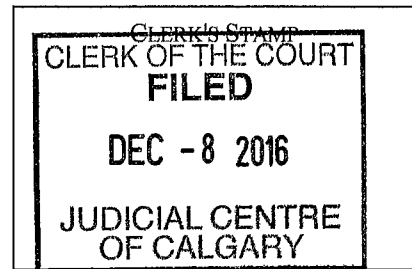


FORM 27  
[RULES 6.3 AND 10.52(1)]



COURT FILE NUMBER 1601-05249  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF BANK OF MONTREAL  
DEFENDANT GRAF CANADA LTD.  
DOCUMENT

**APPLICATION BY RICHTER ADVISORY  
GROUP INC., COURT-APPOINTED  
RECEIVER OF GRAF CANADA LTD.  
(Interim and Final Distribution, Approval of  
Fees and Activities, and Discharge of Receiver)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4K7  
Attention: Jennie A. Buchanan  
Telephone No.: 403-298-3130  
Fax No.: 403-265-7219  
Client File No.: 75202.2

**NOTICE TO RESPONDENT(S):**

This application is made against you. You are a respondent.  
You have the right to state your side of this matter before the master/judge.

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

Date: December 15, 2016  
Time: 12:00 p.m.  
Where: Calgary Courts Centre  
601 5<sup>th</sup> Street SW, Calgary, Alberta  
Before Whom: The Honourable Madam Justice Horner  
on the Commercial List

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

This Application is made by Richter Advisory Group Inc., in its capacity as the Court-appointed Receiver ("**Richter**" or the "**Receiver**") of GRAF Canada Ltd. ("**Graf**" or the "**Debtor**"). All capitalized terms not otherwise defined herein shall bear the meaning ascribed to them in the Receiver's First Report to the Court dated December 8, 2016, filed (the "**First Report**").

**Remedy claimed or sought:**

1. An Order in substantially the form of the proposed Order attached hereto as Schedule "A":
  - (a) declaring service of notice for the within Application and supporting materials to be good and sufficient, validating service of this Notice of Application on the service list, and abridging the time for service to that actually given;
  - (b) ratifying and approving the Receiver's activities as set out in the First Report;
  - (c) approving the Receiver's statements of receipts and disbursements set out in Section VIII of the First Report;
  - (d) authorizing and directing the Receiver to make the Interim Distribution referred to in Section X of the First Report;
  - (e) authorizing and directing the Receiver to make such subsequent distributions to Bank of Montreal ("**BMO**") as the Receiver determines appropriate, provided the aggregate distributions to BMO do not exceed the amount of its secured claim against the Debtor, and the Receiver maintains sufficient reserves to satisfy the Accrued Obligations and Remaining Costs (the "**Outstanding Disbursements**");
  - (f) authorizing and directing the Receiver to pay the Outstanding Disbursements from the available cash on hand, and any subsequent cash receipts;
  - (g) approving the Receiver's accounts, and its legal counsel's accounts for fees and disbursements without the necessity of a formal passing or assessment of their accounts, as applicable;

- (h) discharging the Receiver upon completion of the Remaining Matters, and upon the filing of evidence confirming that all outstanding distributions and matters have been completed; and
  - (i) declaring that, effective upon its discharge as Receiver, Richter duly and properly discharged its duties, responsibilities, and obligations under and pursuant to the terms of the Receivership Order granted in the within proceedings, and that Richter shall not be liable for any act or omission on its part, and staying, extinguishing, and barring all claims against Richter in connection with the performance of its duties.
2. Such further and other relief as this Honourable Court may deem just and appropriate in all of the circumstances.

**Grounds for making this application:**

*Background*

3. On April 27, 2016, BMO, Graf's primary secured creditor, sought and obtained an Order appointing the Receiver as the receiver and manager of all of Graf's current and future assets, undertakings and properties (the "**Receivership Order**").

*Realization on the Assets of Graf*

4. Upon its appointment, the Receiver developed a realization process for sale or liquidation of the Debtor's Assets (the "**Realization Process**"), as described more fully in Section VII of the First Report.
5. As a result of the Realization Process, the Receiver has
- (a) realized on all of Graf's fixed assets and equipment;
  - (b) realized on all of Graf's inventories; and
  - (c) collected substantially all of Graf's outstanding accounts receivable.

*Distributions to BMO*

6. BMO is the only secured creditor of Graf with an outstanding claim. The Receiver's legal counsel has reviewed the security granted by Graf to BMO over all of Graf's assets and have provided opinions to the Receiver to the effect that the security granted to BMO by Graf is valid and enforceable.
7. All priority creditors ranking ahead of BMO Bank have been paid in full.
8. BMO will suffer a significant shortfall on the amount owed to it by Graf after realization on all of Graf's assets. Accordingly, there will be no distribution to Graf's unsecured creditors.

*Receiver's Discharge*

9. As set out more fully in Section XII of the First Report, the following matters remain to be completed by the Receiver:
  - (a) collecting remaining accounts receivable;
  - (b) collecting amounts on outstanding sales completed by the Receiver as part of the Realization Process;
  - (c) paying Outstanding Disbursements, comprised primarily of GST remittances and professional fees and disbursements;
  - (d) pursuing the potential recovery of any unclaimed HST paid during these proceedings;
  - (e) completing Graf's 2016 corporate tax return; and
  - (f) other incidental administrative matters.
10. Upon completion of the above-noted matters, the Receiver will have realized on the Property and completed its statutory duties, as well as those duties set out in the Receivership Order.

11. Upon the Receiver filing with this Honourable Court a Discharge Certificate confirming the distributions, outlining the final administration of Graf's estate and the costs thereof, and the payment of any subsequent distribution to BMO, Graf's estate will be fully administered and the Receiver entitled to be discharged.

*Approval of Fees and Distributions*

12. The Receiver's fees and disbursements and are reasonable given the circumstances.
13. The Receiver has reviewed the accounts and disbursements of its legal counsel, Bennett Jones LLP, and has determined that the services have been duly authorized and duly rendered and that the charges are reasonable given the circumstances.
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

15. The Receiver's First Report to the Court, filed;
16. The pleadings and proceedings had and taken in this Action, including the Affidavit of Hugh Devlin, sworn April 20, 2016, filed; and
17. Such further or other material or evidence as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

18. Part 6, Division 1 of the *Alberta Rules of Court*; and
19. Such further and other rules as counsel may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

20. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, Parts XI;
21. *Business Corporations Act*, RSA 2000, c B-9, Part 8;

22. *Judicature Act*, RSA. 2000, c J-2, s. 13(2); and
23. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

24. None.

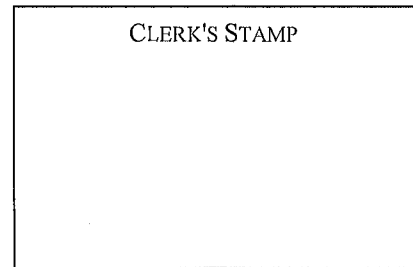
**How the application is proposed to be heard or considered:**

25. In person before the Honourable Madam Justice Horner on the Commercial List.

**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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

**SCHEDULE "A"**



COURT FILE NUMBER 1601-05249  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF BANK OF MONTREAL  
DEFENDANT GRAF CANADA LTD.  
DOCUMENT **ORDER FOR DISTRIBUTION, APPROVAL  
OF RECEIVER'S FEES AND  
DISBURSEMENTS, APPROVAL OF  
RECEIVER'S ACTIVITIES, AND  
DISCHARGE OF RECEIVER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4K7  
Attention: Jennie A. Buchanan  
Telephone No.: 403-298-3130  
Fax No.: 403-265-7219  
Client File No.: 75202.2

**DATE ON WHICH ORDER  
WAS PRONOUNCED:**

December 15, 2016

**LOCATION WHERE ORDER  
WAS PRONOUNCED:**

Calgary, Alberta

**NAME OF JUSTICE WHO  
MADE THIS ORDER:**

The Honourable Madam Justice Horner

UPON THE APPLICATION of Richter Advisory Group Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of GRAF Canada Ltd. (the "**Debtor**") for an Order approving an interim distribution of proceeds, final distribution of proceeds, approving the Receiver's fees and disbursements, approving the Receiver's activities, and discharging the Receiver; AND UPON having read the Receiver's First Report to the Court dated December 8, 2016 (the "**Receiver's First Report**"); AND UPON hearing counsel for the Receiver, and other interested parties; AND UPON being satisfied that it is appropriate to do so;

**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 accounts for fees and disbursements as set out in the Receiver's First Report are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel, Bennett Jones LLP, for its fees and disbursements as set out in the Receiver's First Report are hereby approved without the necessity of a formal assessment of its accounts.
4. The Receiver's activities as set out in the Receiver's First Report and the Statements of Receipts and Disbursements as attached to the Receiver's First Report, are hereby ratified and approved.
5. The Receiver is authorized and directed to distribute the amount of CAD\$1,000,000 to Bank of Montreal ("**BMO**"), and to make any subsequent distributions to BMO as the Receiver determines appropriate, provided the aggregate distributions to BMO do not exceed the amount of its secured claim against the Debtor, and the receiver maintains sufficient reserves to satisfy the Accrued Obligations and Remaining Costs (as those terms are defined in the Receiver's First Report).



6. The Receiver is authorized and directed to pay the Outstanding Disbursements (as that term is defined in the Receiver's First Report) from the available cash on hand, and any subsequent cash receipts.
7. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Receivership Order granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
8. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
9. Upon completion of the Remaining Matters (as that term is defined in the Receiver's First Report), and the Receiver filing with the Clerk of the Court a Discharge Certificate, confirming that:
  - (a) all matters set out in paragraphs 5 and 6 of this Order have been completed; and
  - (b) all other matters in the administration of the Debtor's estate have been completed,then the Receiver shall be discharged as Receiver of the Debtor, provided however, that notwithstanding its discharge herein (i) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (ii) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

10. Upon the Receiver's discharge, the Receiver's Charge and the Receiver's Borrowing Charge (both as provided for in the Receivership Order granted in the within proceedings) shall be terminated.
11. This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
12. Service of this Order on any party not attending this application is hereby dispensed with.

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J.C.C.Q.B.A.