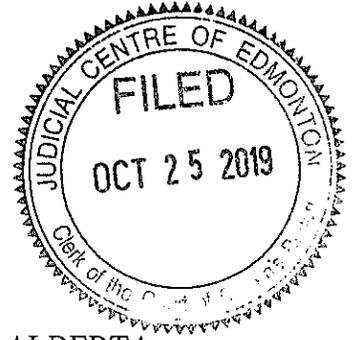


Clerk's stamp:



COURT FILE NO. 1803 - 09581

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFFS BANK OF MONTREAL

DEFENDANTS LADACOR AMS LTD., NOMADS PIPELINE CONSULTING LTD., 2367147 ONTARIO INC. AND DONALD KLISOWSKY

DOCUMENT **AFFIDAVIT OF BONNIE ERIN RICHARD**

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
Attn: Kelly J. Bourassa / James Reid
Telephone: 403-260-9697 / 403-260-9731
Facsimile: 403-260-9700
Email: kelly.bourassa@blakes.com / james.reid@blakes.com
File: 99766/12

AFFIDAVIT OF BONNIE ERIN RICHARD

Sworn October 24, 2019

I, Bonnie Erin Richard, of Calgary in the Province of Alberta, **MAKE OATH AND SAY** that:

1. I am the former Financial Controller of Ladacor AMS Ltd. ("**Ladacor AMS**") and Nomads Pipeline Consulting Ltd. ("**Nomads**"). I have been engaged since May 18, 2018, as an independent contractor for Alvarez & Marsal Canada Inc. LIT (the "**Receiver**"), in its capacity as receiver and manager of Ladacor AMS, Nomads and 2367147 Ontario Inc. ("**236**" and together with Ladacor AMS and Nomads, the "**Debtors**"). In my capacity as independent contractor for the Receiver, my primary responsibilities have been to assist the Receiver with organizing and reviewing the books and records of the Debtors.

2. 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.

OVERVIEW

3. I have reviewed the: (i) Fourth Report of the Receiver dated September 4, 2019 (the "**Fourth Report**"); (ii) Supplement to the Fourth Report of the Receiver dated September 12, 2019 (the "**Supplemental Report**"); (iii) Application by Donald Klisowsky filed September 13, 2019 (the "**Klisowsky Application**"); (iv) Affidavit of Donald Klisowsky sworn September 7, 2019 (the "**Klisowsky Affidavit**"); (v) Supplemental Affidavit of Donald Klisowsky sworn September 11, 2019 (the "**Klisowsky First Supplemental Affidavit**"); and (vi) Second Supplemental Affidavit of Donald Klisowsky sworn October 15, 2019 (the "**Klisowsky Second Supplemental Affidavit**" and together with the Klisowsky Affidavit and the Klisowsky First Supplemental Affidavit, the "**Klisowsky Affidavits**").

4. I swear this Affidavit in response to the Klisowsky Application and the Klisowsky Affidavits.

5. Capitalized terms used in this Affidavit and not otherwise defined have the meanings ascribed to them in the Fourth Report or Supplemental Report.

BACKGROUND ON FINANCIAL CONTROLLER POSITION

6. On December 1, 2017, I was hired as the Financial Controller of Nomads and Ladacor AMS. I held this position until May 17, 2018, when Ladacor AMS and Nomads went into receivership. Attached hereto and marked as Exhibit "**A**" is my employment contract.

7. When I started as Financial Controller, there were three other individuals that were in the finance department of Nomads/Ladacor: Graeme Ryder, as Chief Financial Officer, Memery Anderson, who looked after accounts payable, and Lada Zysk, who was responsible for payroll.

8. In January 2018, Mr. Ryder left due to certain concerns pertaining to the banking practices of Ladacor AMS and Nomads, as discussed below.

9. As a result of Mr. Ryder leaving, the CFO role for Ladacor AMS and Nomads was shared between me and former President of Nomads, Darrell Nimchuk.

THE BANK ACCOUNTS

10. As stated in paragraph 4 of the Klisowsky Affidavit, prior to November 2017, Nomads, operating as Ladacor, had used a Royal Bank of Canada ("**RBC**") bank account. I understand that until late 2017, all the banking for Nomads was run out of this account, including payroll, accounts receivable and accounts payable.

11. As set out in paragraph 5 of the Klisowsky Affidavit and paragraphs 3, 5 and 6 of the Second Supplemental Klisowsky Affidavit, beginning in late 2017, all banking functions of Nomads were being transferred over to the account of Ladacor AMS at the Bank of Montreal ("**BMO**").

12. In late 2017, there were several money transfers from Nomads' RBC bank account to the Ladacor AMS BMO account, including a \$1,000,000 transfer on December 4, 2017, and a \$882,145 transfer on December 22, 2017. Attached hereto and marked as Exhibit "**B**" is an account statement from Nomads' RBC account for the period from November 30, 2017 to December 29, 2017, showing the transfers of these funds out of the RBC account. Exhibit C to the Second Supplemental Klisowsky Affidavit shows the receipt of these amounts into the Ladacor AMS BMO account.

13. All cheques and other amounts received for Nomads after December 2017, were deposited into the Ladacor AMS BMO account.

14. Shortly after Nomads started using the Ladacor AMS bank account for its own banking needs, Mr. Ryder resigned as Nomads' and Ladacor AMS' CFO.

15. In January 2018, the Government of Alberta, Treasury Board and Finance ("**Alberta Finance**") sent RBC a Requirement to Pay Money (the "**Requirement to Pay**") for amounts owing from Nomads to Alberta Finance for unpaid taxes. Nomads' account with RBC was subsequently frozen. A copy of the form of Alberta Finance notice that was sent to RBC is attached hereto as Exhibit "**C**".

INVENTORY, ASSETS AND ACCOUNTS PAYABLE

16. Paragraphs 6 through 9 of the Klisowsky Affidavit suggests that all inventory and equipment of Nomads and Ladacor AMS were to be properly classified as the property of Ladacor AMS. Mr. Klisowsky is presumably suggesting that all invoices relating to such inventory and equipment are also properly to be applied to Ladacor AMS. I disagree.

17. When I first started working with Ladacor AMS and Nomads, one of my first tasks was to create year end audit files for both Ladacor AMS and Nomads, which included completing an inventory on materials and equipment for each company.

18. Since both Ladacor AMS and Nomads had their own contracts and projects, in my role as Financial Controller, I would allocate the equipment and inventory between the companies based on which company's project particular material or equipment was purchased for.

19. As set out in paragraph 49 of the Fourth Report, the proceeds from the sale of the equipment and inventory of Nomads and Ladacor AMS totalled approximately \$606,000. From the proceeds of sale of this equipment and inventory, \$451,450 was allocated to Nomads, and \$154,407 was allocated to Ladacor AMS.

20. As set out above, I worked with the Receiver to determine the allocation of sale proceeds based on the projects the materials and equipment were purchased or used for, which was consistent with the accounting practices of Ladacor AMS and Nomads prior to the Receivership Proceedings.

THE CREDITOR LISTINGS

21. Paragraphs 17 and 19 of the Klisowsky Affidavit dispute the inclusion of certain creditors included on the Nomads' Unsecured Creditor Listing attached as Schedule B to the Fourth Report.

22. As set out in paragraph 18 of the Supplemental Report, I worked with the Receiver to prepare the Nomads' Unsecured Creditor Listing. As Financial Controller for both Ladacor AMS and Nomads, I have in-depth knowledge of the accounts payable and liabilities of each company.

23. Similar to the process for determining which inventory belonged to Ladacor AMS and which to Nomads, unpaid invoices for Nomads projects were assigned to the Nomads' Unsecured Creditor Listing. Unpaid invoices for Ladacor AMS projects were assigned to the creditor listing for Ladacor AMS. Non-inventory accounts payables were assigned to the creditor listing for the entity to whom the invoices were addressed/directed, and where applicable, the company to whom the contract was made.

24. I wholly adopt the contents of paragraphs 19 and 20 of the Supplemental Report, wherein it describes the method for creating the Nomads' Unsecured Creditor Listings based on invoices addressed to Ladacor AMS or Nomads projects.

EMPLOYEES

25. Paragraph 20 of the Klisowsky Affidavit claims that Nomads only had two employees. I disagree.

26. There was a plan for Nomads and Ladacor AMS to amalgamate. In particular, Ladacor AMS was to purchase all of the inventory, assets and receivables of Nomads, thus leaving Nomads with only its ongoing contracts and shareholdings. The plan was for Nomads to then contract Ladacor AMS employees to complete the work on Nomads' projects and Ladacor AMS would bill Nomads for this work.

27. Ladacor AMS never purchased the inventory, assets and receivables of Nomads and no system was set up for Ladacor AMS to bill Nomads for the work of the employees of Ladacor AMS.

28. Paragraph 3 of the Second Supplemental Klisowsky Affidavit is correct however that all payroll for both companies' employees was paid from the Ladacor AMS BMO account starting September 2017. September 2017 is when Ladacor AMS set up an online payment system through PayWeb.

29. Prior to the implementation of PayWeb, payroll was calculated through Nomads' Sage 50 program, and all wages were paid through the RBC account of Nomads.

30. When PayWeb was set up, approximately 90 Nomads employees, who were hired prior to the PayWeb account, were transferred over to PayWeb and were paid through this new system. There was never any corresponding change to these employees' employment contracts or work assignments.

31. There were approximately 120 employees of Nomads and/or Ladacor AMS, and many of these employees' work, including my own, overlapped both companies. In many cases it was impossible to distinguish for which company an employee worked. Therefore, I recommended to the Receiver based on my prior knowledge, that there may be a practical way to allocate employees to the two entities.

32. The employment contracts of employees, including my own, simply stated the contracts were with "Ladacor". There was no indication if an employee was hired by Ladacor AMS or Nomads operating as Ladacor. When the Receiver and I reviewed the employment contracts, we determined the entity that a particular employee worked for would be based on when the employee was hired. An employee that was hired prior to the establishment of the Ladacor AMS PayWeb account (September 2017), was determined to be an employee of Nomads, operating as Ladacor. For employment contracts that were entered into after the creation of the PayWeb account, including my own, those individuals were determined to be employees of Ladacor AMS.

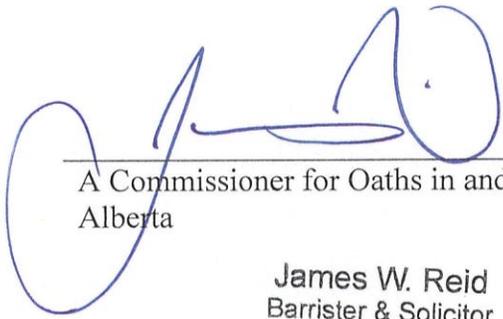
33. The accounting of Nomads and Ladacor AMS, including payroll, was at all times intermingled. Accordingly, the Receiver and I determined that the above method was the best way to determine the employee lists for the purposes of completing WEPP claims and the creditor listings scheduled to the Fourth Report.

34. I wholly adopt the contents of paragraph 26 of the Supplemental Report.

CONCLUSION

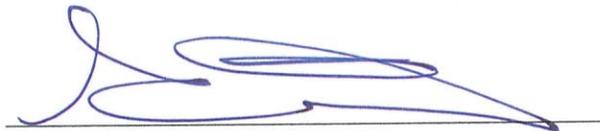
35. I make this Affidavit in response to the Klisowsky Application and the Klisowsky Affidavits and for no other purpose.

SWORN BEFORE ME at the City of)
Calgary, in the Province of Alberta, this 24th)
day of October, 2019.)
)
)
)
)
)



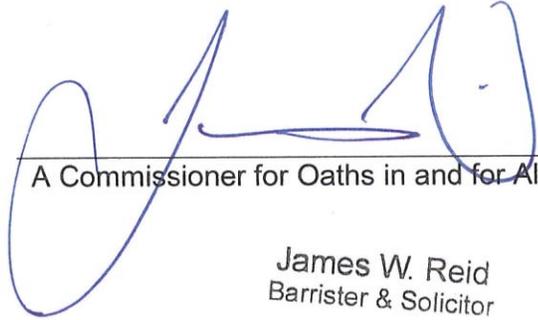
A Commissioner for Oaths in and for
Alberta

James W. Reid
Barrister & Solicitor



BONNIE ERIN RICHARD

This is Exhibit "A" referred to in the Affidavit of
Bonnie Erin Richard sworn before me this 24th
day of October 2019



A Commissioner for Oaths in and for Alberta

James W. Reid
Barrister & Solicitor

Offer of Employment Letter

November 16, 2017

Dear Mrs. Richard,

We are pleased to make you a formal offer of employment with Ladacor in the position of Controller with the intended starting date of December 1, 2017 or as mutually agreed. You will report to Graeme Ryder, VP Finance & CFO. We look forward to your contributions to this organization.

Terms and Conditions of Employment

If you should accept this job offer, you will be entitled to the following, beginning on your start date:

1. Your starting salary will be \$90,000 per annum, to be paid bi-weekly every other Friday by direct deposit.
2. Three (3) weeks of vacation per year.
3. Performance review after 6 months of employment. Where upon satisfactory review of your performance, your salary will be increased to \$95,000.
Please see "Appendix A" for a list of duties and responsibilities.
4. Company-provided benefits:
 - Participation in Ladacor's benefits program which includes, but not limited to, extended health care, dental and orthotics, basic life insurance as well as short and long term disability, after successfully completing your 3 month probationary period.
5. Future salary increases will be at the discretion of Ladacor and will be performed on the anniversary date of hire.
6. In addition to Mrs. Richard's base salary, she will be eligible to participate in the Ladacor's Short-term incentive program (annual bonus) which will be calculated on three pillars of performance:
 - Over-all company profitability; (formula TBD)
 - Personal performance; and (discretionary)
 - Safety performance. (formula TBD)
7. In addition to Mrs. Richard's base salary, and STIP, she will be eligible to participate in the Ladacor's Option Plan (LTIP) (plan to be implemented).

Probationary Period

It should be noted here that the first 3 months of your employment will be a probationary period, during which time your performance will be monitored, assessed and evaluated for suitability for his role.

Job Offer Acceptance

If you find this job offer and its conditions acceptable, we respectfully request that you print your name and sign the "Offer of Employment Letter" in the space provided below and return it to Ladacor by one of the three ways outlined:

- Email (hfurber@ladacor.com) a scanned executed copy,
or
- Hand-deliver executed original to Ladacor; Attention: Heather Furber,
or
- Fax (587-352-5921) executed letter, Attention: Heather Furber

This offer of employment will expire at 4:30 PM (MST) on November 20, 2017.

On behalf of Ladacor, we are excited to welcome you join our team. We are confident your knowledge, skills and experience will aid you in succeeding in this role and that you will find this opportunity not only challenging but rewarding as well.

Please feel free to call us at the number provided should you have any questions or concerns.

Respectfully,



Graeme Ryder,
VP Finance & CFO



Darrell Nimchuk, MBA, CPA, CMA
President

I, Erin Richard, hereby accept the job offer of Controller offered by Ladacor. I agree to and accept the terms and conditions stated above. I also agree to and accept the responsibilities outlined in my job description.

Signature: _____

Date: Nov 17 2017

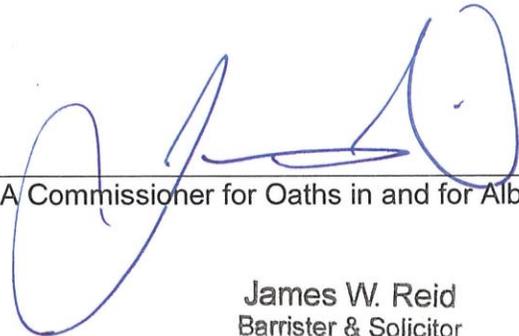
APPENDIX A

Job Duties

- Ensure all aspects of inventory are properly controlled and accurately accounted for in the Company's accounting records
- Analytical review and reconciliation of all balance sheet accounts on a monthly basis, including the reconciliation of subsidiary ledgers to the general ledger
- Project reporting and monthly variance analysis from budget
- Coordinate and oversee the preparation of year-end audit working papers
- Preparation of year-end comparative financial statements and supporting schedules
- Work closely with the external audit team ensuring all necessary critical information is available to them
- Preparation of monthly and quarterly financial statements and distribution of accurate and reliable financial reports (following approval of the VP Finance and CFO)
- Oversee the accounts receivable, payroll, cash receipts and accounts payable functions providing assistance to other team members
- Monitoring cash requirements daily and producing monthly cash forecasts
- Maintenance of manuals documenting accounting procedures and policies including; data base, & other financial processes
- Coach accounting team members, including review and approval of work assignments and training requirements of the team including completion of regular performance review
- Responsible for maintaining banks accounts and requests
- Monitor and maintain the Studio 6 and Nomads accounting records, prepare annual financial statements, and assist with their financial statement reviews
- Ensure quality control over financial transactions
- Additional controller duties as necessary



This is Exhibit "B" referred to in the Affidavit of
Bonnie Erin Richard sworn before me this 24th
day of October 2019



A Commissioner for Oaths in and for Alberta

James W. Reid
Barrister & Solicitor



ROYAL BANK OF CANADA
P.O. BAG SERVICE 2650
CALGARY AB T2P 2M7

Business Account Statement

RBDDA30000_6119503 E D 00009 00147
NOMADS PIPELINE CONSULTING LTD
729 24 AVE SE
CALGARY AB T2G 1P5

November 30, 2017 to December 29, 2017

Account number: 00009 103-684-7

How to reach us:

Please contact your RBC Banking representative or call
1-800-Royal®2-0
(1-800-769-2520)
www.rbcroyalbank.com/business

Account Summary for this Period

RBC Business Essentials® Variable Pricing Account

Royal Bank of Canada
339 8TH AVE SW, CALGARY, AB T2P 1C4

Opening balance on November 30, 2017	\$19,068.56
Total deposits & credits (3)	+ 1,930,317.45
Total cheques & debits (20)	- 1,938,426.23
Closing balance on December 29, 2017	= \$10,959.78

Account Activity Details

Date	Description	Cheques & Debits (\$)	Deposits & Credits (\$)	Balance (\$)
	Opening balance			19,068.56
01 Dec	BR TO BR - 5949		1,025,288.00	
	Online Banking transfer - 0941	2,000.00		
	Online Banking transfer - 8802	2,000.00		
	Bill Payment PAY-FILE FEES	2.00		1,040,354.56
	Electronic transaction fee 14 Drs @ 0.75 2 Crs @ 0.75	12.00		1,040,342.56
04 Dec	Direct Deposits (PDS) service total GRADS9307790000	1,000,000.00		40,342.56
06 Dec	Activity fee	98.80		40,243.76
07 Dec	Online Banking transfer - 4543	1,119.61		
	Online Banking transfer - 7269	1,455.81		
	Online Banking transfer - 9724	1,983.32		
	Online Banking transfer - 9799	6,696.07		



Business Account Statement

November 30, 2017 to December 29, 2017

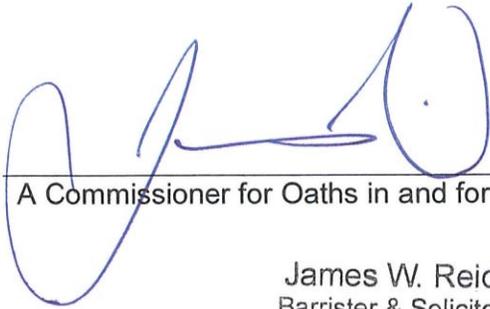
Account number: 00009 103-684-7

Account Activity Details - continued

Date	Description	Cheques & Debits (\$)	Deposits & Credits (\$)	Balance (\$)
07 Dec	Online Banking transfer - 7168	7,006.12		21,982.83
14 Dec	Online Banking transfer - 3428	3,549.26		
	Online Banking transfer - 6872	7,285.49		11,148.08
15 Dec	Special Payroll 1878826AbLtd		4,031.71	
	COMMERCIAL TAXES EMPTX 4378571	4,031.71		11,148.08
21 Dec	BR TO BR - 5949		900,997.74	912,145.82
22 Dec	Direct Deposits (PDS) service total GRADS9307790000	882,145.00		30,000.82
28 Dec	Online Banking transfer - 5496	478.33		
	Online Banking transfer - 6692	1,318.31		
	Online Banking transfer - 3865	1,687.07		
	Online Banking transfer - 6384	6,174.70		
	Online Banking transfer - 6232	9,382.63		10,959.78
	Closing balance			10,959.78

Account Fees: \$110.80

This is Exhibit "C" referred to in the Affidavit of
Bonnie Erin Richard sworn before me this 24th
day of October 2019



A Commissioner for Oaths in and for Alberta

James W. Reid
Barrister & Solicitor

**Government of Alberta
Treasury Board and Finance - Tax and Revenue Administration**

Requirement to Pay Money to the Government of Alberta

To: Royal Bank of Canada
339 8th Avenue SW
Calgary, AB T2P 1C4

Our Account: 206948770
Date: January 10, 2018

The corporate debtor named below is liable to make payment pursuant to the *Alberta Corporate Tax Act* (the Act) in the amount of \$731,675.76, however payment has not been made. The Act allows the President of Treasury Board and Minister of Finance (the Provincial Minister) to require a third party to pay to the Government of Alberta those monies that otherwise would be payable to the corporate debtor. The money will be used to satisfy in whole or in part the debt owing by the corporate debtor for tax.

The legal authority for this requirement is set out in section 60 of the Act. The following is included in this section:

60(1) If the Provincial Minister has knowledge or suspects that a person is or will be, within one year, liable to make any payment to another person liable to make a payment under this Act (the "debtor"), the Provincial Minister may, by written notice, require the person to pay the money otherwise payable to the debtor in whole or in part to the Provincial Minister on account of the debtor's liability under the Act.

(1.1) Without limiting the generality of subsection (1), if the Provincial Minister has knowledge or suspects that within 90 days

(a) a bank, credit union, trust company or other similar persons (the "institution") will lend or advance money to, or make a payment on behalf of, or make a payment in respect of a negotiable instrument issued by, a debtor who is indebted to the institution and who has granted security in respect of the indebtedness, or

(b) a person, other than an institution, will lend or advance money to, or make a payment on behalf of, a debtor who the Provincial Minister knows or suspects

(i) is employed by, or is engaged in providing services or property to, that person or was or will be, within 90 days, so employed or engaged, or

(ii) if that person is a corporation, is not dealing at arm's length with that person, the Provincial Minister may by written notice require the institution or person, as the case may be, to pay in whole or in part to the Provincial Minister on account of the debtor's liability under the Act the money that would otherwise be so lent, advanced or paid, and any money so paid to the Provincial Minister is deemed to have been lent, advanced or paid, as the case may be, to the debtor.

(1.2) If a person or institution that has been issued a notice under subsection (1) or (1.1) is liable to make a payment jointly to the debtor and one or more persons, for the purposes of this section it is deemed that

(a) the money payable is divided into as many equal portions as there are persons who are owed the money jointly, and

(b) the debtor is the unconditional and sole owner of one portion of the money.

(1.3) The Provincial Minister, the debtor and any person who is owed the money jointly with the debtor may, within 30 days of this notice issued under subsection (1) or (1.1) apply to the court

(a) for an order that the debtor is entitled to a smaller or greater portion of the money, and

(b) for appropriate relief.

(1.4) Notice of an application under subsection (1.3) must be served,

(a) if the applicant is the debtor or a person who is owed the money jointly with the debtor, on all the other persons who are owed the money jointly and the Provincial Minister, or

(b) if the applicant is the Provincial Minister, on all the persons who are owed the money jointly.

(2) The receipt of the Provincial Minister for money paid under this section is a good and sufficient discharge of the amount owing by the debtor to the extent of that payment.

(3) A person who, after receiving notice pursuant to subsection (1) has discharged any liability to a tax debtor without complying with a requirement under this section is liable to pay to her Majesty in right of Alberta an amount equal to the liability discharged or the amount that the person was required under this section to pay to the Provincial Minister, whichever is the lesser.

(3.1) Every institution or other person that fails to comply with a requirement under subsection (1.1) with respect to money to be lent, advanced or paid is liable to pay to the Provincial Minister an amount equal to the lesser of

(a) the total of money so lent, advanced or paid, and

(b) the amount that the institution or person was required under that subsection to pay to the Provincial Minister.

Please make your remittances payable to the Government of Alberta, attach the payment to a Remittance Advice (AT356) – Requirement to Pay or otherwise identify the debtor in respect of whom the payment is made, and send it to Tax and Revenue Administration in the enclosed envelope.

Name and address of the corporate debtor:

Please see reverse for further instructions.

**NOMADS PIPELINE CONSULTING LTD.
8503 BOWGLEN RD NW
CALGARY, AB, T3B 2T2**

Attention: Stephen P.

Delegate of the President of Treasury Board and Minister of Finance

If no amount is payable immediately to the Government of Alberta in respect of the tax debtor, please answer the questions below and return a copy of the questionnaire to Tax and Revenue Administration.

If no amount will be payable within the next 12 months, please return the entire Requirement to Pay.

1. When was the last time you made a payment to or on behalf of the tax debtor, or jointly to the tax debtor and one or more persons?
2. What was the amount of the payment?
3. What was the payment for?
4. When do you next expect to make a payment to or on behalf of the tax debtor, or jointly to the tax debtor and one or more persons?
5. What do you expect the amount of the payment will be?
6. What will the payment be for?
7. Are there any amounts payable by you to the tax debtor that are in dispute between you and the tax debtor?
8. Are there any contingent amounts owed by you to the tax debtor?

If the answer to 7 or 8 is 'yes', please provide details below:

Signature _____

Date _____

Position _____

Government of Alberta
 Treasury Board and Finance
 Tax and Revenue Administration
 9811-109 Street
 Edmonton, Alberta
 T5K 2L5
 Telephone (780) 422-1782
 If calling long distance within Alberta call toll-free at 310-0000, then enter (780) 422-1782
 Fax (780) 644-4924