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PLAINS
MIDSTREAM
C A N A D A

DEPENDABLE TRANSPORTATION SERVICE

607 8th Avenue SW Suite 1400
Calgary AB T2P 0A7
Main Telephone 403 298 2100
Fax 403 298 2159

Incoming EFT/Wire Instructions

Account name: Plains Midstream Canada.

Bank: TD Canada Trust
Address: 915 17 Ave SW,
Calgary, AB T2T 0A4,
Canada.

Transit #: 02532
Account #: 5237439
Institution #: 004
Swift code: TDOMCATTTOR

Please email remittance to ar@plainsmidstream.com

EXHIBIT "B"

This is Exhibit " B "
referred to in the affidavit of
Merle Johnson
sworn before me this 9th
day of July, 20 19
Thomas Neville
A Commissioner for Oaths in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Neville, Thomas

From: Robert Kaupp [robert.kaupp@plainsmidstream.com]
Sent: Wednesday, June 19, 2019 12:28 PM
To: Shirley McKinnon
Subject: Trucking Prepayment Advice
Attachments: EFT prepayment Advise.pdf

Shirley,

Could I get an update on the attached or is there someone else I should follow up with regarding this change?

Thank you,

Robert Kaupp | Manager, Truck Transportation, North
Plains Midstream Canada | Suite 1400, 607 8th Ave SW | Calgary, AB T2P 0A7
P:403.450.1255 | M:403.710.3433 | F:403.451.1092 | www.plainsmidstream.com

 Studies show trees live longer when they're not cut down.
Please do not print this email unless you really need to.

From: Robert Kaupp
Sent: Tuesday, June 11, 2019 3:18 PM
To: 'smckinnon@connacheroil.com'
Subject: Trucking Prepayment Advice

Good afternoon Shirley,

Going forward, please find attached our updated bank account details for future EFT prepayments. Please update your records accordingly.

Thank you,

Robert Kaupp | Manager, Truck Transportation, North
Plains Midstream Canada | Suite 1400, 607 8th Ave SW | Calgary, AB T2P 0A7
P:403.450.1255 | M:403.710.3433 | F:403.451.1092 | www.plainsmidstream.com

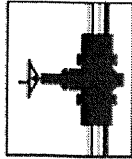
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PLAINS
MIDSTREAM
C A N A D A

DEPENDABLE TRANSPORTATION SERVICE

607 8th Avenue SW Suite 1400
Calgary AB T2P 0A7
Main Telephone 403 298 2100
Fax 403 298 2159

Incoming EFT/Wire Instructions

Account name: Plains Midstream Canada.

Bank: TD Canada Trust
Address: 915 17 Ave SW,
Calgary, AB T2T 0A4,
Canada.

Transit #: 02532
Account #:5237439
Institution #: 004
Swift code: TDOMCATTTOR

Please email remittance to ar@plainsmidstream.com

EXHIBIT "C"

This is Exhibit "C"
referred to in the affidavit of
Merle Johnson
sworn before me this 9th
day of July, 2019.
Thomas Neville
A Commissioner for Oaths in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Request ID: 023297701
Transaction ID: 72319320
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/04
Time Report Produced: 15:22:03
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
5002483	5002483 ONTARIO INC.	2018/10/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
2-2939 EGLINTON AVENUE EAST	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA M1J 2E5		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors MinimumMaximum	
NOT AVAILABLE	0000100010	

Request ID: 023297701
Transaction ID: 72319320
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/04
Time Report Produced: 15:22:03
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

5002483

Corporation Name

5002483 ONTARIO INC.

Corporate Name History

5002483 ONTARIO INC.

Effective Date

2018/10/01

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

ABHINAV

KARRA

Address

23 ROSSFORD RD

SCARBOROUGH
ONTARIO
CANADA M1R 4B2

Date Began

2018/10/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 023297701
Transaction ID: 72319320
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/04
Time Report Produced: 15:22:03
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

5002483

Corporation Name

5002483 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
BCA	ARTICLES OF INCORPORATION	1	2018/10/01

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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Request ID: 023297975
Transaction ID: 72320043
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/04
Time Report Produced: 15:50:32
Page: 1

LIST OF CURRENT BUSINESS NAMES REGISTERED BY A CORPORATION

Ontario Corporation Number
5002483

CORPORATION NAME
5002483 ONTARIO INC.

REGISTRATION DATE	BUSINESS NAME	EXPIRY DATE	BUSINESS ID NUMBER
2018/10/02	BUDDY'S TOWING	2023/10/01	281039404

THE REPORT SETS OUT ALL BUSINESS NAMES REGISTERED OR RENEWED BY THE CORPORATION IN THE PAST 5 YEARS AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. IF MORE DETAILED INFORMATION IS REQUIRED, YOU MAY REQUEST A SEARCH AGAINST INDIVIDUAL NAMES SHOWN ON THIS REPORT.

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