

ENTERED

ESTATE NUMBER 25-2802560

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDEDAND IN THE MATTER OF THE RECEIVERSHIP OF VERTEX
DOWNHOLE LTD.DOCUMENT **APPLICATION**\$50.00
COM
Dec 13 2022ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTIES FILING
THIS DOCUMENT**Dentons Canada LLP**
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attn: Sam Gabor
Ph. (403) 268-3048 Fx. (403) 268-3100
Email: sam.gabor@dentons.com
File No.: 504795-56**NOTICE TO RESPONDENT(S)**

This application is made against you. You are Respondents.

You have the right to state your side of this matter before the presiding justice.

To do so, you must be in Court when the application is heard as shown below:

Date:	December 13, 2022
Time:	3:00 pm
Where:	Calgary Courts Centre via Webex https://albertacourts.webex.com/meet/virtual.courtroom60
Before Whom:	The Honourable Justice Neufeld

Go to the end of this document to see what else you can do and when you must do it.

Remedy Claimed or Sought:

1. An Order, substantially in the form attached herein as **Schedule “A”** for the following relief:
 - a) declaring that service of notice of this application and the supporting materials, including the Second Report of the Receiver, MNP Ltd. (the “**Receiver**”), as Receiver of Vertex Downhole Ltd. (“**Vertex**”) dated December 1, 2022 (“**Second Report**”), is validated, and an order abridging the time necessary for service of notice of this application, if necessary;
 - b) approving the proposed interim distribution to HSBC Bank Canada (“**HSBC**”) in the amount of \$5,250,000;
 - c) approving the Receiver’s statement of receipts and disbursements for the period of July 13, 2022 to November 30, 2022, as set out in the Second Report;
 - d) approving the Receiver’s and its legal counsel’s professional fees, costs and disbursements, as set out in the Second Report;
 - e) ratifying and approving the Receiver’s activities, as set out in the Second Report.
2. Such further and other relief, advice and directions as counsel may advise and this Honourable Court deems just and appropriate.

Grounds for Making this Application:

3. On July 13, 2022, MNP Ltd. was appointed by the Court as receiver of Vertex and this Honourable Court granted a sale approval and vesting order (“**SAVO**”) of an asset sale agreement (“**Sale Agreement**”) between the Receiver and purchaser for the sale of certain assets of Vertex. The transaction as contemplated by the Sale Agreement closed on July 25, 2022.
4. The Receiver has collected the purchase price from the Sale Agreement, additional outstanding accounts receivable of Vertex and other amounts owing to Vertex. The Receiver is in a position to provide an interim distribution to HSBC, Vertex’s senior secured lender, in the amount of \$5,250,000.
5. Certain ancillary matters remain in the receivership proceedings following the application herein, namely:
 - a) Collecting remaining accounts receivable of Vertex;
 - b) Preparing final GST returns and closing the Receiver’s GST account;
 - c) Preparing and issuing the Receiver’s final report pursuant to subsection 246(3) of the *Bankruptcy and Insolvency Act*;
 - d) Collecting a Scientific Research and Economic Development (“**SRED**”) credit from the CRA for the 2020 tax year;
 - e) Completing an assessment of the cost-benefit of claiming a SRED credit for the 2021 tax year;

- f) Facilitating any audits initiated by CRA for source deductions and GST;
 - g) Paying court approved professional fees;
 - h) Paying any priority/deemed trust claims that are filed by Service Canada or CRA;
 - i) Distributing any remaining receivership funds, up to the amount of its claim, to HSBC;
and
 - j) Any other matters incidental to the wind up of the administration of the receivership.
6. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material of Evidence to be Relied On:

7. Second Report of MNP Ltd. as Receiver of Vertex Downhole Ltd.;
8. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

9. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
10. Such further and other Acts and Regulations as counsel may advise and that this Honourable Court may permit.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

Clerk's Stamp:

ESTATE NUMBER 25-2802560

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF VERTEX DOWNHOLE LTD.

DOCUMENT **ORDER FOR DISTRIBUTION, APPROVAL OF RECEIVER'S FEES AND DISBURSEMENTS, AND APPROVAL OF RECEIVER'S ACTIVITIES**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT
Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attn: Sam Gabor
Ph. (403) 268-3048 Fx. (403) 268-3100
Email: sam.gabor@dentons.com
File No.: 504795-56

DATE ON WHICH ORDER WAS PRONOUNCED: December 13, 2022

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Neufeld

UPON THE APPLICATION of MNP Ltd. in its capacity as the court-appointed receiver of Vertex Downhole Ltd. (in such capacity, the "**Receiver**"); **AND UPON** reading the Second Report of MNP Ltd. as Receiver of Vertex Downhole Ltd. dated December 1, 2022 ("**Second Report**"); **AND UPON** hearing submissions by counsel for Receiver, and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

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

2. The Receiver's statement of receipts and disbursements for the period of July 13, 2022 to November 30, 2022, as set out in the Second Report are hereby approved.
3. The Receiver's accounts for fees and disbursements, as set out in the Second Report are hereby approved without the necessity of a formal passing of its accounts.
4. The accounts of the Receiver's legal counsel, Dentons Canada LLP, for its fees and disbursements, as set out in the Second Report, are hereby approved without the necessity of a formal assessment of its accounts.
5. The Receiver's activities as set out in the Second Report are hereby ratified and approved.
6. The Receiver is authorized and directed to make the following distributions:
 - a) \$5,250,000 to HSBC Bank Canada.
7. Service of this Order shall be deemed to be achieved by posting a copy of this Order on the Receiver's website created and maintained for the within proceeding, and by delivering a copy of this Order to those parties listed on the Service List in this proceeding.

Justice of the Court of King's Bench of Alberta

