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APPLICANTS

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c-B-3 as
amended

AND IN THE MATTER OF THE
RECEIVERSHIP OF DO ALL INDUSTRIES
AND P&O ASSETS LTD.

DOCUMENT

FOURTH REPORT OF THE RECEIVER

APRIL 17, 2014

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

ALVAREZ & MARSAL CANADA INC.

Bow Valley Square 1
Suite 750, 202 – 6th Avenue SW Calgary,
Alberta T2P 2R9
Tim Reid
Phone: (403) 538-4756
Email: treid@alvarezandmarsal.com

COUNSEL

MCCARTHY TETRAULT
Barristers and Solicitors
Sean Collins/Walker Macleod
3300 421 7th Avenue SW
Calgary, AB T2P 4K9

Phone: (403) 260-3710
Fax: (403) 260-3501
Email: wmacleod@mccarthy.ca
File No. 213575-460654

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SUMMARY OF OFFERS

INTRODUCTION

1. Effective February 6, 2014 (the “**Receivership Date**”), pursuant to an order of the Honourable Justice A.D. Macleod (the “**Receivership Order**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as receiver and manager (the “**Receiver**”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the “**Property**”) of Do All Industries Ltd (“**Do All**”) and P&O Assets Ltd. (“**P&O**”) (collectively, the “**Do All Group**” or the “**Companies**”) pursuant to section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) in the within action (the “**Receivership Proceedings**”).
2. The Receivership Order authorizes the Receiver, among other things, to manage, operate and carry on the business of Do All and P&O and to take possession and control of the property of Do All and P&O and any and all proceeds, receipts and disbursements arising out of or from the Property, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of the Court
3. Subsequent to the Receivership Order and upon an application by a creditor a Bankruptcy Order was issued against Do All on February 26, 2014. Alvarez & Marsal Canada Inc. was appointed as trustee in bankruptcy by the official receiver and affirmation of the creditors was received at the First Meeting of Creditors on March 26, 2014.
4. The purpose of this Fourth report of the Receiver (the “**Fourth Report**” or this “**Report**”) is to provide this Honourable Court with information in respect of the following:
 - i) the initial activities of the Receiver since the Receivership Date;
 - ii) the Do All Groups financial position as at the Receivership Date;
 - iii) the sales process initiated by the Receiver to solicit offers for the purchase of certain of the Property;

- iv) the Receiver's request for an Order Approving Sale and Vesting Order pursuant to the Notice of Application;
 - v) the Receiver's request to distribute funds to the National Bank of Canada; and
 - vi) ongoing activities and the Receiver's future course of action.
5. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

6. In preparing this Fourth Report, the Receiver has relied upon unaudited financial information, company records and discussions with management of Do All. The Receiver has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants ("**CICA**") Handbook has not been performed. Future oriented financial information relied upon in this Report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND

7. Do All and P&O are privately-held companies. Do All is engaged in the fabrication of drilling rigs and related oil field equipment and operates out of premises owned by P&O. P&O is a real estate holding company and leased its property exclusively to Do All. The assets are geographically located in Estevan, Saskatchewan and Nisku, Alberta.
8. The National Bank of Canada ("NBC") is the primary secured creditor of Do All and P&O. Do All is the borrower and P&O is a guarantor.
9. The Receiver has taken possession and control of the assets. The majority of operating personnel were terminated on the date of the Receivership in accordance with the terms of the Receivership Order as the Receiver determined it was not able to continue operations, except on a very limited basis to complete fabrication to a stage to allow for the work in progress to be sold.

10. Further background on Do All and its operations are contained in the materials filed in seeking the Receivership Order and have been posted by the Receiver on its website at: www.amcanadadocs.com/doall.

INITIAL ACTIVITIES OF THE RECEIVER

Custody, Control and Securing the Property

11. Since the Receivership Date, the Receiver's initial activities have included the following:
 - i) attending the branch and head office locations of the Do All Group located in Nisku, Alberta and Estevan, Saskatchewan to take possession and control of the Property;
 - ii) changing the locks, security pass codes (where applicable) and restricting computer access and codes as appropriate and generally securing and safeguarding the Property of Do All Group;
 - iii) confirming all known corporate bank accounts of the Do All Group and providing the respective bank representatives with notices to freeze all accounts and remit net balances to the Receiver;
 - iv) opening Receiver's trust accounts for the Do All Group;
 - v) completing inventory counts at each of the Do All Group locations and project site locations and created a current equipment, tool and materials listing;
 - vi) redirecting all mail for the Company to the office of the Receiver;
 - vii) conducting an initial meeting of the majority of employees of the Do All Group on February 6, 2014 to explain the powers and duties of the Receiver, its role as an Officer of the Court, their rights under the Wage Earner Protection Program ("WEPP") and to retain those employees necessary for the administration of the receivership;

- viii) meetings and discussions with the Do All Group's President and other finance and human resources staff regarding critical and urgent operating matters and cash flow requirements;
- ix) meetings and discussions with certain of the Do All Group's management and project managers regarding all current and completed on-going projects and any outstanding matters on these projects;
- x) retention of and instruction to the Receiver's independent legal counsel, McCarthy Tetrault, in respect of various matters;
- xi) compilation and analysis of accounts receivable sub-ledgers and preparation of accounts receivable collection letters to customers and account debtors of Do All;
- xii) investigation and compilation of estimated statement financial position of the Do All Group as at the Receivership Date;
- xiii) day to day management of the limited operations of Do All including employee supervision, payroll matters, WEPP matters;
- xiv) review of critical suppliers and arrange for utility and other services required to preserve and protect the Property;
- xv) notifying the Do All Group's insurance brokers of the Receivership Order, making arrangements for continuation of the insurance policies including payment of arrears and adding the Receiver as a named insured under the Do All Group's umbrella, property, equipment and liability policies;
- xvi) processing 30 day good claims and returning or paying for goods as required;
- xvii) numerous and on-going meeting and discussions with various creditors (or their representatives), legal counsel to the Receiver regarding various matters and with secured creditors, interested parties and other Do All Group stakeholders regarding the receivership generally.

Employees and Consultants

12. As at the Receivership Date, Do All employed approximately 150 employees. P&O had no employees;
13. Pursuant to paragraph 13 and 14 of the Receivership Order, the Receiver has, except for two employees, terminated, on behalf of Do All, all the employees of Do All as the Receiver was not continuing on with the active business of the Company.
14. The Receiver entered into several short-term contractor agreements (the “Contractor Agreements”) with certain former employees of Do All to primarily assist with the completion of contracts and other duties of the Receiver in the overall administration of the Receivership Proceedings. The Contractor Agreements allow for termination at any time and Contractors are currently being engaged on an “as needed” basis.

Completion of Contracts and Sale of Inventory and Equipment

15. Pursuant to paragraph 3(l) of the Receivership Order, the Receiver is empowered and authorized 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 \$250,000, 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 above;*
16. At the time of the Receiver's appointment, Do All's main ongoing projects were fabrication of components for two separate rig contracts. The contracts were with Stampede Drilling Ltd (“**Stampede**”) and Bett's Drilling Ltd (“**Bett's**”). The Receiver completed some components and entered into agreements to sell the partially fabricated components to Stampede and Bett's and after receiving Court approval of the transactions closed the sales. The Receiver's First and Second Reports, which were sealed by Order of the Court, addressed the Stampede and Bett's sale transactions.

17. Additionally, the Receiver sold certain inventory in the ordinary course and equipment out of the ordinary course that was below the thresholds provided for in paragraph 3(l).

Wage Earner Protection Program & s.81.4 (1) BIA Priority Claims

18. Information regarding WEPP has been completed and sent out to all employees. Employees were also provided a proof of claim form, record of employment, and T4 notices for 2013 and 2014.
19. The Receiver paid arrears of wages of approximately \$509,000 as WEPP would have had a priority and the payment has reduced that priority.

Statutory Mailing by Receiver

20. The Receiver notices required by sections 245 and 246 of the *Bankruptcy and Insolvency Act* (“**BIA**”) were provided to Do All’s creditors and the Office of the Superintendent of Bankruptcy. A copy of the Receiver’s Notice was included with the First Report and can be found on the Receiver’s Website.

PRELIMINARY FINANCIAL POSITION – FEBRUARY 6, 2014

21. Summarized in the table below is an estimated combined financial position of Do All and P&O that was prepared based on the latest available financial information as at February 6, 2014. The information contained in the summary tables is based primarily on the books and records of Do All and P&O and has not been audited or otherwise verified by the Receiver; however, where information has been obtained by the Receiver during the course of the receivership and certain asset or liability amounts have been confirmed, these adjusted balances are reflected herein.
22. The financial position of Do All and P&O is prepared on a book value basis and the proceeds recovered during the Receivership will be less than the net book value. As such, the financial position in the table below is not indicative of what the Receiver will be able to recover and distribute to the stakeholders in these proceedings.

Do All and P&O (Combined)	
Statement of Affairs	
as at February 6, 2014	
(\$000's)	
	February 6, 2013
	<u>Combined</u>
Assets Available for Realization:	
Cash	\$ 160
Accounts receivable	3,772
Prepaid expenses	213
Inventory	7,436
Work in progress	2,000
Net due from related parties	5,257
Investments	18
Property and equipment	25,057
Total assets available for realization	<u>\$ 43,913</u>
Secured Creditors:	
Long term debt and bank indebtedness	26,500
Other	179
	<u>26,679</u>
Unsecured Creditors:	
Trade accounts payable and accrued liabilities	6,842
	<u>6,842</u>
Total liabilities	33,522
Net equity (deficit)	10,391
	<u>\$ 43,913</u>

23. NBC is the most significant creditor and has security over all of the assets of the Do All Group. The Receiver's independent legal counsel completed a security review of the NBC security and has concluded that NBC has valid and enforceable security against Do All and P&O.
24. Korf Properties Ltd, ("KP") a related party has advised the Receiver it has security over the assets of Do All. The records of Do All indicate a liability to KP of \$2.65 million which is included in the "Net due from related parties" amount. The Receiver has requested the loan documents and security from KP.
25. Do All is the direct borrower of NBC and P&O has guaranteed the debt. The assets of Do All will not be sufficient to satisfy the debt to NBC and accordingly some or all of the assets of P&O will be required for that purpose.

THE SALES PROCESS

Receiver's Powers for Selected Sales Process

26. Pursuant to section 3 of the Receivership Order, the Receiver is empowered to among other things:

"3. . . . (k) to market any and all of 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 \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and

(ii) with the approval of the 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 PPSA shall not be required;

(m) to apply for any vesting order or other such orders necessary to convey the Property or and part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property; . . ."

Invitation For Offer Process

27. The Receiver commenced the sale process by developing a "Sale Information Package" to be made available to all interested parties and posted that on a secure web based data site for viewing by interested parties. The Asset Information Package is attached hereto as **Appendix "A"**. For ease of reference for the Court, the substantive information contained in the Sale Information Package is summarized below:

- i) description of sales procedures, locations and tentative dates for inspection of assets, the format of offers and a deadline of April 4, 2014 for receipt of offers;

- ii) description of asset packages split between real estate assets and other assets, namely equipment with detailed lists for the following parcels:

Real Estate Assets:		Other Assets (Equipment):	
Parcel A	Land & Buildings, Nisku	Parcel J	Rolling Stock, Nisku
Parcel B	Land & Buildings, Nisku	Parcel K	Heavy Equipment, Nisku
Parcel C	Land & Buildings, Estevan	Parcel L	Shop Assets, Parcel A
Parcel D	Land & Buildings, Estevan	Parcel M	Shop Assets, Parcel B
Parcel E	Land & Buildings, Estevan	Parcel N	Inventory, Nisku
Parcel F	Land & Buildings, Estevan	Parcel O	Rolling Stock, Estevan
Parcel G	Land & Buildings, Estevan	Parcel P	Heavy Equipment, Estevan
Parcel H	Storage Yard, Estevan	Parcel Q	Shop Assets, Parcel C
Parcel I	Airport Hangar, Estevan	Parcel R	Shop Assets, Parcel D
		Parcel S	Shop Assets, Parcel E
		Parcel T	Shop Assets, Parcel F
		Parcel U	Shop Assets, Parcel G
		Parcel V	Shop Assets, Parcel I
		Parcel W	Inventory, Nisku

- iii) terms and conditions of sale which includes among other things, receipt of a 10% deposit, Court approval of any sales transaction and that all sales are on an “as is, where is” basis with no representations or warranties expressed or implied as to title, condition or fitness for use; and
- iv) a form of offer which incorporates the terms and conditions and denotes the identity of the prospective purchaser, amounts offered for each parcel and whether the offer is made *en bloc*.
28. The Receiver launched its sales process on March 14, 2014 by advertising the property and assets for sale and the Invitation for Offer process in the following regional and national Canadian newspapers:
- Globe & Mail (National Edition), March 14, 2014,
 - Edmonton Journal, March 15, 2014,
 - Calgary Herald, March 15, 2014
 - Regina Leader Post, March 15, 2014
 - The Daily Oil Bulletin, March 14, 2014
29. Through its advertising, discussions with former management of Do All, independent research searching Canadian and U.S. energy industry association data bases and

other such sources, the Receiver contacted over 120 parties in Canada and the US, including competitors, energy companies, auction companies and real estate brokers.

29. As indicated, the Receiver established a secure web based data site for prospective purchasers to access the Sale Information Package, equipment listings and other related due diligence materials. As April 4, the final date for submission of offers over 120 individuals from various organizations were provided access to the Receiver's data site and over 100 of those parties accessed information from the data site.
30. The deadline for submitting offers to purchase was April 4, 2014. In accordance with the Sales Information Package, A&M subsequently extended the deadline to permit a limited number of parties who had difficulty or logistical challenges inspecting assets in remote locations.

Offers Received to Date

31. In total, the Receiver received 21 separate offers, some of which were for individual or multiple parcels and one enbloc offer.
32. Prior and subsequent to the deadline of April 4, 2014 the Receiver has confirmed or clarified certain offers and the conditions contained in various offers and sought a final offer in one case.

Offer Accepted Subject to Court Approval and Summary of Offers Received

33. After review, analysis and clarification of certain terms of offers and related matters, the Receiver has accepted, subject to the Court's approval one offer which includes all of the Nisku property, including but not limited to real estate, equipment and inventory (the ("Nisku En bloc Offer"). A copy of the Nisku En bloc Offer is attached in **Confidential Appendix "B"**.
34. Attached as Confidential **Appendix "C"** is a summary and analysis of the various offers received .

Confidential Appendices and Temporary Sealing Order

35. The **Confidential Appendices "B" and "C"** contain confidential information of a commercial nature which if disclosed to third parties prior to the closing of the sale could materially jeopardize the sale or if the sale does not close could materially

jeopardize the value that could subsequently obtain from this sale. Additionally, the Receiver is negotiating the sale of other assets to other parties and disclosure of this transaction could materially impact those negotiations. Accordingly, the Receiver is respectfully of the view that it is appropriate that this Honourable Court grant a Temporary Sealing Order in relation to the **Appendices “B” and “C”**.

36. In the Receiver’s view, the Confidential Appendices indicate that the Nisku En Bloc Offer is a commercially reasonable offer and is the highest and best offer received in the Invitation for Offer process.

Receiver’s Consideration in Proceeding with the Nisku En Bloc Offer

37. The Receivers considered the following in proceeding with the Nisku En Bloc Offer:
- i) the extent to which the purchase price in the Nisku En Bloc Offer (“Purchase Price”) is consistent with independent appraisals received by Do All Group prior to the Receivership;
 - ii) the overall execution risk associated with closing a transaction with the particular prospective purchaser;
 - iii) the extent to which the purchaser complied with the Invitation for Offer process;
 - iv) the size of the non-refundable deposit of 10% of the purchase price;
 - v) there are no sales or auction commissions to be paid by the Receiver which would otherwise reduce the net proceeds; and
 - vi) the Nisku En Bloc Offer is the highest and best offer received ensures a reasonable recovery for the estates of the Do All Group.
38. The Receiver is advised by National Bank and the owner of Do All and P&O that they consent to the sale.

Receiver’s Recommendations

39. Based on the above analysis and other considerations the Receiver accepted, subject to the Court’s approval, this offer on an “as is where is” basis and believes the Purchase Price is reasonable in the circumstances.

40. The Receiver believes that the Purchase Price is reasonable in the circumstance and accordingly the Nisku En Bloc Offer should be approved by the Court given:
- i) the Purchase Price is not materially different from appraisals obtained by the Do All Group prior to the receivership;
 - ii) the Purchase Price is all cash;
 - iii) the Nisku En Bloc Offer "is as is where is" and has no closing conditions other than Court approval;
 - iv) the Receiver is specifically authorized to market and sell property pursuant to the Receivership Order (subject to Court approval);
 - v) the Nisku En Bloc Offer is the highest and best offer; and
 - vi) NBC is consenting to the sale.
41. Accordingly, the Receiver is applying to this Honourable Court to approve the Nisku En Bloc Offer and for the vesting of this property to the purchaser on the terms discussed further below.

ORDER APPROVING SALE AND VESTING ORDER AND TEMPORARY SEALING ORDER

42. As contained in the Notice of Application, the Receiver is seeking the approval of the Nisku En Bloc Offer (the "**Approving Sale and Vesting Order**"). The form of the Approving Sale and Vesting Order contains, among other things:
- i) the Court's approval of the sale activities and recommendation of the Receiver with respect to the Invitation for Offer process;
 - ii) the Court's approval and ratification of the Nisku En Bloc Offer as accepted by the Receiver;
 - iii) an order vesting title of the property to the purchaser free and clear of all liens, encumbrances and other such limitation or restrictions in respect of title;
 - iv) an order directing the proceeds from the sale be distributed by the Receiver to NBC as the priority secured creditor entitled to the funds;

- v) an order amending paragraph 16 of the Receivership Order by adding the words "in the Receiver's possession or control at the time a claim is made" at the conclusion of the first sentence thereof;
- vi) the Approving Sale and Vesting Order shall have full force and effect in all provinces and territories in Canada, and
- vii) a declaration that Division 4 Part 6 of the *Rules of Court* does not apply to the subject application and that **Confidential Appendices "B" and "C"** be sealed until further Order of this Honourable Court.

RECEIPTS AND DISBURSMENTS – FEBRUARY 6, 2014 TO APRIL 4, 2014

The table below provides a summary of the Receivers receipts and disbursements for the period from inception of the receivership to April 4, 2014:

Do All Industries Ltd.		
Statement of Receipts and Disbursements		
For The Period from February 6, 2014 to April 4, 2014		
(\$000's)		
Receipts		
Cash in Bank at date of Receivership	\$	168
Accounts receivable collections		1,113
Sale of inventory and equipment		3,373
GST refund		27
Total Receipts		4,681
Disbursements		
Wages and contractor payments		132
Utilities and services		7
Insurance		90
Wages Arrears		509
Other disbursements		19
Receiver's borrowings interest and fees		10
Total Disbursements	\$	767
Receipts in excess of disbursements	\$	3,914
Opening Cash Position		-
Closing Cash Position		3,914

43. There are outstanding Receiver and Legal fees and other commitments and contingencies of the Receiver that are not included in the statement of receipts and

disbursements. Additionally, there is further Property available for the Receiver to sell and recover additional funds. Accordingly, the Receiver does not require the entirety of the current cash balance for future operations and commitments and proposes to payout \$1.5 million to NBC as the priority creditor as discussed below.

RECEIVER'S BORROWINGS

44. The Receiver has been empowered to borrow up to \$1 million (or such greater amount as this Court may further Order). Effective February 6, 2014, and by way of issuance of Receiver's Certificate No. 1, the Receiver borrowed the amount of \$1,000,000 from NBC on a revolving basis.
45. The terms of the Receiver's borrowings under the Receiver's Certificate No. 1 include a per annum interest rate of 4.5% above the prime commercial lending rate of National Bank from time to time, which, in the Receiver's view, is commercially reasonable in the circumstances. Pursuant to paragraph 17 of the Receivership order, the Receiver's Certificate No. 1 has a charge over the whole of the Property by way of a fixed and specific charge as security for the payment of the monies borrowed, together with interest and charges, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, but subordinate in priority to the Receiver's Charge (as defined in the Receivership Order).
46. The Receiver drew approximately \$509,000 on the Receiver's Certificate to fund payment of the payroll arrears and subsequently repaid that amount together with interest and fees of approximately \$10,000.
47. The Receiver does not expect to require any further borrowing and will be requesting the return and cancellation of the Receiver's Certificate.

PROPOSED DISTRIBUTION OF FUNDS TO NBC

48. The Receiver proposes to distribute \$1.5 million in surplus funds and the net proceeds from the Nisku En Bloc Offer to NBC, less an amount equal to certain builders liens registered against the lands that comprise the assets. The lien claims total approximately \$35,000 and given issues with the timing of the application the Receiver does not anticipate that it will be able to effect proper service of the application on the lien claimants.

49. The Receiver has received an opinion from its independent legal counsel that NBC has valid and enforceable security over the Property of Do All and P&O.
50. The Receiver after the proposed distribution to NBC will have approximately \$2.4 million in its trust account. These funds together with realizations from remaining Property will be sufficient to satisfy professional fees, other costs of the administration of the estate and any potential priority claims.
51. Ongoing interest on the NBC loans is approximately \$6,500 a month for every \$1.0 million of debt and it is prudent and commercially reasonable to reduce the interest costs as soon as possible.

RECEIVER'S ON GOING ACTIVITIES AND FUTURE COURSE OF ACTION

52. The Receiver's next steps include:
 - i) completing and finalizing the sales process initiated by the Receiver for the sale of the Estevan Do All Group Property, subject to court approval;
 - ii) continued collection efforts of all outstanding accounts receivables which mainly includes pursuing existing litigation for the collection of a \$2.7 million receivable from Tough Enough Drilling Ltd
 - iii) collection of the remaining \$2.0 million promissory note from Twilight Drilling Ltd.;
 - iv) pursue resolution of entitlement and priority to approximately \$2.0 million of funds in trust from a sale prior to the receivership of certain inventory and equipment located at Do All's leased premises in Innisfail, Alberta
 - v) pursue collection of receivables from and investments in a number of related party corporations;
 - vi) preparation and analysis of current and past tax filings to assess recovery of \$1.0 million plus in income taxes paid in prior years;
 - vii) analyzing the lien claims in P&O and other creditor claims that creditors may have in P&O and consider implementing a claims process in that estate;

- viii) follow up on action items from the inspectors in the Do All bankruptcy estate regarding possible reviewable transactions;

RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS

- 53. The Receiver is of the view that it has made commercially reasonable efforts to obtain the highest realizations for the Property which has been the subject of the Invitation for Offer process. The offer which has been accepted by the Receiver and referenced herein is in the opinion of the Receiver, fair and commercially reasonable.
- 54. The Receiver is satisfied that the interests of the Do All Group's financial stakeholders have been considered during the course of the Invitation for Offer process and the Receivership Proceedings.
- 55. The Receiver is of a view that expedited timing and execution of the Invitation for Offer Process was appropriate in the circumstances to mitigate or avoid on-going holding costs.
- 56. The Receiver is of a view that that Invitation for Offer process was efficient, effective and that the integrity of the process has been maintained throughout.
- 57. The Receiver is satisfied that the Invitation for Offer process is inherently fair and has been conducted in a manner such that no parties to the process have experienced preferential or unfair treatment.
- 58. The Receiver is satisfied that NBC has a secured claim over the proceeds from the Nisku En Bloc Offer and surplus cash from other Property sold by the Receiver to date and that it is commercially reasonable and prudent for the Receiver to reduce the interest charges to the estate by disbursing funds as soon as practically possible.
- 59. The Receivers liability should be reduced to the extent it distributes property and accordingly the Receivership Order should be amended to reflect distributions from the estate.
- 60. The Receiver recommends that this Honourable Court approve the application for:
 - i) approval of the Nisku En Bloc Offer and vesting of the property subject to that offer;

- ii) distribution of \$1.5 million of surplus funds and the proceeds from the Nisku En Bloc Offer to NBC, net of GST;
- iii) amendment of paragraph 16 of the Receivership Order; and
- iv) a Temporary Sealing Order.

All of which is respectfully submitted this 17th day of April, 2014.

**ALVAREZ & MARSAL CANADA INC.,
In its capacity as court-appointed Receiver
of Do All Industries Ltd. and P&O Assets
Ltd.**

Per:



Tim Reid, CA
Senior Vice-President