CLERK OF THE COURT
FILED
JAN 14 2019
JUDICIAL CENTRE OF CALGARY

Clerk's stamp:

COURT FILE NUMBER	1801-17912
COURT	COURT OF QUEEN'S BENCH OF ALBERTA, IN BANKRUPTCY
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED AND IN THE MATTER OF HUGHSON TRUCKING INC.
APPLICANT	ATB FINANCIAL (FORMERLY ALBERTA TREASURY BRANCHES)
DOCUMENT	**AFFIDAVIT (BANKRUPTCY ORDER)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BLAKE, CASSELS & GRAYDON LLP** Barristers and Solicitors 3500 Bankers Hall East 855 – 2nd Street SW Calgary, Alberta T2P 4J8

Attention:	Ryan Zahara Matthew J. Summers
Telephone:	(403) 260-9628 (403) 260-9677
Email:	ryan.zahara@blakes.com matthew.summers@blakes.com
Fax:	(403) 260-9700
File:	81518/158

AFFIDAVIT OF REHMAN MULJI

Sworn on January 14, 2019

I, **REHMAN MULJI**, of the City of Calgary, in the Province of Alberta, **SWEAR AND SAY THAT**:

1. I am Senior Manager of Specialized Financing in the Turnaround Assistance Group with ATB Financial, formerly Alberta Treasury Branches (“**ATB**”). I have been involved with Hughson Trucking Inc. (“**Hughson**”) account since approximately December 10, 2018 and have also had the opportunity to review the business records of ATB relevant to the Hughson account. I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true.

2. I am authorized to make this Affidavit on behalf of ATB.

3. I adopt the facts as set out in my previous affidavit, sworn and filed on December 14, 2018 (the “**Receivership Affidavit**”), as if those facts were repeated in their entirety here. Attached hereto and marked as **Exhibit** “**A**” is a copy of the Receivership Affidavit with the exhibits omitted.

A. THE RECEIVERSHIP OF HUGHSON

4. On December 14, 2018, ATB filed an application seeking to appoint Ernst & Young Inc. LIT (“**EY**”) as receiver (the “**Receiver**”) over the current and future assets, undertakings, and properties of Hughson (the “**Receivership Application**”).

5. On December 19, 2018, the Canada Revenue Agency (“**CRA**”) served an Enhanced Requirement to Pay via fax on Ryan Zahara of Blake, Cassels & Graydon LLP (“**Blakes**”), ATB’s counsel, seeking payment of $287,178.92 owed by Hughson to the CRA out of certain funds held in trust by Blakes (the “**CRA RTP**”). Attached hereto and marked as **Exhibit** “**B**” is a copy of the CRA RTP.

6. Also on December 19, 2018, Eidsvik J. granted the Receivership Application and appointed EY as Receiver pursuant to a consent receivership order, as amended (the “**Receivership Order**”). Attached hereto and marked as **Exhibit** “**C**” is a copy of the Receivership Order.

7. EY, in its capacity as Receiver, has consented to the lifting of the stay of proceedings in accordance with paragraph 8 of the Receivership Order for the purpose of bringing this Application to declare Hughson bankrupt and appoint EY as trustee. Attached hereto and marked as **Exhibit "D"** is a copy of an executed Consent to Act as Trustee from EY.

B. THE BANKRUPTCY APPLICATION

8. Based on the facts outlined in the Receivership Affidavit, I believe that the debt owing by Hughson to ATB amounts to at least $1,000.00 and that Hughson has ceased to meet its liabilities generally as they become due.

9. Further, based on the facts outlined in the Receivership Affidavit, I believe there is a deficiency between the amounts owed by Hughson and the security held by ATB that is sufficient to establish an unsecured debt of at least $1,000.00.

10. I believe that the immediate appointment of a Bankruptcy Trustee pursuant to section 43 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, is just and convenient, appropriate in the circumstances, and necessary to protect the interests of the creditors of Hughson and to preserve and realize on any remaining assets of Hughson in an orderly fashion before they are dissipated.

11. I swear this affidavit in support of an application for an Order adjudging Hughson bankrupt and appointing EY as trustee of the bankrupt estate.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 14th day of January 2018.	))))))	
A Commissioner of Oaths in and for Alberta		**REHMAN MULJI**

MATTHEW J. SUMMERS
Barrister & Solicitor

This is Exhibit "A" referred to in the Affidavit of Rehman Mulji sworn before me this 14th day of January 2019

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

CLERK OF THE COURT
FILED
DEC 14 2018
JUDICIAL CENTRE
OF CALGARY

Clerk's stamp:

COURT FILE NUMBER	1801 - 17912
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ATB FINANCIAL (FORMERLY ALBERTA TREASURY BRANCHES)
RESPONDENTS	HUGHSON TRUCKING INC., LEROY CHRISTIAN HUGHSON, DARREN JAMES HUGHSON, AND JUSTIN LEE HUGHSON
DOCUMENT	**AFFIDAVIT (Appointment of Receiver)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2nd Street S.W. Calgary, AB T2P 4J8 Attention: Ryan Zahara / James Reid Tel: 403-260-9628 / 403-260-9731 Fax: 403-260-9700 Email: ryan.zahara@blakes.com / james.reid@blakes.com File Ref.: 81518/158

AFFIDAVIT OF REHMAN MULJI

Volume 1

Sworn on December 14, 2018

I, **REHMAN MULJI**, of the City of Calgary, in the Province of Alberta, **SWEAR AND SAY THAT**:

1. I am Senior Manager of Specialized Financing, Turnaround Assistance Group with ATB Financial, formerly Alberta Treasury Branches ("**ATB**"). I have been involved with Hughson Trucking Inc. ("**Hughson**") account since approximately December 10, 2018, and have also had the opportunity to review the business records of ATB relevant to the Hughson account. I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true.

2. I am authorized to make this Affidavit on behalf of ATB.

3. ATB advanced funds to Hughson pursuant to the commitment letter between Hughson and ATB dated January 31, 2018 (the "**Commitment Letter**"), and as amended by the forbearance and amending agreement between Hughson and ATB dated November 19, 2018 (the "**Forbearance Agreement**"), the equipment loan and security agreement dated January 15, 2016 (the "**2016 Loan Agreement**"), and the equipment loan and security agreement dated February 1, 2018 (the "**2018 Loan Agreement**" and together with the 2016 Loan Agreement, the "**Equipment Loan Agreements**" and collectively with the Commitment Letter and the Forbearance Agreement, the "**Credit Documents**"). Attached hereto and marked as **Exhibit** "**A**" are copies of the Credit Documents.

4. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Forbearance Agreement.

A. OVERVIEW

5. Hughson is a company incorporated pursuant to the laws of the Province of Alberta with its registered office in Lethbridge, Alberta. Attached hereto and marked as **Exhibit "B"** is a copy of the Alberta corporate search report for Hughson.

6. Hughson is a Milk River, Alberta-based trucking and service company primarily focused on providing hauling and trucking services to oilfield service providers. In addition, Hughson also provides transportation services to companies operating in a wide range of industries, including forestry and lumber, agriculture, mining, construction, and food processing.

7. Leroy Hughson ("**LH**") owns a third of the issued and outstanding shares of Hughson.

8. Justin Hughson ("**JH**") is the Chief Executive Officer and owns a third of the issued and outstanding shares of Hughson.

9. Darren Hughson ("**DH**") is the Chief Maintenance Officer and owns a third of the issued and outstanding shares of Hughson.

10. LH, JH, and DH have all provided limited personal guarantees (the "**Personal Guarantees**") to ATB. Attached hereto and collectively marked as **Exhibit "C"** are copies of the Personal Guarantees.

11. As discussed further below, Hughson completed a sale of a substantial portion of its assets, business, and operations (the "**Purchased Assets**") to Tri-Line Carriers LP ("**TLC**") on December 4, 2018. Attached hereto and marked as **Exhibit "D"** is an executed copy of the Asset Purchase Agreement dated December 4, 2018 between TLC and Hughson (the "**APA**").

12. On December 7, 2018, ATB understands that Hughson dismissed approximately 120 employees and effectively ceased its ongoing operations. Hughson still has some remaining assets, including, but not limited to, equipment, inventory, and accounts receivable (the "**Remaining Assets**").

13. ATB believes that the liquidation and distribution of any proceeds from the Remaining Assets will be most efficiently completed by a receiver. Accordingly, ATB has made this application to appoint Ernst & Young Inc. LIT ("**EY**") as receiver over the assets, property, and undertaking of Hughson pursuant to section 243(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**").

B. THE LOAN

14. In accordance with the Credit Documents, ATB has extended credit under the following credit facilities to Hughson (collectively, the "**Facilities**"):

Facilities	Acct No.	Outstanding	Accrued Interest	Total	Per Diem
Credit Facility #1	722-10022229100	$4,000,000.00	$10,732.00	$4,010,732.00	$597.26
Credit Facility #2	722-27521358400	$224,900.00	$624.79	$225,524.79	$33.58
Term Loan #1	722-28699978600	$395,416.69	$1,798.33	$397,215.02	$64.16
Term Loan #2	722-3301026500	$390,150.10	$541.93	$390,692.03	$71.24

Term Loan #3	722-34946633900	$500,000.00	$1,390.28	$501,390.28	$130.14
Credit Facility #3 (Mastercard)					
Total		**$5,510,466.79**	**$15,087.33**	**$5,525,554.12**	**$896.38**

15. The Facilities are repayable by Hughson on demand from ATB.

16. As of December 12, 2018, the total indebtedness of Hughson to ATB pursuant to the Credit Documents is $5,525,554.12 (the "**Outstanding Indebtedness**") with interest accruing thereafter at the rates set out in the Credit Documents, plus all legal and other costs and expenses incurred by ATB in respect of the Credit Documents.

C. THE SECURITY

17. As security for all amounts owing by Hughson to ATB, Hughson entered into the following:

(a) A demand fixed-rate debenture on May 25, 1999, as amended by an amending agreement/supplemental mortgage dated March 30, 2007, as further amended by an amending agreement dated June 10, 2010, and as further amended by an amending agreement dated July 9, 2013 (collectively, the "**Debenture**"). The Debenture granted ATB a mortgage over the Borrower's real property legally described as:

Plan 7410759
Block 37
Lot 17

and

Plan 7410759

Block 37
Lot 18.

(b) A general security by way of a general security agreement dated May 25, 1999 (the "**GSA**" and together with the Debenture, the "**Security**") over all of Hughson's present and after-acquired property, assets, and undertaking, of every nature and kind, both real and personal, and all proceeds therefrom and all accretions, accessions, and substitutions thereto.

Attached hereto and marked as **Exhibit "E"** are copies of the Security, as amended and supplemented.

18. ATB has registered the GSA against Hughson at the Alberta Personal Property Registry. Attached hereto and marked as **Exhibit "F"** is a copy of the Alberta Personal Property Registry search report in respect of Hughson dated December 11, 2018.

19. ATB has also registered the Debenture against the interests of Hughson at Alberta Land Titles. Attached hereto and marked as **Exhibit "G"** are copies of ATB's registrations at Alberta Land Titles.

D. TRANSACTION WITH TLC AND THE FORBEARANCE AGREEMENT

20. In July 2018, ATB understands that Hughson commenced and ran a marketing and sales process to sell all of its assets and ongoing operations. Attached hereto and marked as **Exhibit "H"** is a copy of a draft confidential information memorandum that was used in the marketing and sales process.

21. Hughson ultimately entered into a letter of intent dated October 31, 2018 with TLC (the "**LOI**") for sale of all or substantially all of Hughson's assets on or before December 1, 2018. This sale would have resulted in a significant purchase price that would have seen ATB repaid in full from the sale proceeds. Attached hereto and marked as **Exhibit "I"** is a redacted copy of the letter of intent (the "**LOI**").

22. On the basis of the LOI, ATB agreed to provide an additional $500,000.00 in availability under the Facilities to Hughson (the "**Bridge Loan**").

23. In exchange for the Bridge Loan, ATB required that Hughson enter into the Forbearance Agreement with ATB in order to facilitate the closing of the transaction contemplated by the LOI. Under the Forbearance Agreement, Hughson:

(a) acknowledged the demand nature of the Facilities;

(b) waived the 10-day notice period provided for under section 244 of the BIA;

(c) acknowledged and agreed to the engagement of EY as financial advisor to ATB, and Hughson agreed to provide full and complete information and access to EY to all of its books and records, financial documents, and property;

(d) executed a form of Consent Receivership Order;

(e) agreed to certain milestones in respect of the transaction contemplated by the LOI, including that the transaction would close by no later than December 1, 2018; and

(f) agreed to provide certain information to ATB and EY on an ongoing basis.

24. Hughson breached certain sections of the Forbearance Agreement, including sections 10, 14, and 16, each of which constituted a Terminating Event under the Forbearance Agreement. Hughson also committed a Terminating Event by failing to close the LOI by December 1, 2018.

25. The proposed transaction contemplated by the LOI was also changed significantly prior to the closing of the sale, and Hughson instead closed a revised transaction (the "**Revised Transaction**") that is set out in the APA. The Revised Transaction resulted in significantly reduced sales proceeds. As a result, the sales proceeds received under the Revised Transaction were not sufficient to repay ATB in full.

26. Upon expiration of the Term of the Forbearance Agreement, ATB is entitled to take all steps to enforce its Security, including relying on the form of Consent Receivership Order executed by Hughson under the terms of the Forbearance Agreement.

27. Further, Hughson currently has no access or availability under the Facilities, and ATB is not prepared to extend any further credit to Hughson under the Facilities or otherwise. As a result, Hughson is not able to meet its obligations generally as they become due and Hughson is no longer able to make payments to its creditors.

E. DEMAND AND WAIVER OF NOTICE OF INTENTION TO ENFORCE SECURITY

28. On November 19, 2018, as part of the Forbearance Agreement, ATB sent to Hughson a demand letter and a notice of intention to enforce its security in accordance with section 244 of the BIA (collectively, the "**Demand**"), which required full payment of the Outstanding Indebtedness together with a form to facilitate Hughson's waiver of the 10-day notice period under section 244(2) of the BIA (the "**BIA Notice Waiver**"). Attached hereto and marked as **Exhibit "J"** is a copy of the Demand and BIA Notice Waiver executed by Hughson.

29. Hughson is unable to pay the Outstanding Indebtedness that is due and owing to ATB. The failure of Hughson to pay amounts owed to ATB when due and owing is an Event of Default pursuant to the terms of the Credit Documents and the Security.

30. The Demand Debenture and the GSA provide that, upon an Event of Default by Hughson, ATB is entitled to, among other things, apply for the appointment of a receiver.

F. EVENTS LEADING UP TO THE APPLICATION TO APPOINT A RECEIVER

31. The significant reduction in the amount of assets sold and sales proceeds received by Hughson under the terms of the Revised Transaction was a concern for ATB. This change to the Revised Transaction occurred after the date that the APA was supposed to close pursuant to the terms of the Forbearance Agreement and resulted in a significant reduction of the amounts available to repay the Outstanding Indebtedness. This left ATB in a significant short-fall position with only the Remaining Assets left to be liquidated and as security to ATB.

32. ATB sought additional information from Hughson and its legal counsel in respect of the revised final purchase price for the Purchased Assets and a complete listing of all of the assets sold by Hughson under the APA (the "**APA Correspondence**"). Attached hereto and marked as **Exhibit "K"** is the APA Correspondence.

33. EY also repeatedly requested information from Hughson regarding its cash flows, the marketing process undertaken for the sale of the Purchased Assets, information regarding outstanding amounts owing to Canada Revenue Agency, updated aged A/P subledger, *proforma* balance sheet, and the listing of aged accounts receivable (the "**AR Correspondence**"). Attached hereto and marked as **Exhibit "L"** is a copy of the AR Correspondence.

34. EY further requested information from Hughson in respect of an orderly wind-down plan (the "**WD Plan**") and what next steps Hughson would take to deal with the Remaining Assets (the "**WD Plan Correspondence**"). Attached hereto and marked as **Exhibit "M"** is a copy of the WD Plan Correspondence.

35. Hughson, as part of the WD Plan, also provided a cash flow forecast that showed it could not pay all of its creditors and that there was the potential for a significant shortfall in the amounts owed to ATB being repaid. The WD Plan was not acceptable to ATB as it contemplated making payment of funds to creditors and other parties that were subsequent in priority to ATB.

36. ATB also has significant concerns regarding the ability of Hughson to collect on some of its accounts receivable and complete the liquidation of the Remaining Assets now that it has ceased operations.

37. ATB also discovered that, during the month of November 2018, Hughson had not been remitting source deductions to the Canada Revenue Agency (the "**CRA**") and had potentially created a substantial priority claim in favour of the CRA. Hughson estimated this claim to be approximately $1,569,000.00 as part of its email correspondence with EY (the "**CRA Correspondence**"). Attached hereto and marked as **Exhibit "N"** is a copy of the CRA Correspondence.

38. After the APA closed, there were significant funds still being held in the trust by legal counsel for Hughson. Certain of those funds had to be used to pay amounts owing in respect of the Purchased Assets, amounts payable by TLC for GST in respect of the transaction, and to pay other miscellaneous transaction costs.

39. Hughson has executed a direction to pay that instructs its legal counsel to forward amounts held in trust to ATB up to approximately $3,201,220.06 (the "**DTP**"), which includes an

amount of approximately $320,000.00 (the "**Holdback**") for a holdback amount under the APA. The Holdback is releasable by legal counsel for Hughson when certain steps are completed as contemplated by section 3.2(b) of the APA. ATB understands that the Holdback will be released to it in accordance with DTP by legal counsel to Hughson in due course. Attached hereto and marked as **Exhibit "O"** is an executed copy of the DTP.

40. ATB did ultimately receive sales proceeds from Hughson arising from the APA in the amount of $2,839,220.59. This amount was paid to ATB on December 13, 2018.

41. ATB also understands that Hughson has negotiated an additional transaction with TLC for the sale of some additional inventory, which has not been completed as of the date of this Affidavit.

G. NECESSITY OF THE APPOINTMENT OF A RECEIVER

42. As a result of the foregoing, I believe that the appointment of a receiver pursuant to section 243 of the BIA over the assets, undertakings, and properties of Hughson is just and convenient and necessary to protect the interests of ATB and to preserve and realize on the Security in an orderly fashion.

43. Hughson no longer has any credit available under the Facilities and does not have any funds available to it to continue any remaining operations or pay debts generally as they become due. Hughson has also ceased operations, terminated its employees, and is in the process of liquidating the Remaining Assets. ATB believes this can be more efficiently and effectively accomplished by a receiver and is not prepared to allow Hughson to carry out this process itself.

44. Further, counsel for Hughson has informed counsel for ATB that news of Hughson's insolvency has become public (the "**Counsel Correspondence**"), which is expected to result "in all manner of claims." Attached hereto and marked as **Exhibit "P"** is a copy of the Counsel Correspondence.

45. I believe that EY is a licensed trustee in bankruptcy and has consented to being appointed as receiver of Hughson (the "**Receiver**"). Attached hereto and marked as **Exhibit "Q"** is a copy of EY's consent to act as Receiver.

46. ATB is seeking requisite approvals to provide financing in the amount of up to $100,000.00 to fund the Receiver through the proposed receivership proceedings of Hughson.

47. ATB believes that the appointment of the Receiver will be the most effective and efficient way to realize on the value of the assets and minimize the costs associated with this process.

48. I believe it is appropriate in all of the circumstances that the Receiver be appointed over the assets, undertaking, and properties of Hughson pursuant to section 243 of the BIA.

49. I swear this Affidavit in support of ATB's Application for the appointment of EY as Receiver in respect of Hughson.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 14th day of December, 2018.	))))))	
A Commissioner of Oaths in and for Alberta		**REHMAN MULJI**

MATTHEW J. SUMMERS
Barrister & Solicitor

This is Exhibit "B" referred to in the Affidavit of Rehman Mulji sworn before me this 14th day of January 2019

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

Canada Revenue Agency / Agence du revenu du Canada

PROTECTED	✓
CONTAINS TAXPAYER INFORMATION	✓
SECURED FAX	✓

FACSIMILE TRANSMITTAL SHEET

☑ **Urgent** ☑ **Review** ☐ **Reply**

To: Ryan Zahara
Blake, Cassels & Graydon LLP

Address:

City:	**Prov:**	**PC:**
Fax: (403) 260-9700	**Phone:** (403) 260-9600	
Date: 2018-12-19 (yyyy/mm/dd)	**Pages (including cover):** 5	

From: Miranda Hanson

Address:

City:	**Prov:**	**PC:**
Fax: (780) 495-0429	**Phone:** (587) 489-2696	

Re: CONTAINS TAXPAYER INFORMATION

Comments:

Re: Hughson Trucking Inc.

Please find attached an Enhanced Requirement to Pay for the above company.
Originals have been sent via xpresspost today.

Thank you,
Miranda Hanson

Canada

Canada Revenue Agency / Agence du revenu du Canada

RC254 (10)X

Requirement to Pay
Demande formelle de paiement

Important - See Reverse / Important - voir au verso

Date 19 DEC 2018		TSO BSF
National Insolvency Office		9876
Contact - Personne-ressource Mrs. M. Hanson (1225)	Tel. - Tél Ext. - Poste (587) 489-2696	
Reference number - Numéro de référence	Toll Free - Sans frais 1 877-337-3103	

Blake, Cassels & Graydon LLp
855 - 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary
AB T2P 4J8

Hughson Trucking Inc.
Box 149
Milk River
AB T0K 1M0

Account number Numéro de compte	102422425RT0001

Pursuant to subsection 317(3) of the Excise Tax Act, you are hereby required to pay to the Receiver General on account of the above-named debtor's liability:

(1) **forthwith,** the moneys otherwise and immediately payable to the debtor, or a secured creditor who has a right to receive the money that, but for a security interest in favour of the secured creditor, would be payable to the debtor;

(2) all other moneys otherwise payable to the debtor or a secured creditor described in (1) which you will be,

within 365 days, liable to pay, as and when the moneys become payable;

but do not pay hereunder more than $271,544.43 (the maximum payable).

En vertu de paragraphe 317(3) de la Loi sur la taxe d'accise, il est exigé par les présentes que vous versiez au receveur général au titre de l'obligation du débiteur susmentionné:

(1) **immédiatement**, les sommes autrement et alors payables au débiteur ou à un créancier garanti ayant le droit de recevoir les sommes qui, à l'exception d'une garantie en faveur du créancier garanti seraient payables au débiteur;

(2) toutes les autres sommes autrement payables au débiteur ou au créancier garanti décrit au point (1) que vous devrez payer dans les,

365 jours, au fur et à mesure que les sommes deviendront payables:

mais vous n'avez pas à verser plus que 271,544.43$ (le maximum payable).

Please make cheques or money orders payable to the Receiver General and remit them with one of the enclosed Remittance Vouchers or with the debtor's name, address, account and reference number as well as the remitter's name in the enclosed addressed envelopes.

Failure to pay the Receiver General the amounts required above renders you personally liable to pay those amounts to Her Majesty.

Veuillez libeller les chèques ou mandats à l'ordre du receveur général et les faire parvenir dans les enveloppes-réponses ci-jointes avec une des pièces de versement fournies, ou avec les nom, adresse et numéro de compte et de référence du débiteur y compris le nom du payeur.

À défaut de verser au receveur général les sommes exigées ci-dessus, vous serez personnellement redevable du paiement de ces sommes à Sa Majesté.

AJ LaRocque

Resource Officer/Complex Case Officer

Personne-ressource et agent des cas de perception complexes

(THIRD PARTY/ TIERS)

Canada Revenue Agency / Agence du revenu du Canada
Third Party Remittance Voucher
Pièce de versement pour le tiers
Remitting Third Party - Tiers payeur

Blake, Cassels & Graydon LLp

855 - 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary
AB T2P 4J8

Tax Debtor - Débiteur fiscal
Hughson Trucking Inc.

| | 9876 | 20 | 9 | RC103 (17)X |

Account number - Numéro de compte
102422425RT0001

Reference number - Numéro de référence

Contact	Tel. - Tél.	Ext. - Poste
Mrs. M. Hanson (1225)	(587) 489-2696	

Amount paid - Montant du paiement
.

20300000200009001024224 25RT0001000000000027154443203000 7

The payment of this remittance CANNOT be made at a financial institution and must be forwarded to a Canada Revenue Agency office.

Vous NE POUVEZ PAS effectuer votre versement à un établissement financier. Veuillez retourner votre versement à un bureau de l'Agence du revenu du Canada.

Canada Revenue Agency / Agence du revenu du Canada

RC103 (17)X

Blake, Cassels & Graydon LLp

855 - 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary
AB T2P 4J8

Hughson Trucking Inc.

Box 149

Milk River AB T0K 1M0

National Insolvency Office		
Contact	Tel. - Tél.	Ext. - Poste
Mrs. M. Hanson (1225)	(587) 489-2696	

Account number - Numéro de compte	Date	Amount paid - Montant du paiement
102422425RT0001		.
Reference number - Numéro de référence	**Date**	**Amount paid - Montant du paiement**
		.

Canada Revenue Agency / Agence du revenu du Canada

Third Party Remittance Voucher
Pièce de versement pour le tiers
Remitting Third Party - Tiers payeur

	9876	20	9	RC103 (17)X

Account number - Numéro de compte
102422425RT0001

Reference number - Numéro de référence

Contact	Tel. - Tél.	Ext. - Poste
Mrs. M. Hanson (1225)	(587) 489-2696	

Blake, Cassels & Graydon LLp

855 - 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary
AB T2P 4J8

Tax Debtor - Débiteur fiscal
Hughson Trucking Inc.

Amount paid - Montant du paiement
.

20300000200009001024224 25RT0001000000000027154443203000 7

The payment of this remittance CANNOT be made at a financial institution and must be forwarded to a Canada Revenue Agency office.

Vous NE POUVEZ PAS effectuer votre versement à un établissement financier. Veuillez retourner votre versement à un bureau de l'Agence du revenu du Canada.

Canada Revenue Agency — Agence du revenu du Canada

RC255 (12)X

Requirement to Pay
Demande formelle de paiement
Important - See Reverse / Important - voir au verso

Date 19 DEC. 2018	TSO BSF
National Insolvency Office	9876
Contact - Personne-ressource Mrs. M. Hanson (1225)	Tel. - Tél (587) 489-2696 Ext. - Poste
Reference number - Numéro de référence	Toll Free - Sans frais 1 877-337-3103

Blake, Cassels & Graydon LLP
855 - 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary
AB T2P 4J8

Hughson Trucking Inc.
Box 149
Milk River
AB T0K 1M0

Account number / Numéro de compte: 102422425RP0001

You are hereby required to pay to the Receiver General on account of the above-named tax debtor's liability under subsection 227(10.1) of the *Income Tax Act* or similar provision*, or under corresponding provisions of the Canada Pension Plan, the *Unemployment Insurance Act*, or the *Employment Insurance Act*.

(1) **forthwith**, the moneys otherwise and immediately payable to the tax debtor, his legal representative, or a secured creditor* who has a right to receive the moneys that, but for a security interest* in favour of the secured creditor, would be payable to the tax debtor or his legal representative;

(2) all other moneys otherwise payable to the tax debtor, his legal representative, or a secured creditor described in (1) which you will be, within one year, liable to pay, as and when the moneys become payable;

but do not pay hereunder more than $15,634.49 (the maximum payable).

Please make cheques or money orders payable to the Receiver General and remit them with one of the enclosed Remittance Vouchers or with the tax debtor's name, address, account and reference number as well as the remitter's name in the enclosed addressed envelopes.

Failure to pay the Receiver General the amounts required above renders you personally liable to pay those amounts to Her Majesty.

This requirement has been executed under one or more of the *Income Tax Act*, the Canada Pension Plan, the *Unemployment Insurance Act*, the *Employment Insurance Act*.

La présente exige que vous versiez au receveur général, au titre de l'obligation du débiteur fiscal mentionné ci-dessus, en vertu du paragraphe 227(10.1) de la *Loi de l'impôt sur le revenu* ou d'une disposition semblable* ou des dispositions correspondantes du Régime de pensions du Canada ou de la *Loi sur l'assurance-chômage* ou de la *Loi sur l'assurance-emploi* :

(1) **immédiatement**, les sommes autrement et alors payables au débiteur fiscal, à son représentant juridique ou à un créancier garanti* ayant le droit de recevoir les sommes qui, à l'exception d'une garantie en faveur du créancier garanti*, seraient payables au débiteur fiscal ou à son représentant juridique;

(2) toutes les autres sommes autrement payables au débiteur fiscal, à son représentent juridique ou au créancier garanti décrit au point (1) que vous vous devrez de payer à l'intérieur d'une année, au fur et à mesure que les sommes deviendront payables;

mais vous n'avez pas à verser plus que 15,634.49$ (le maximum payable).

Veuillez libeller les chèques ou mandats à l'ordre du receveur général et les faire parvenir dans les enveloppes-réponses ci-jointes avec une des pièces de versement fournies, ou avec les nom, adresse et numéro de compte et de référence du débiteur fiscal y compris le nom du payeur.

À défaut de verser au receveur général les sommes exigées ci-dessus vous serez personnellement redevable du paiement de ces sommes à Sa Majesté.

La présente demande formelle a été établie en vertu d'une ou de plusieurs des lois suivantes : la *Loi de l'impôt sur le revenu*, le Régime de pensions du Canada, la *Loi sur l'assurance-chômage* et la *Loi sur l'assurance-emploi*.

AJ LaRocque

Resource Officer/Complex Case Officer

Personne-ressource et agent des cas de perception complexes

* The words "similar provisions," "secured creditor," and "security interest" have the meaning assigned to them in subsection 224(1.3) of the *Income Tax Act*.

*Les expressions « disposition semblable », « créancier garanti » et « garantie » sont prises au sens qui leur est donné au paragraphe 224(1.3) de la *Loi de l'impôt sur le revenu*.

(THIRD PARTY/ TIERS)

Canada Revenue Agency | Agence du revenu du Canada

RC103 (17)X

Third Party Remittance Voucher
Pièce de versement pour le tiers
Remitting Third Party - Tiers payeur

Blake, Cassels & Graydon LLP

855 - 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary
AB T2P 4J8

Tax Debtor - Débiteur fiscal
Hughson Trucking Inc.

	9876	04	3

Account number - Numéro de compte
102422425RP0001

Reference number - Numéro de référence

Contact	Tel. - Tél.	Ext. - Poste
Mrs. M. Hanson (1225)	(587) 489-2696	

Amount paid - Montant du paiement

.

06300800040003001024224 25RP0001000000000001563449 0630083

The payment of this remittance CANNOT be made at a financial institution and must be forwarded to a Canada Revenue Agency office.

Vous NE POUVEZ PAS effectuer votre versement à un établissement financier. Veuillez retourner votre versement à un bureau de l'Agence du revenu du Canada.

Blake, Cassels & Graydon LLP
855 - 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary
AB T2P 4J8

Hughson Trucking Inc.
Box 149
Milk River
AB T0K 1M0

National Insolvency Office

Contact	Tel. - Tél.	Ext. - Poste
Mrs. M. Hanson (1225)	(587) 489-2696	

Account number - Numéro de compte: 102422425RP0001 | Date | **Amount paid - Montant du paiement** .

Reference number - Numéro de référence | Date | **Amount paid - Montant du paiement** .

Canada Revenue Agency | Agence du revenu du Canada
RC103 (17)X
Third Party Remittance Voucher
Pièce de versement pour le tiers
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Tax Debtor - Débiteur fiscal
Hughson Trucking Inc.
9876 04 3
Account number - Numéro de compte 102422425RP0001
Reference number - Numéro de référence
Contact Mrs. M. Hanson (1225) Tel. - Tél. (587) 489-2696 Ext. - Poste
Amount paid - Montant du paiement
06300800040003001024224 25RP0001000000000001563449 0630083
The payment of this remittance CANNOT be made at a financial institution and must be forwarded to a Canada Revenue Agency office.
Vous NE POUVEZ PAS effectuer votre versement à un établissement financier. Veuillez retourner votre versement à un bureau de l'Agence du revenu du Canada.

This is Exhibit "C" referred to in the Affidavit of Rehman Mulji sworn before me this 14th day of January 2019

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

I hereby certify this to be a true copy of
the original Order
Dated this 20 day of dec 18

for Clerk of the Court

Clerk's stamp: JUDICIAL CENTRE OF CALGARY FILED DEC 20 2018 CALGARY CLERK OF THE COURT

COURT FILE NUMBER	1801-17912
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ATB FINANCIAL (FORMERLY ALBERTA TREASURY BRANCHES)
RESPONDENTS	HUGHSON TRUCKING INC., LEROY CHRISTIAN HUGHSON, DARREN JAMES HUGHSON, AND JUSTIN LEE HUGHSON
DOCUMENT	**CONSENT RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8

Attention	Ryan Zahara/James Reid
Telephone:	403-260-9628/403-260-9731
Facsimile:	403-260-9700
Email:	ryan.zahara@blakes.com james.reid@blakes.com
File Ref.:	81518/158

DATE ON WHICH ORDER WAS PRONOUNCED: December 19, 2018

NAME OF JUDGE WHO MADE THIS ORDER: K.M. Eidsvik

LOCATION OF HEARING: Calgary Courts Centre

UPON the application of ATB Financial (the "**Lender**") in respect of Hughson Trucking Inc. (the "**Debtor**"); **AND UPON** having read the Application and the Affidavit of Rehman Mulji, filed December 14, 2018;

AND UPON reading the consent of Ernst & Young Inc. LIT ("**EY**") to act as receiver and manager ("**Receiver**") of the Debtor, filed;

AND UPON noting the consent endorsed hereon of the Debtor;

AND UPON hearing counsel for the Lender and other interested parties in attendance; **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(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), EY is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (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 of and exercise control over 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 Receiver's 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 \$1,000,000; 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 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 Debtor;

(q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(t) to make an application to this Court upon notice as required pursuant to the BIA to assign the Debtor into bankruptcy or obtain a bankruptcy order against the Debtor, where the Receiver is of the opinion that the making of such application is proper and in the best interests of the estate

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 OF 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, 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.

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 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 (ii) 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.

LIMITATION ON THE 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, 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) and 88 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 be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $~~250,000~~ $100,000 (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, 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) and 88 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.

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 motion, 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 to 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. This Order is issued and shall be filed in Court of Queen's Bench Action No. 1801-17912.

33. The Receiver shall establish and maintain a website in respect of these proceedings at www.ey.com/ca/hughson and shall post there as soon as practicable:

(a) all materials prescribed by statue 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.

34. The Receivership Order is granted on a without prejudice basis to the rights of Stride Capital Corp to apply to the Court to exclude its assets from the terms of the Receivership Order on January 10, 2019 or such other date as may be agreed amongst the Receiver and Stride Capital Corp or as ordered by the Court.

Justice of the Court of Queen's Bench of Alberta

CONSENTED TO THIS 19th day of December, 2018

Wayne C. Petersen / Christine Eberle
North & Company LLP
Legal counsel for Hughson Trucking Inc.

OR

Hughson Trucking Inc.

"Justin Hughson"

Per:

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________________

AMOUNT $______________________

1. THIS IS TO CERTIFY that ERNST & Young INC., LIT, the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Hughson Trucking Inc. appointed by Order of the Court of Queen's Bench of Alberta (the "**Court**") dated the 19th day of December, 2018 (the "**Order**") made in action number 1801-17912, 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 $_____________ 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 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, 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 *Bankruptcy and Insolvency Act*, 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 ______________________________________.

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 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__.

ERNST & YOUNG INC, LIT, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: ________________________________
Name:
Title:

This is Exhibit "D" referred to in the Affidavit of Rehman Mulji sworn before me this 14th day of January 2019

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

COURT FILE NUMBER	1801-17912
COURT	COURT OF QUEEN'S BENCH OF ALBERTA, IN BANKRUPTCY
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED
	AND IN THE MATTER OF HUGHSON TRUCKING INC.
APPLICANT	ATB FINANCIAL (FORMERLY ALBERTA TREASURY BRANCHES)
DOCUMENT	**CONSENT TO ACT AS TRUSTEE**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2nd Street S.W. Calgary, AB T2P 4J8

Attention: Ryan Zahara / Matthew J. Summers
Telephone: (403) 260-9628 / (403) 260-9677
Facsimile: (403) 260-9700
E-mail: ryan.zahara@blakes.com
matthew.summers@blakes.com
File No.: 81518/158

We, Ernst & Young Inc., licensed trustee in bankruptcy, do hereby consent to act as trustee if a Bankruptcy Order is made against Hughson Trucking Inc.

DATED at Ajijic, Mexico and effective this 29th day of December, 2018

Ernst & Young Inc.

Per:

Name: **Peter Chisholm**
Vice President