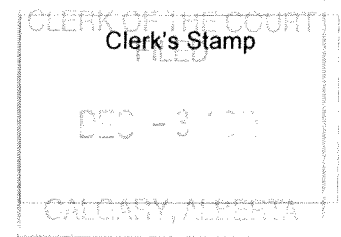


Form 27
[Rules 6.3 and
10.52(1)]

COURT FILE NUMBER	1401-00889
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	NATIONAL BANK OF CANADA
RESPONDENTS	DO ALL INDUSTRIES LTD., P&O ASSETS LTD. and KORF DEVELOPMENTS LTD.
DOCUMENT	APPLICATION (Advice and Directions as to continued administration of the estate of P&O Assets Ltd.)
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McCARTHY TÉTRAULT LLP Barristers & Solicitors Sean F. Collins/Walker W. MacLeod Suite 3300, 421-7th Avenue S.W. Calgary AB T2P 4K9 Phone: 403-260-3531/403-260-3710 Fax: 403-260-3501 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca



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 8, 2014
Time	3:30 p.m.
Where	Calgary Courts Center
Before Whom	Justice J. Strekaf

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

Remedy claimed or sought: Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as court appointed receiver of Do All Industries Ltd. ("**Do All**") and P&O Assets Ltd. ("**P&O**", and Do All and P&O collectively referred to as the "**Debtors**") pursuant to the order issued by Justice A.D. MacLeod in the within proceedings on February 6, 2014 (the "**Receivership Order**") under

the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") applies for advice and directions as follows:

1. Declaring that the time for service of this application (the "**Application**") and the seventh report of the Receiver, dated December 3, 2014, (the "**Seventh Receiver's Report**") is abridged, that the Application is properly returnable on December 8, 2014, that service of the Application and the Seventh Receiver's Report is good and sufficient and that no persons other than those on the service list are entitled to service of the Seventh Receiver's Report or the Application.
2. Declaring that amounts paid to McCarthy Tetrault LLP in trust by Maynards Industries Ltd. ("**Maynards**") on or about November 10, 2014, may be disbursed by McCarthy Tetrault LLP in accordance with the terms of a settlement agreement between the Debtors, Maynards, HSBC Bank Canada, P&O Assets XEG Ltd. ("**XEG**") and Mr. Kordell Korf ("**Korf**"), dated August 8, 2014 (the "**Settlement Agreement**").
3. Approving the fees and disbursements of the Receiver and its legal counsel for the period July 1, 2014 to October 31, 2014.
4. Providing the Receiver with advice and directions as to whether the Receiver should:
 - (a) implement a claims process in respect of P&O as either ordered by the court or through the bankruptcy of P&O under the BIA; or
 - (b) not implement a claims process and take the steps necessary to conclude the administration of the estates and obtain its discharge.
5. Such further and other relief as counsel for the Receiver may advise.

Grounds for Making this Application

6. The Receiver was appointed as receiver and manager of the Debtors pursuant to the Receivership Order.
7. Maynards has paid the sum of \$2,039,679.14 (the "**Funds**") to McCarthy Tetrault LLP in trust and on the condition that McCarthy Tetrault LLP not release such the Funds unless authorized by order of this Honourable Court in the within proceedings. The entitlement to the

Funds is dealt with in the Settlement Agreement and the Receiver seeks authorization for McCarthy Tetrault LLP to disburse the Funds pursuant to the Settlement Agreement.

8. Do All is the borrower and P&O is a guarantor to the National Bank of Canada ("**NBC**").
9. The Receiver was expressly authorized to sell, lease, or otherwise dispose of the assets, properties, and undertakings of the Debtors, in accordance with the Receivership Order and the approval of this Honourable Court.
10. The Receiver previously completed, and this Honourable Court approved, the sale of all of P&O's property. The proceeds from such sales were used to repay the indebtedness owed by Do All to NBC pursuant to P&O's guarantee.
11. P&O has been subrogated to the security position of NBC up to the amount paid by P&O to NBC by operation of law and order of this Honourable Court on July 10, 2014. The Receiver has been collecting receivables owed to the Debtors in order to maximize recoveries for the remaining creditors of the Debtors. The Receiver currently has approximately \$3.2 million in its trust account for distribution to creditors of P&O and such amount is sufficient to pay all known creditors of P&O at this time.
12. Hirsch Construction Ltd. ("**Hirsch**") had a builders' lien registered against land owned by P&O in the amount of \$1.391 million and is the most significant remaining known creditor of P&O. Hirsch has requested that the Receiver implement a claims process in order to make distributions to the remaining creditors of P&O.
13. Korf is the beneficial owner of all of the issued and outstanding shares of P&O. Korf has requested that the Receiver apply for discharge, that amounts sufficient to pay the known creditors of P&O be posted in Court and that P&O deal with the claims made by its creditors from the existing assets of P&O.
14. The Receiver is applying for advice and directions on the issue of whether to implement a claims process to make distributions to remaining creditors or conclude the administration of the estate and apply for discharge. The Receiver is of the view that a claims process in respect of P&O that is either administered pursuant to court order or under the BIA is appropriate for the following reasons:

- (a) The claims process is supported by Hirsch, the largest remaining creditor of P&O;
- (b) The claims process would ensure that all creditors of P&O have an opportunity to make a claim against and receive a distribution from the remaining assets of P&O;
- (c) There are potential additional recoveries available to Do All through claims that Do All has against certain related, non-debtor companies (the "**Related Companies**"). The Related Companies are controlled by Korf. The Receiver has agreed with Korf not to pursue the claims that Do All has against the Related Companies if P&O has sufficient assets to pay all creditors and this determination cannot be made without the implementation of a claims process to identify creditors beyond currently known creditors;
- (d) The Receiver was appointed as receiver and manager of the estates of both of the Debtors and is also the trustee in bankruptcy of Do All. It would be impractical and inefficient to continue to administer the estate of Do All after the discharge of P&O. If the Court directed discharge the Receiver would have to finalize the estates of Do All and P&O through the completion of existing matters with the Canada Revenue Agency and the resolution or assignment of current litigation and thereafter apply for its discharge, which will further delay recoveries to creditors of P&O.

Material or Evidence to be relied On: The Receiver will rely on the following material:

- 15. The Seventh Receiver's Report.
- 16. All previous reports filed by the Receiver in the within proceedings.
- 17. Such further and other material as counsel for the Receiver may advise.

Applicable Acts and Regulations

- 18. Rules 6.3(1) and 6.9(1) of the Alberta *Rules of Court*.
- 19. Such further and other acts and regulations as counsel for the Receiver may advise and this Honourable Court may allow.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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 time shown at the beginning of this 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.