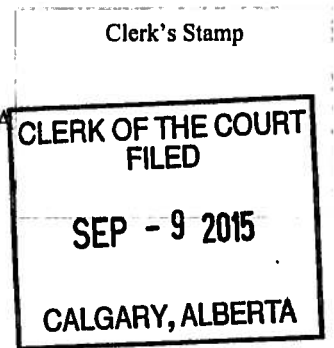


COURT FILE NUMBER 1301-07419
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF TAKODA RESOURCES INC.
DEFENDANT IMPACT 2000 INC.



AND IN THE MATTER OF THE RECEIVERSHIP OF
IMPACT 2000 INC.

AND:

COURT ESTATE/FILE NUMBER 25-094321
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, as amended

DOCUMENT **FIRST REPORT OF THE RECEIVER
and
THIRD REPORT OF TRUSTEE**

September 9, 2015

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. On November 2, 2012 (the “Bankruptcy Event”), Impact 2000 Inc. (“Impact” or the “Company”) sought protection from its creditors through filing a Notice of Intention to Make a Proposal (the “NOI”) under section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (“BIA”), and a stay of proceedings was obtained on that date (the “Proposal Proceedings”). Alvarez & Marsal Canada Inc. (“A&M”) was named as Proposal Trustee under the NOI (the “Proposal Trustee”).
2. During the course of the Proposal Proceedings, Impact applied for and was granted six extensions of time to file its proposal.
3. On May 3, 2013, Impact was deemed to have filed an assignment into bankruptcy (“Bankruptcy Date”) as it was unable to lodge a proposal with its creditors and the official receiver within the allotted time frame pursuant to section 50.4(8) of the BIA. A&M was appointed as trustee in bankruptcy (the “Trustee”), which was affirmed by the creditors of Impact at the first meeting of creditors (“FMOC”).
4. On June 20, 2013 (the “Receivership Date”), pursuant to an order of the Honourable Madam Justice Horner (the “Receivership Order”), A&M was appointed receiver (the “Receiver”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “Property”) of Impact pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c J-2 in the within action (the “Receivership Proceedings”).
5. The Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, manage, operate and carry on the business of Impact and to take possession and control of the Property of Impact 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.

6. On June 20, 2013, following the granting of the Receivership Order by this Honourable Court, a further Order was granted (the "Approval and Vesting Order") that approved the sale of Impact's equipment (i.e. the majority of Impact's Property) to Takoda Resources Inc. ("Takoda" or the "First Secured Creditor") for a credit purchase price offer of \$1,150,000. The remaining assets within Impact for the Receiver to realize upon consists of old office furniture (with no material value) and certain 3D seismic survey data relating to the Wilson Creek South location of Alberta (the "Data"), as discussed further below.
7. The Receiver has completed its administration of the Receivership proceedings (subject to the present requests of the Receiver below being approved by this Court) and is seeking amongst other things, an Order to approve the sale of the Data, approval of its accounts, a distribution of remaining funds and the obtainment of its discharge.
8. The Trustee has completed its administration of the bankruptcy proceedings and is seeking approval of its accounts and to obtain its discharge. The Trustee has submitted its Final Receipts and Disbursements to the Office of the Superintendent of Bankruptcy ("OSB") and has yet to receive back the comment letter from the Official Receiver. The Trustee does not anticipate there being any issues with the OSB in relation to the comment letter.
9. The purpose of this first report of the Receiver and third report of the Trustee (together and interchangeably, the "Report") is to provide this Court with information in respect of the following:
 - a) the activities of the Receiver since the Receivership Date and the Trustee's activities since the Trustee's Second Report dated July 17, 2013;

- b) the security opinion obtained by the Trustee with respect to the security interests granted by Impact to Takoda;
- c) the borrowings by the Receiver pursuant to the terms of the Receivership Order;
- d) the sales process initiated by the Receiver soliciting offers for the purchase of the Data;
- e) approval of the bill of sale (the "Seitel BOS") entered into between Seitel Canada Ltd. ("Seitel") and the Receiver dated July 27, 2015 (subject to Court approval) with respect to the Data, along with the Sales Approval and Vesting Order;
- f) approval of the final statement of receipts and disbursements of the Receiver (the "Final Statement of Receipts and Disbursements");
- g) approval of the proposed distribution of additional funds recovered by the Receiver (the "Proposed Final Distribution");
- h) approval of the Receiver's and its counsel's fees and expenditures in the Receivership Proceedings;
- i) approving the actions and conduct of the Receiver throughout the Receivership Proceedings and granting the discharge of the Receiver (the "Receiver's Discharge");
- j) authorizing the Receiver to destroy any and all documents, accounting records and other papers (the "Records") if not required by the Receiver or Trustee, Seitel (in relation to the Seitel BOS), Takoda, or not collected by any of the current directors of the Impact by September 30, 2015; and

- k) seeking approval of the Trustee's accounts and obtaining the discharge of A&M as Trustee.

TERMS OF REFERENCE

10. In preparing this Report, the Receiver and Trustee have relied primarily upon the representations of certain former management and former employees of Impact, certain financial information contained in Impact's books and records and the reports filed with this Court by the Trustee and Proposal Trustee in relation to Impact's estate and operations. Neither the Receiver nor the Trustee have not performed an audit, review or other verification of such information.
11. Capitalized words or terms not defined or ascribed a meaning in this Report are as defined or ascribed a meaning in the Receivership Order.
12. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

13. Impact was incorporated on October 7, 1999, in the Province of Alberta. The voting shares of Impact are 100% held by 848891 Alberta Ltd. ("848"), which is owned equally by Mike Wolowich, Patty Wolowich and the Wolowich Family Trust. Impact also had two wholly owned subsidiary corporations operating as Impact 2000 Exploration Consulting Inc. ("Impact Exploration") and Impact 2000 USA Inc. ("Impact USA").
14. Impact was in the business of providing a full suite of front-end seismic consulting services to the oil and gas exploration sector throughout Western Canada and the Northwest Territories. The main services that Impact provided included: (a) providing front end seismic consulting services to oil and gas exploration companies; (b) acquiring and marketing seismic data; and (c) entering into short term rental agreements for its unutilized equipment.

15. The main cause of Impact's financial difficulties and eventual insolvency of the Company was as a result of it being under-capitalized due to a failed recapitalization attempt with an investor, Triple Five Global Group Ltd. This failed recapitalization caused significant operational problems that eventually impaired Impact's ability to properly complete projects, and in particular one project that ended in cost overruns and a loss of approximately \$1.1 million.
16. Further background information with the bankruptcy proceedings, Impact's previous NOI proceedings, the Receivership Proceedings and other court filed materials have been posted by the Trustee, the Proposal Trustee and the Receiver's on its website at: www.alvarezandmarsal.com/impact (the "Website").

ACTIVITIES OF THE RECEIVER AND TRUSTEE

Activities of the Receiver

17. Since the Receivership Date, the Receiver's initial activities have included the following:
 - a) taking possession and control of the Property, which consisted of some old, immaterial office furniture (such as desks, filing cabinets, chairs, etc.) and the Data;
 - b) ensuring Impact's known records were secured;
 - c) completing a filing index and organizing the various files of Impact;
 - d) confirming all known bank accounts of Impact and providing notice to the Trustee to transfer any all funds held by the Trustee to the Receiver;
 - e) redirected Impact's mail to the office of the Receiver;

- f) conducting meetings with the Trustee, the former CEO and management of Impact to explain the powers and duties of the Receiver, and its role as an Officer of the Court;
- g) multiple meetings, communications and negotiations with Takoda and Devon Canada Corporation (“Devon”), a license holder of the Data, in relation to Impact’s rightful 100% ownership of the Data. The Receiver initially encountered difficulties confirming the rightful ownership of the Data held by Impact (as licensor) as a result of certain agreements entered into between Impact and Devon prior to the Receivership Date. During the Receivership Proceedings, lengthy discussions and negotiations were held between the Receiver, the Trustee, the Receiver’s counsel, the significant stakeholder’s and its counsel and Devon’s internal counsel to determine the ownership of the Data. As a result of these discussions, it was determined and agreed to that Impact does hold 100% of the Data and there were no further impediments that exist for the Receiver to sell the Data;
- h) retaining White Eagle Energy Ltd. (“WEEL”) as the Receiver’s marketing agent to sell the Data;
- i) retaining and providing instructions to the Receiver’s independent legal counsel, Norton Rose Fulbright Canada LLP (“Norton Rose”), in respect of the Receivership Proceedings generally;
- j) compilation and analysis of accounts receivable sub-ledgers;
- k) day to day management of operations of Impact and monitoring the cash flow of Impact;

- l) numerous meetings and communications with Takoda, with respect to operational and financial updates of Impact, the sales process and other Receivership Proceedings matters;
- m) numerous and on-going meetings and discussions with various creditors (or their representatives), legal counsel to the Receiver, shareholders, current directors, interested parties, and other Impact stakeholders regarding the Receivership Proceedings generally;

Activities of the Trustee

- n) dealing with the creditors and stakeholders of the estate and monitoring the activities of the Receiver;
- o) preparing the accounts of the Trustee and the final receipts and disbursements ("R&D");
- p) various communications with the OSB on the final R&D and comment letter; and
- q) payment of certain operating costs, such as rent and insurance, in the bankruptcy estate of Impact by the Trustee.

Matters to Complete

18. The administration of the Receivership and bankruptcy proceedings are essentially complete other than those matters addressed in this Report and filing of final regulatory reports and closure of those accounts, which will be done upon the Receiver's and Trustee's discharge as discussed further below.

Employee Priority Claims and Canada Revenue Agency

19. There were no known employees of Impact as at the Receivership Date. Upon review of the books and records of Impact, the Receiver came to understand that there were no salaries and/or wages owing to employees of Impact that would qualify for a claim under the Wage Earner Protection Program or a priority claim pursuant to section 81.4(1) of the BIA.
20. The Receiver also understands that there were no GST or source deductions owing to the Canada Revenue Agency ("CRA") by Impact as at the Receivership Date.

Statutory Mailing by Receiver

21. The Receiver provided the notices required by sections 245 and 246 of the BIA to the Trustee on June 26, 2013. These notices were also provided to the OSB.

SECURITY OPINION

22. Takoda (as First Secured Creditor) acquired its loans and security interest over Impact through a purchase of the loans and security of Canadian Western Bank ("CWB") on April 15, 2013 at the full value of the loans, which was approximately \$1.1 million (the "Security Transaction"). CWB originally entered into the loan agreement with Impact on or around April 2011 and Takoda, CWB and Impact were all represented by independent legal counsel at the time of the purchase transaction. The Trustee understands that Takoda's legal counsel verified that the security of CWB was valid.
23. On June 5, 2013, the Trustee obtained an independent legal opinion on Impact's loan agreement with Takoda, Takoda's security and the assignment of the original loan agreement and security between Takoda and CWB. The opinion determined that the Impact loan agreements and security are valid and enforceable as against

the Trustee. The Receiver has also reviewed this security opinion and concurs that the Impact loan agreement and security is valid and enforceable as against Impact and the Trustee. The security held by the First Secured Creditor charges all of the property of Impact including the office furniture and the Data.

24. The Receiver understands that there is approximately \$1.25 million of indebtedness owed to various secured lenders, including the First Secured Creditor (Takoda) claim of approximately \$471,832. The remaining secured claims are related party claims by related parties owned directly or indirectly by Mike and Patty Wolowich. The Receiver has not reviewed in detail the related party secured claim amounts as there is no value to their secured indebtedness and they will not receive any distributions from the Receivership Proceedings.

RECEIVER'S BORROWINGS

25. Pursuant to paragraph 20 of the Receivership Order, the Receiver has been empowered to borrow up to \$100,000 (or such greater amount as this Court may further order).
26. On July 9, 2013, the Receiver issued Receiver's Certificate No.1 in the amount of \$50,000 to Takoda, and on October 17, 2014, the Receiver issued Receiver's Certificate No.2 in the amount of \$45,000 to Takoda. Both Receivers' Certificates are attached as Appendix A to this Report.
27. The terms of the Receiver's Certificate No.1 and Receiver's Certificate No.2 include a per annum interest rate of 5% percent above the prime commercial lending rate of Bank of Canada from time to time. Pursuant to paragraph 20 of the Receivership Order, Takoda, for loans made under the Receiver's Certificates, has a charge over the whole of the Property by way of a fixed and specific charge as security for the repayment of the monies loaned under the Receiver's Certificates, together with interest and costs.

28. Subject to Court approval, the Receiver will partially repay Takoda the loans made under the Receiver's Certificates, together with interest from the proceeds of the sale of the Data, as discussed in greater detail below.

THE SALES PROCESS

Overview

29. Pursuant to paragraph 3(j) of the Receivership Order, the Receiver is empowered and authorized to market any or all the Property, whether through a sales process pre-approved by the Court or through a sales process created by the Receiver in its discretion, including advertising and soliciting offers in respect of the Property or any parts thereof, and negotiating such terms and conditions for the sale of the Property as the Receiver in its discretion may deem appropriate.
30. Pursuant to paragraph 3(k), the Receiver is also 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:
- a) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - b) 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 in the preceding sub-paragraph, and any transaction involving Takoda or anyone associated with Takoda

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c P-7 shall not be required.

31. On September 24, 2014, the Receiver engaged the services of WEEL to assist in the sale and marketing of the Data in the Receivership Proceedings (the “WEEL Marketing Process”).

WEEL Marketing Process

Implementation

32. WEEL, with the assistance of the Receiver, undertook a significant sales and marketing process to ensure it effectively and thoroughly canvassed the market. The WEEL Marketing Process is summarized below:

- a) The WEEL Marketing Process commenced on May 12, 2015. An information brochure summarizing the Data was emailed out to 27 potential buyers (the “Target Companies”) that would be interested in the Data;
- b) The Target Companies were also contacted directly by WEEL and were made aware of the sales process. The Target Companies were identified from the following groups:
 - i. 12 owners of non-exclusive licensable seismic data libraries;
 - ii. 9 recent active drillers in the general area that the Data covers;
 - iii. 4 owners of P&NG rights to the base of the Cardium (an active tight sand play being developed with horizontal drilling) immediately beneath the Data survey;
 - iv. 3 owners of P&NG rights from the base of the Cardium to the base of the Rock Creek area, immediately beneath the Data survey;

- v. 3 “land broker” companies who acquired the P&NG rights below the base of the Rock Creek (includes the newly developing Duvernay play) in the last 3 years on behalf of one or more oil and gas companies, immediately beneath the Data survey; and
 - vi. 4 companies that own offsetting 3D seismic surveys in relation to the Data, of which, 3 companies partly overlap this Data.
- c) There were some overlapping Target Companies listed in the above categories; however, a total of 27 companies were contacted by WEEL. WEEL also followed up by a phone call with the Target Companies to ensure that the correct person had indeed been targeted for the opportunity and that all the information needed for deciding on the merit of the Data had been made available;
 - d) The WEEL Marketing Process advised prospective purchasers and interested parties that all offers were due by the close of business on June 5, 2015 (the “Bid Deadline”); and
 - e) Each company that responded with interest to the Data were provided with access to a public server that contained displays and associated information relating to the Data where all 27 Target Companies were allowed to review or download this information at their discretion. The Receiver was advised by WEEL that all 27 Target Companies retrieved the information located on the public server hosted by WEEL relating to the Data.

Results from the NRG Marketing Process

- 33. A total of 2 prospective purchasers submitted written offers (non-binding letters of intent with no deposits) prior to the Bid Deadline with the Receiver. The purchase price in both offers received was virtually the same and as a result, the

Receiver went back to these two prospective purchasers and gave them an opportunity to resubmit their offer with a higher purchase price. Both parties resubmitted their offers, which resulted in an increase to the purchase price from their original submitted respective offers.

34. The best and most appropriate non-binding letter of intent received and accepted by the Receiver for the purchase of the Data was to Seitel. The Seitel BOS offer was finalized in a bill of sale dated July 27, 2015, which is subject to Court approval.

Analysis of the Offers Received

35. The Receiver believes that the Data has been adequately exposed to the market through the marketing process conducted by WEEL, with the assistance of the Receiver.
36. The Receiver reviewed the offers in detail and considered the following in reviewing and assessing the offers:
 - a) total purchase price;
 - b) type of consideration being offered
 - c) capability of the prospective purchaser to close the transaction in a timely manner;
 - d) size of the deposit provided by the prospective purchaser; and
 - e) the terms and conditions of the offer.

The Seitel BOS

37. The following summarizes the main terms and conditions of the Seitel BOS below, a copy of which is attached as Appendix B to this Report:

- a) the Data, which consists of a 24.9km/9.6mile 3D seismic survey in the Wilson Creek South area (section 26, 27, 28, 29, 31, 32, 33 T41 R6W5 and sections 5, 6, T42 R6W5) for future non-exclusive licensing to interested oil and gas companies;
- b) the purchase price (the "Purchase Price") for the Data shall be the sum of \$55,000 plus GST;
- c) a deposit of \$8,250 (the "Deposit") representing 15% of the Purchase Price was provided to the Receiver and is currently held in trust by the Receiver;
- d) the Data is sold "as is where is" with no representations or warranties pertaining to the within sale and Seitel acknowledges that it has completed to its satisfactory any due diligence and investigation in relation to the purchase;
- e) the Seitel BOS is subject to Court approval; and
- f) Seitel has the permission and consent of the Receiver to disclose the terms and conditions of the Seitel BOS to Devon following Court approval of the sale.

38. The Receiver believes that the Data has been adequately exposed to the marketplace through the efforts competed by WEEL, with the assistance of the Receiver, and that the transaction contemplated in the Seitel BOS is now the best and highest offer under the circumstances.

39. If the Receiver is unable to close this sale of the Data that was arrived at above WEEL Marketing Process, the Receiver will have no alternative but to terminate the sales process and apply for its immediate discharge. If this occurs, the Receiver will not recover certain costs that were expended to operate Impact, not repay any of the Receiver's Borrowings and/or not be able to pay for some of its fees and costs owing under the Receiver's Charge. As a result, an immediate sale of the Data is critical to ensure that Takoda's indebtedness (as the main significant economic stakeholder in these proceedings and the First Secured Creditor), the Receiver's and its counsel's and the Receiver's marketing agent's (WEEL) fees and costs can be paid.

Receiver's Recommendation

40. The Receiver believes that the Seitel BOS is reasonable in the circumstances and should be approved by this Honourable Court given:
- a) the Seitel BOS is the highest and best offer received by the Receiver in the WEEL Marketing Process;
 - b) the Data was adequately exposed to the market;
 - c) the purchase price is all cash with a 15% deposit;
 - d) the Receiver was authorized to market and sell the Data pursuant to the Receivership Order (subject to Court approval);
 - e) the Receiver has limited funds to continue with these proceedings and pay the Receiver's Borrowings and the Receiver's Charge; and
 - f) Takoda, as First Secured Creditor, is in support of the Seitel BOS.

**FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS – JUNE 20, 2013
TO AUGUST 31, 2015**

41. The table below provides a summary of the actual cash flows for the Receivership period, which contains the final cash receipts and disbursements relating to Impact:

IMPACT 2000 INC. Final Statement of Receipts and Disbursements June 20, 2013 to August 31, 2015	
Receipts	
Receiver's borrowings	95,000.00
GST refund	2,371.34
Other	1,752.75
	<u>99,124.09</u>
Disbursements	
Bank fees	70.00
OSB filing fees	70.00
Seismic data storage	24.05
Advance to Trustee in Bankruptcy (Impact Estate)	17,418.88
Professional Fees	
- Receiver	20,878.63
- Counsel	38,452.01
	<u>76,913.57</u>
Total receipts in excess of disbursements	<u>22,210.52</u>
Opening Cash	-
Total receipts in excess of disbursements	22,210.52
Ending Cash	<u>22,210.52</u>

42. The above chart details the following receipts and disbursements reported in the Receivership:

- a) receipts during the Receivership totalled \$99,124.09; and
 - b) disbursements during the Receivership totalled \$76,913.57.
43. Receiver's Borrowing under the Receiver's Certificate No.1 and the Receiver's Certificate No.2 total cumulatively \$95,000 with Takoda (as included in total receipts above).
44. Impact's ending available cash as at August 31, 2015 was \$22,210.52

PROPOSED FINAL DISTRIBUTION

45. If the Seitel BOS is approved by this Court and the transaction closes, the proceeds from the sale will be sufficient to pay the outstanding obligations under the Receiver's Charge, but there will not be enough funds available to pay the entirety of the Receiver's Borrowings.
46. As previously discussed, the Receiver's Borrowings from Takoda total approximately \$95,000 in the Receivership. As shown in the chart below, the Receiver anticipates that the majority of the Receiver's Certificate No.1 will be paid back in full; however, there will be a shortfall for the full amount of \$45,000 in the Receiver's Certificate No.2.
47. There will be no distributions made to Takoda, as First Secured Creditor, for its outstanding secured loan of approximately \$471,800. To be clear, the only distribution that will be available will be on account of the Receiver's Charge and Receiver's Borrowings, as discussed above.
48. The Receiver recommends distributing the anticipated remaining funds available in the following manner:

Impact 2000 Inc. - In Receivership		
Proposed Final Distribution		
August 31, 2015		
Unrestricted available cash	Note A	22,210.52
Seitel BOS purchase price, includes GST (subject to Court approval)	Note B	57,750.00
CRA GST refund/payable (estimate)	Note C	TBD
Estimated funds available before Receiver's commitment		79,960.52
Commitment/Contingencies		
Estimated Receiver's Charge		
Professional Fees (incurred and outstanding & forecast)	Note D	(27,500.00)
Receiver's Certificate #1	Note E	(48,418.02)
Statutory / Priority Creditors	Note F	-
WEEL Commission Fees (Seitel BOS)	Note G	(4,042.50)
Contingency costs	Note H	Unknown
Estimated commitment/contingencies		(79,960.52)
Estimated funds available for Receiver's Certificate No.2	Note I	-

49. The above chart summarizes the following Proposed Final Distribution as follows:

- a) Cash held by the Receiver of \$22,210.52;
- b) Seitel BOS purchase price of \$57,750 (includes GST);
- c) GST refund/payable from the CRA is currently being determined. The Receiver is in the process of filing all outstanding GST returns and it is expected that there may be input tax credits (ITC's) owing to the Receiver;

- d) Professional fees of the Receiver, its counsel and the Trustee relating to outstanding invoices to date and expected (forecast) fees to be incurred will be approximately \$27,500;
 - e) Receiver's Certificate No.1 repayment of approximately \$48,400;
 - f) There are no known statutory claims or priority creditors;
 - g) WEEL Commission Fees are based on 7% on the total proceeds received from the Seitel BOS plus GST;
 - h) Contingency costs for any unknown or unexpected costs are yet to be determined; and
 - i) Estimated funds available to repay Receiver's Certificate No.2 of approximately \$NIL. There will not be sufficient funds to repay the current outstanding amount of Receiver's Certificate No.2.
50. To be clear, the estimated funds available to repay the majority the Receiver's Certificate No.1 (above) may change when the actual receipts and disbursements are known.
51. The Receiver is of the view that the Proposed Final Distribution is reasonable under the circumstances and respectfully recommends that this Honourable Court approve the Proposed Final Distribution as discussed above.

APPROVAL OF THE RECEIVER'S AND ITS COUNSEL'S FEES AND EXPENDITURES AND TRUSTEE'S FEES AND EXPENDITURES

Receiver's and its counsel's fees and expenditures

52. The Receiver seeks approval from this Honourable Court of its and those of its legal counsels fees and costs from June 20, 2013 to August 31, 2015.
53. The total fees and disbursements of A&M, in its capacity as the Court-appointed Receiver of Impact 2000 Inc. for the period of June 20, 2013 to August 31, 2015 total \$32,343.35 (excluding GST). A summary of the Receiver's fees and disbursements are attached as Appendix C to this Report.
54. The total fees and disbursements of Norton Rose, the Receiver's independent legal counsel in these proceedings for the period of June 20, 2013 to August 31, 2015 total \$31,509.00 (excluding GST). A summary of Norton Rose's fees and disbursements are attached as Appendix D to this Report.
55. The Receiver's and its counsel's fee accounts outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be made available upon request of the Court, if required.

Trustee's Statement of R&D and Professional Fees

56. The Trustee seeks approval of its Statement of Receipts and Disbursements and professional fees from the inception of the bankruptcy of Impact until its discharge. Attached as Appendix E hereto, is the Trustee's Final Statement of Receipts and Disbursements and its account for services as Trustee. The Trustee's fees and costs were guaranteed by Takoda for both A&M's role as Trustee and as Receiver. Since no inspectors were appointed to the bankruptcy

estate, the Trustee arranged for its bankruptcy fees to be taxed by the Registrar, Master A. Robertson, of the Court of Queen's Bench of Alberta.

57. The Final Statement of Receipts and Disbursements have been submitted to the Official Receiver for comment. The Trustee has not yet received a comment letter back from the Official Receiver in respect of the Trustee's fees and the Trustee does not expect there being any issues with the OSB with respect to the Final Statement of Receipts and Disbursements. . The Trustee advises the Court that its accounts are calculated based on time spent at standard rates and in the Trustee's view are appropriate in the circumstances.
58. The Trustee respectfully requests the Court to approve the Trustee's accounts and its conduct and actions.

Forecast Fees and Cost

59. To cover various outstanding professional fees, the Receiver proposes to hold back \$7,500, before applicable taxes (the "Forecast Fees and Costs"), which includes the fees of the Receiver, its legal counsel and the Trustee, to be paid to complete the administration of the receivership and the bankruptcy. The Receiver further requests the Court to dispense with the approval of the actual fees incurred without further order from this Court. If any of the hold back Forecast Fees and Costs is not utilized by the Receiver or the Trustee, these monies will be paid to directly to Takoda.
60. The Receiver is respectfully of the view that its and its collective counsel's fees and costs are fair and reasonable under the circumstances and respectfully requests that this Honourable Court approve the accounts of the Receiver's and its counsel (collectively) from June 20, 2013 to August 31, 2015. In addition, the Receiver respectfully requests this Honourable Court approve the Forecast Fees and Costs of the Receiver and its counsel. The Forecast Fees and Costs are included in the Proposed Final Distribution above, subject to Court approval.

APPROVING CONDUCT AND DISCHARGE OF THE RECEIVER

61. The Receiver's administration of the estate is essentially complete and the Receiver's Discharge should be granted upon the Receiver making the Proposed Final Distribution. The Receiver may have some miscellaneous administrative items to attend to post-discharge including the filing of GST returns with the CRA and finalizing the Seitel BOS, but these items are immaterial and should not prevent this Honourable Court from granting an unconditional discharge.
62. The Receiver is of the respectful view that it has conducted itself appropriately during this receivership and is respectfully requesting that this Honourable court approve the actions and conduct of the Receiver throughout the Receivership Proceedings.
63. The Receiver is in custody of certain Records of Impact. The Receiver is seeking authorization from this Honourable Court to allow the Receiver to destroy any and all Records by September 30, 2015, if the records are not required or requested by Seitel in relation to the Seitel BOS, Takoda or the Receiver or are not collected by any of the directors of Impact.
64. Lastly, the Receiver respectfully requests that this Honourable Court approve an Order discharging absolutely, forever and unconditionally the Receiver from any claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as Receiver of the Property, save and except for claims based on gross negligence or wilful misconduct on the part of the Receiver.

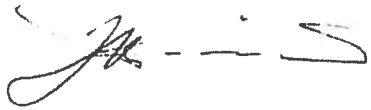
RECOMMENDATION

65. The Receiver and Trustee respectfully recommend that this Honourable Court approve the:

- a) Sale of the Data contemplated by the Seitel BOS;
- b) Final Statement of Receipts and Disbursements of the Receiver;
- c) Proposed Final Distribution;
- d) actions and conduct of the Receiver throughout the Receivership Proceedings;
- e) Receiver's professional fees and costs and those of its independent legal counsel and the Forecast Fees and Costs;
- f) authorization of the Receiver to destroy the Records if not required or requested by Seitel as it relates to the Seitel BOS, or Takoda or the Receiver or not collected by current directors of Impact by September 30, 2015;
- g) the discharge of the Receiver;
- h) approving the accounts and actions of the Trustee; and
- i) discharge of the Trustee.

All of which is respectfully submitted this 9th day of September, 2015.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Receiver of Impact 2000 Inc.,
and not in its personal capacity**




Tim Reid, CA•CIRP
Senior Vice-President



Orest Konowalchuk, CA•CIRP
Vice-President

**ALVAREZ & MARSAL CANADA INC.,
Trustee for the Estate of Impact 2000 Inc.**



Tim Reid, CA•CIRP
Senior Vice-President



Orest Konowalchuk, CA•CIRP
Vice-President

APPENDIX A

RECEIVER CERTIFICATE

CERTIFICATE NO. 1

AMOUNT \$50,000

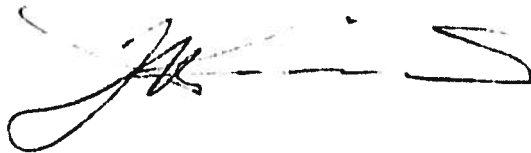
1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Impact 2000 Inc. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the 20th day of June, 2013 (the "Order") made in action numbers 1301-07419, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$50,000, being part of the total principal sum of \$100,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 5% per cent above the prime commercial lending rate of Bank of Canada from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at:

Gowling Lafleur Henderson LLP
C/o. Mr. Jeffrey Oliver
1400, 700 - 2 Street SW
Calgary, Alberta T2P 4V5
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 9th day of July, 2013.

Alvarez & Marsal Canada Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Tim Reid', with a long horizontal line extending to the right.

Per: _____
Name: Tim Reid
Title: Senior Vice President

RECEIVER CERTIFICATE

CERTIFICATE NO. 2

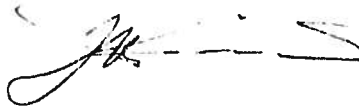
AMOUNT \$45,000

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Impact 2000 Inc. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the 20th day of June, 2013 (the "Order") made in action number 1301-07419, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$45,000, being part of the total principal sum of \$100,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 5% per cent above the prime commercial lending rate of Bank of Canada from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable to the Lender, c/o Gowling Lafleur Henderson LLP, 1600, 421 7 Avenue SW, Calgary, Alberta, T2P 4K9, attention Jeffrey Oliver.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 17th day of October, 2014.

Alvarez & Marsal Canada Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity



Per: _____
Name: Tim Reid
Title: Senior Vice President

APPENDIX B

THIS BILL OF SALE made in triplicate the 27th day of July, 2015.

BETWEEN:

IMPACT 2000 INC.
by its Court-appointed Receiver and Manager, **ALVAREZ & MARSAL CANADA INC.**
(hereinafter, the "Grantor")

OF THE FIRST PART

- and -

SEITEL CANADA LTD.
(hereinafter, the "Grantee")

OF THE SECOND PART

WHEREAS by an Order of the Court of Queen's Bench (the "Court") granted and filed June 20, 2013 (the "Receivership Order"), Alvarez & Marsal Canada Inc. ("A&M") was appointed as Receiver and Manager of Impact 2000 Inc. ("Impact");

AND WHEREAS pursuant to the Receivership Order, A&M was and is authorized and empowered to sell the assets, property and undertaking of Impact;

AND WHEREAS A&M is prepared to sell to the Grantee (the "Transaction") the personal property set out in Schedule "A" hereto (the "Assets") for the purchase price of \$55,000 plus any applicable GST (the "Purchase Price");

AND WHEREAS pursuant to the Receivership Order, A&M is authorized and empowered to execute such bills of sale, assignments or other closing documentation as is necessary to complete the within sale;

AND WHEREAS pursuant to the Receivership Order, Court approval is required to sell the Assets for the Purchase Price proposed, and accordingly, the within sale remains subject to the approval of the Court;

NOW THEREFORE THIS BILL OF SALE WITNESSETH that in consideration of the sum of the Purchase Price plus the applicable amount of GST, to be paid in lawful money of Canada, paid by the Grantee to the Grantor at or before the sealing and delivery of these presents (the receipt whereof is hereby acknowledged by both parties), by these presents does bargain, sell, assign, transfer, and set over unto the Grantee all of the Grantor's interest in the Assets, and all right, title, interest, property claim and demand whatsoever of the Grantor of, in, to or out of the same, and every part thereof;

THE GRANTEE ACKNOWLEDGES there are no representations or warranties pertaining to the within sale, and the Grantee acknowledges that it has completed to its satisfaction any due diligence and investigation in relation to the purchase;

THE GRANTEE ALSO ACKNOWLEDGES that it has inspected the Assets and agrees to purchase same as they stand, on a "as is - where is" basis, and it is agreed that there is no representation, warranty, collateral agreement, or condition, express or implied, as to the condition or fitness for any purpose thereof and it is agreed that the implied conditions and

warranties contained in the *Sale of Goods Act*, RSA 2000, c S-2, as amended, or any other province or territory are expressly excluded and shall not apply to the sale effected hereby. The Grantor shall arrange to release possession of the Assets to the Grantee and the Grantee shall be responsible to obtain possession of the Assets at the Grantee's sole cost and expense.

IT IS UNDERSTOOD as between the Grantor and Grantee that Devon Canada Corporation is in possession of a license to the Assets being purchased by the Grantee, and that the Grantor has provided its authorization, permission and consent to the Grantee to allow the Grantee to disclose the terms of this Bill of Sale to Devon Canada Corporation following the Court approval of the within sale. The parties agree that the terms of this Bill of Sale shall not be circulated or disclosed to additional third parties, apart from Devon Canada Corporation, in accordance with this paragraph.

IT IS FURTHER AGREED that all grants, covenants, terms and stipulations herein contained shall be binding on and be enforceable by and enure to the benefit of the successors and assigns of the parties hereto, and wherever the singular and the masculine are used throughout this indenture the same shall be construed as meaning the plural or feminine or neuter where the context or the parties so require.

IT IS FURTHER AGREED that upon acceptance of this Bill of Sale by the Grantor, the Grantee shall pay to the Grantor, by certified cheque, bank draft or electronic transfer of funds, a deposit in the sum of \$8,250 (the "Deposit"), representing 15% of the Purchase Price and the Deposit shall be applied to the Purchase Price. If this Bill of Sale is accepted and the Grantee fails to comply with any term of this Bill of Sale, or if the Grantee is unable or unwilling to complete this Transaction for any reason whatsoever, the Deposit and all payments made on account of the Purchase Price (if any) shall be forfeited to the Grantor as a genuine pre-estimate of liquidated damages and not as penalty. If this Bill of Sale is accepted by the Grantor and Grantee and the Court does not approve the Transaction, the Deposit shall be returned to the Grantee without interest or any other paid amount as soon as practicably possible.

IN WITNESS WHEREOF the said parties to these presents have hereunto set their hands and seals the day and year first above written.

Grantor:

**IMPACT 2000 Inc. by its Court-appointed
Receiver and Manager, ALVAREZ &
MARSAL CANADA INC.**

Per: 

Grantee:

Seitel Canada Inc.

Per: 

SCHEDULE A

(List of Assets)

Impact2000_Copy2005_April 27 2015.xls

AREA	LINE	CONTRACTOR/YEAR	PROCESSOR/YEAR	DESCRIPTION	ITEM	LOCATION
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12	CGG/12	STACK (HARD DRIVE); SEG Y; FILT. SCAL. TRIM; 10 X 40 GRID.	1251920	H000338.01
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12	CGG/12	STACK (HARD DRIVE); SEG Y; FILT. SCAL. TRIM; 20 X 40 GRID.	1251920	H000338.02
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12	CGG/12	STACK (HARD DRIVE); SEG Y; FILT. SCAL. POST STACK MIG.	1251920	H000338.03
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12	CGG/12	STACK (HARD DRIVE); SEG Y; FILT. SCAL. POST STACK MIG. W/BALANCE FXY.	1251920	H000338.04
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12	CGG/12	STACK (HARD DRIVE); SEG Y; FILT. SCAL. PSTM.	1251920	H000338.05
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12	CGG/12	STACK (HARD DRIVE); SEG Y; FILT. SCAL. PSTM. W/BALANCE FXY.	1251920	H000338.06
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12	CGG/12	STACK (HARD DRIVE); SEG Y; PSTM GATHERS.	1251920	H000338.07
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		FIELD (HARD DRIVE); SEG D.	1251921	H000339
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		MAP (MEMORY STICK); BIN AND S/R MAP; 10 X 40 GRID; NAD 27.	1251917	R080275.01
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		MAP (MEMORY STICK); BIN AND S/R MAP; 20 X 40 GRID; NAD 27.	1251917	R080275.02
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		PLOTS (MEMORY STICK); SPIDER PLOTS.	1251917	R080275.03
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		OB'S (MEMORY STICK); DAILY REPORTS.	1251918	R080276.01
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		REPORT (MEMORY STICK); NO RECOVERY RECORD.	1251918	R080276.02
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		OB'S (MEMORY STICK); DAILY REPORTS.	1251919	R080277.01
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		REPORT (MEMORY STICK); NO RECOVERY RECORD.	1251919	R080277.02
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		ACQ. INFO (MEMORY STICK); RECORDING NOTES.	1251919	R080277.03
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		REPORT (MEMORY STICK); BOL/EOL REPORT.	1251919	R080277.04
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		SKIDS (MEMORY STICK).	1251919	R080277.05
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		DRILLERS (MEMORY STICK).	1251919	R080277.06
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		CHAINAGE (MEMORY STICK).	1251919	R080277.07
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		MAP (MEMORY STICK); ACCESS.	1251919	R080277.08
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		SURVEY (MEMORY STICK); SEG P1; NAD 27.	1251919	R080277.09
WILSON CREEK SOUTH	WILSON CREEK SOUTH 3D	PROLIFIC/12		SURVEY (MEMORY STICK); SEG P1; NAD 83.	1251919	R080277.10

17. W.

APPENDIX C

Impact 2000 Inc. - In Receivership**APPENDIX C****Summary of the Receiver's Fees and Disbursements**

June 20, 2013 to August 30, 2015

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1	June 20, 2013 to September 15, 2013	\$ 4,750.00	0.00	4,750.00	237.50	4,987.50
2	September 16, 2013 to March 31, 2014	10,215.00	0.00	10,215.00	510.75	10,725.75
3	March 24, 2014 to May 31, 2014	2,422.50	0.00	2,422.50	121.13	2,543.63
4	June 1, 2014 to September 30, 2014	1,520.00	155.95	1,675.95	83.80	1,759.75
5	October 1, 2014 to February 28, 2015	665.00	155.95	820.95	41.05	862.00
6	March 1, 2015 to May 31, 2015	3,467.50	13.95	3,481.45	174.07	3,655.52
7	June 1, 2015 to July 31, 2015	5,130.00	0.00	5,130.00	256.50	5,386.50
8	August 1, 2015 to August 31, 2015	3,847.50	0.00	3,847.50	192.38	4,039.88
TOTAL		\$ 32,017.50	\$ 325.85	\$ 32,343.35	\$ 1,617.17	\$ 33,960.52

APPENDIX D

Impact 2000 Inc. - In Receivership

APPENDIX D

Summary of Receiver's Counsel (Norton Rose Fulbright LLP) Fees and Disbursements

June 20, 2013 to August 30, 2015

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1	July 9, 2013 to August 29, 2013	\$ 2,090.00	15.00	2,105.00	105.25	2,210.25
2	August 30, 2013 to November 20, 2013	1,330.00	0.00	1,330.00	66.50	1,396.50
3	November 21, 2013 to December 13, 2013	2,375.00	0.00	2,375.00	118.75	2,493.75
4	December 14, 2013 to January 27, 2014	1,720.00	0.00	1,720.00	86.00	1,806.00
5	January 28, 2014 to February 19, 2014	1,632.00	0.00	1,632.00	81.60	1,713.60
6	February 20, 2014 to April 30, 2014	3,978.00	0.00	3,978.00	198.90	4,176.90
7	May 1, 2014 to July 31, 2014	1,071.00	0.00	1,071.00	53.55	1,124.55
8	August 1, 2014 to August 31, 2014	2,856.00	0.00	2,856.00	142.80	2,998.80
9	September 1, 2014 to October 31, 2014	3,978.50	0.00	3,978.50	198.93	4,177.43
10	November 1, 2014 to November 30, 2014	2,834.00	0.00	2,834.00	141.70	2,975.70
11	December 1, 2014 to February 28, 2015	1,477.00	0.00	1,477.00	73.85	1,550.85
12	March 1, 2015 to May 31, 2015	2,070.00	0.00	2,070.00	103.50	2,173.50
13	June 1, 2015 to August 31, 2015	4,082.50	0.00	4,082.50	204.13	4,286.63
TOTAL		\$ 31,494.00	\$ 15.00	\$ 31,509.00	\$ 1,575.45	\$ 33,084.45

APPENDIX E



Industry Canada

Home > Bankruptcy > Office of the Superintendent of Bankruptcy Canada > E-Filing

Office of the Superintendent of Bankruptcy Canada

Welcome, Timothy Hugh Reid |

[Preferences](#) |[E-Filing helpdesk](#) |[Instructions](#) |[Logout](#)**Update filing - update is confirmed****Estate Information**

Please Note: The following estate(s) were updated:

- **Estate Number:** 25-094321
- **Estate Name:** Impact 2000 Inc.

Document(s) submitted

The following document(s) have been successfully submitted

- Statement of Receipts and Disbursements (SRD) - Form 12

Reference

- The Reference Number for this transaction is: **11189116**.
- Submitted by Timothy Hugh Reid.
- 2015-09-01 15:12 EDT

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

District of: Alberta
Division No. 02 - Calgary
Court No. 25-094321
Estate No. 25-094321

In the Matter of the Bankruptcy of
Impact 2000 Inc.
of the City of Calgary, in the Province of Alberta

Form 12
Final Statement of Receipts and Disbursements
(Other than Summary Administration and Consumer Proposal)

Receipts

1. Retainer held by Trustee (Note 1)	\$ 30,000.00
2. Advance by Receiver (Note 2)	17,468.88
Total Receipts	<u>\$ 47,468.88</u>

Disbursements

3. Filing fees		
OSB & Court fees	\$ 150.00	
4. Trustee's remuneration		
Trustee's fees (Note 3)	34,598.60	
5. GST Paid on Trustee's remuneration (Note 3)	1,820.98	
6. Rent and corporate insurance	10,849.30	
7. Bank fees	50.00	
Total Disbursements		<u>\$ 47,468.88</u>

Amount available for distribution

8. Levy Payable under section 167 of the Act (Including refund)	<u>\$ -</u>
9. Secured creditors	
Proved claims	\$ 2,295,583.00
Dividend payment	\$ - less levy -
	<u>\$ -</u>
10. Unsecured creditors	
Proved claims	\$ 2,543,536.00
Dividend payment	\$ - less levy -
	<u>\$ -</u>
11. Estate Balance	<u><u>\$ -</u></u>

General : Prior to the deemed bankruptcy date of May 3, 2013, A&M acted as the Proposal Trustee of Impact 2000 Inc. and agreed to hold in trust certain company funds of the Impact 2000 Inc. (the "Debtor"). Upon instruction of the Debtor, the Proposal Trustee would deposit receipts and remit payments from the Trustee's trust account (on behalf of Impact) to assist in the administration of Impact's operations. This banking arrangement was requested by the secured lender, Canadian Western Bank, and agreed to between the Company and the Proposal Trustee. A copy of this receipts and disbursements schedule and respective general ledger is attached as Appendix A for informational purposes.

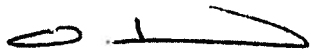
Note 1: Prior to the deemed bankruptcy date of May 3, 2013, the secured creditor, through Impact 2000 Inc., provided the Trustee with a retainer in the amount of \$30,000 to pay the Trustee's fees and costs in administering the estate. This retainer does not form part of the estate of this bankruptcy estate and there were no assets to realize upon by the Trustee in this estate.

Note 2: Advance received from the Receiver to pay for bank fees incurred by the Trustee in the bankruptcy estate.

Note 3: The professional fees and costs incurred by the Trustee totalled \$36,419.58 (includes GST). The professional fees and costs were paid by the Trustee utilizing part of the retainer funds provided by Impact 2000 Inc., (through its secured creditor) to the Trustee prior to the deemed bankruptcy (see Note 1) and through the use of the advance of funds paid by the Receiver to the Trustee (Note 1) to be used solely for the Trustee's professional fees and costs. There were no inspectors appointed by the creditors at the First Meeting of Creditors; the Trustee has attended the Court of Queen's Bench of Alberta and had its fees taxed on an interim basis by the Registrar, Master A. Robertson.

On June 18, 2013, Alvarez & Marsal Canada Inc. and Takoda Resources Ltd., entered into a written agreement whereby Takoda guaranteed to pay any or all outstanding professional fees and costs incurred by A&M in its role as the Bankruptcy Trustee and Receiver of the Impact 2000 Inc.

Dated at the City of Calgary in the Province of Alberta, this 1 day of September, 2015.



Alvarez & Marsal Canada Inc. - Trustee
Suite 570, 202 6th Ave SW
Calgary AB T2P 2R9

Approved by the following inspectors: No inspectors appointed to estate

Taxed at the sum of \$ _____, this _____ day of _____.

Registrar

APPENDIX A

District of: Alberta
 Division No. 02 - Calgary
 Court No. 25-094321
 Estate No. 25-094321

In the Matter of the Proposal of
 Impact 2000 Inc.
 of the City of Calgary, in the Province of Alberta
 Final Statement of Receipts and Disbursements
 Non-Estate Funds (per Directive 5R4)

Receipts

1. Retainer held by Proposal Trustee (Note 1)	\$ 30,000.00
2. Rental receipts	221,741.50
3. Sale of assets (Note 2)	260,405.92
4. Alberta corporate tax refund	46,999.36
Total Receipts	<u>\$ 559,146.78</u>

Disbursements

5. Filing fees	
OSB & Court fees (Note 3)	\$ -
6. Proposal Trustee's remuneration	
Proposal Trustee's fees (Note 4)	137,060.33
7. GST Paid on Proposal Trustee's remuneration (Note 4)	7,213.70
8. Legal fees of Impact 2000 Inc. counsel and the Proposal Trustee's counsel	156,190.86
9. Rent and corporate insurance expense	55,145.45
10. Accounting, consulting and appraisal expenses	43,428.00
11. Moving costs	11,838.77
12. Repairs and maintenance costs	6,571.67
13. Management fees	55,125.00
14. Bank interest and fees	6,573.00
15. CRA deemed trust payment (Source Deductions)	50,000.00
16. Trustee of Bankruptcy - retainer advance (paid by Secured Creditor) (Note 5)	30,000.00
Total Disbursements	<u>\$ 559,146.78</u>
Amount available for distribution	<u><u>\$ -</u></u>

8. Levy Payable under section 167 of the Act (including refund)					<u>\$ -</u>
9. Secured creditors					
Proved claims	\$	2,295,583.00			
Dividend payment	\$	-	less levy	-	<u>\$ -</u>
10. Unsecured creditors					
Proved claims	\$	2,543,536.00			
Dividend payment	\$	-	less levy	-	<u>\$ -</u>
11. Estate Balance					<u><u>\$ -</u></u>

General: A&M acted as the Propsoal Trustee of Impact 2000 Inc. and agreed to hold, in trust, certain company funds of Impact 2000 Inc. (the "Debtor"). Upon Instruction of the Debtor, the Proposal Trustee would deposit recelpts and remit payments from the Trustee's trust account (on behalf of Impact) to assist In the admintration of its operations. This banking arrangement was requested by the secured lender, Canadian Western Bank, and agreed to between the Company and the Proposal Trustee.

Note 1: Prior to the Notice of Intention to Make a Proposal by Impact 2000 Inc., Impact provided the Proposal Trustee with a retainer in the amount of \$30,000 to pay the Proposal Trustee's fees and costs in administering the estate.

Note 2: Sale of equipment as approved by Court Order from the Court of Queen's Bench of Alberta and the sale of other miscellaneous assets.

Note 3: OSB Filing fees were paid by the Bankruptcy Trustee after Impact 2000 Inc. was deemed bankrupt.

Note 4: The professional fees and costs incurred by the Proposal Trustee totalled \$206,861 (includes GST). Impact 2000 Inc. gave instructions to the Proposal Trustee to pay \$144,274 (includes GST) of these fees and costs (through the Proposal Trustee's trust account), which included the use of the \$30,000 professional fee retainer as discussed in Note 1 above. The remaining professional fees balance of \$62,586.88 owed to the Proposal Trustee was paid directly to the Proposal Trustee by the Secured Creditor (Takoda Resources Ltd.). There were no inspectors appointed by the creditors at the First Meeting of Creditors. The Proposal Trustee's fees and costs were approved by Impact's management, reported to Court in the Proposal Trustee's Reports and were paid in accordance with s.39(3) of the BIA.

On October 30, 2012, Alvarez & Marsal Canada Inc., Impact 2000 Inc. and Impact's parent company, 848891 Alberta Ltd. ("848"), entered into a written agreement whereby Impact (guaranteed by 848) agreed to pay the professional fees and costs of A&M in its role as the Proposal Trustee. In addition, on November 29, 2012, the Court of Queen's Bench of Alberta granted an Order that provided the Proposal Trustee and its counsel an "Administrative Charge" over the Property of Impact 2000 Inc. as security for its fees and costs incurred during the administration of these proceedings.

Note 5: Prior to the deemed bankruptcy date of May 3, 2013, the secured creditor through Impact 2000 Inc. provided the Bankruptcy Trustee with a retainer in the amount of \$30,000 to pay the Bankruptcy Trustee's fees and costs in administering the bankruptcy of Impact 2000 Inc.



Alvarez & Marsal Canada Inc.
Bow Valley Square I
Suite 570, 202 - 6th Avenue SW
Calgary, Alberta T2P 2R9
Phone: +1 403 538 7555
Fax: +1 403 538 7551

September 16, 2013

Impact 2000 Inc.
C/o: Orest Konowalchuk
Bow Valley Square I
Suite 570, 202 - 6th Avenue SW
Calgary, Alberta
T2P 2R9

Dear Sirs:

RE: Impact 2000 Inc. - In Bankruptcy

TO: For professional services rendered for the period May 3, 2013 to September 15, 2013 in connection with the appointment of Alvarez & Marsal Canada Inc. as the trustee in bankruptcy under the bankruptcy and insolvency act, as filed on May 3, 2013.

<u>Staff</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Reid, Managing Director	7.3	\$625	\$ 4,562.50
O. Konowalchuk, Director	33.3	\$475	15,817.50
J. Strueby, Associate	47.6	\$275	13,090.00
	<u>88.2</u>		<u>\$33,470.00</u>
Add: out of pocket expenses including, web-site maintenance (\$450), postage and courier costs (\$365.82) and legal advertisements (\$399.50)			1,215.32
			<u>\$ 34,685.32</u>
Add: GST @ 5%			1,734.26
TOTAL DUE			<u>\$36,419.58</u>

Taxed at the sum of \$ 33,470.00 this 1st day of September, 2013


Registrar

Mailing Instructions:
Alvarez & Marsal Canada ULC
Attn: A. Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:
Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 88743 - Invoice #6
GST: 83486 3367 RT0001

Impact 2000 Inc., 88743

DETAIL SUMMARY – May 3, 2013 to September 15, 2013

<u>T. Reid</u>	<u>Hrs.</u>
May 3 Review of bankruptcy forms and execute	0.5
May 14 Prepare for and review of report for first meeting of creditors.	1.5
May 17 Prepare report for first meeting of creditors.	1.3
June 14 Prepare report to court on Takoda Application, review various material filed by Takoda.	4.0
TOTAL – T. Reid	7.3 hrs



O. Konowalchuk**Hrs.**

May 3	meeting with M.Wolowich and P.Wolowich; update EIS and Statement of Affairs; go over role of Officer of bankrupt company and have them to sign-off as required by BIA; prepare and update letters and other statutory documents; discussion with J.Strueby re: bankruptcy matters; email with Official Receiver of OSB re: filing; professional fee reconciliation and discussion with secured lender re: Administration Charge; email with CRA re: source deduction and deemed trust claims	5.7
May 9	review of security documents of Takoda and receipt of Hall & Revering Law Firm notice of objection re: s.62 Notice of Proposal from Takoda	0.7
May 13	preparation of trustee's preliminary report for FMOC; emails to insurance, landlord and rental companies on bankruptcy matters;	4.3
May 15	Trustee's preliminary report;	1.9
May 21	correspondence with secured creditor and discussion on proceedings	0.6
May 23	First meeting of Creditors; preparation of materials for meeting; meeting with secured creditors and answering questions from various unsecured creditors;	4.5
May 28	correspondence with secured creditor	0.2
May 31	update call on Impact re: trustee involvement in Receivership proceedings; email with counsel of Trustee and secured lender on upcoming application for Takoda;	1.1
June 2	communication with legal counsel and secured creditor on application process of Receiver	0.9
June 3	receivership application conference call and impact on Trustee; review of bankruptcy materials;	0.6
June 5	security review and discussion with counsel	0.8
June 11	conference call with secured lender re: its application; review of initial application materials;	0.4
June 12	Review of application materials as against the Trustee for receivership; communication with secured lender and trustee counsel	2.4
June 13	APA review	1.5



June 14	Trustee 2nd report;	1.0
June 16	Trustee's report and review of materials; correspondence with stakeholders and counsel.	2.4
June 17	finalize Trustee's 2nd report; correspondence with counsel;	1.9
June 19	prepare for application on receivership	0.9
June 20	Receivership application court attendance; t/c with secured creditors and counsel; review of final materials;	1.5
TOTAL – O. Konowalchuk		33.3 hrs.



<u>J.Strueby</u>	<u>Hrs.</u>
May 2 preparation and update of bankruptcy materials	2.7
May 3 preparation of bankruptcy forms, documents, filing with OSB, meeting with P. Wolowich and M. Wolowich, inventory count at client site.	8.7
May 6 file OSB documents, send notice to creditors, update Ascend documentation, email creditors, t/c M.Pollock at CRA, fax CRA to update addresses, meet debtor at offices with M. Wolowich and P.Wolowich, review inventory documents and payments approved	10.3
May 7 email correspondence w/creditors	0.1
May 8 prepare affidavit of mailing, apply for WEPPA administration	0.4
May 9 t/c correspondence J.Kan at WCB	0.2
May 10 t/c correspondence w/creditors	0.4
May 13 prepare working paper for WEPPA claims, prepare work sheet for claims process	6.3
May 14 t/c and email correspondence w/ creditors	0.8
May 15 t/c and email correspondence w/ creditors	0.5
May 16 t/c and email correspondence w/creditors	0.4
May 21 t/c M. Pollock CRA matters, t/c creditors, email creditors, faxes	6.9
May 22 prepare creditor information, documentation of creditor info, meeting with M.Wolowich	4.6
May 23 prepare first meeting of creditors package, prepare first meeting of creditors (fmoc) listing, attend first meeting of creditors, draft minutes of the FMOC	4.5
May 27 t/c w/creditors, update claim process database	0.4
May 30 t/c w/creditors	0.4
TOTAL – J.Strueby	47.6

