

No. S077839
Vancouver Registry

**THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36**

**AND IN THE MATTER OF THE RECEIVERSHIP OF POPE & TALBOT LTD. AND
THE PETITIONERS LISTED IN SCHEDULE "A"**

ORDER

BEFORE THE HONOURABLE) THURSDAY, THE 27TH DAY
MR. JUSTICE WALKER) OF AUGUST, 2009

THE MOTION of PricewaterhouseCoopers Inc. (the "Monitor") dated May 14, 2009 coming on for hearing at Vancouver, British Columbia on this date, AND ON HEARING Kibben Jackson and Clayton Jones, counsel for the Monitor, and those counsel and other persons listed in Schedule "C" hereto, AND UPON READING the material filed, including the 15th Report of the Monitor dated May 13, 2009;

THIS COURT DECLARES AND ORDERS THAT:

1. The D&O Claims (as defined in the April 22, 2008 Order of this Court) of the claimants enumerated in Schedule "B" hereto are hereby disallowed in their entirety.
2. The Monitor's application to disallow the D&O Claim for severance pay of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 1-423 ("USW") on behalf of its members is hereby adjourned until 10:00 a.m. on October 16, 2009.
3. The USW, the Monitor, Ableco Finance LLC ("Ableco") and the former directors of the Petitioners are hereby at liberty, and the stay of proceedings provided for in the May 10

and June 16, 2008 Orders of this Court and the stay of proceedings arising pursuant to section 69.3 of the *Bankruptcy and Insolvency Act* are hereby lifted to permit those parties, to proceed with an arbitration to determine the issues of:

- (a) whether there was a permanent closure of the Midway sawmill entitling employees to severance pay pursuant to Article XXVIII of the Collective Agreement prior to the closing of the sale of the sawmill to Fox Lumber Sales Inc.;
- (b) if so, on what date did such permanent closure occur;
- (c) whether there was a group termination entitling employees to severance pay pursuant to section 64 of the *Employment Standards Act*; and
- (d) if so, on what date did such "group termination" occur,

and any appeal from such arbitral decision, to the extent such right of appeal exists or is granted, shall be heard by this Court at 10:00 a.m. on October 16, 2009.

4. If there is not an arbitration as provided in paragraph 3, above, the USW is to deliver all materials it intends to rely on, including outline of argument, affidavit evidence and list of cases with respect to the issues enumerated in paragraph 3 above, to counsel for the Monitor, counsel for Ableco and counsel for the former directors of the Petitioners by September 25, 2009, and any reply materials are to be delivered to counsel for the USW by October 5, 2009.

5. The Monitor's application to disallow the D&O Claims of all former salaried employees of any of the Petitioners who filed Notices of Dispute in accordance with the terms of the April 22, 2008 D&O Claims Procedure Order (the "Pension Claimants") relating to pension benefits and/or pension contribution obligations of the Petitioners is hereby adjourned until 10:00 a.m. on October 20, 2009.

6. The Pension Claimants are to deliver a Statement of Claim, or like document in a form to be agreed upon among counsel, to counsel for the Monitor, counsel for Ableco and counsel for the former directors of the Petitioners by 9:00 a.m. on September 9, 2009.

7. The Monitor is to deliver a Statement of Reply, in a form to be agreed upon among counsel, to counsel for the Pension Claimants by 4:00 p.m. on September 15, 2009.

8. The Monitor is to deliver to counsel for the Pension Claimants copies of all documents reasonably requested by the Pension Claimants, and a list enumerating same, by 4:00 p.m. on September 17, 2009.

9. The Pension Claimants are to deliver all materials they intend to rely on at the October 20, 2009 application, including written submissions, to counsel for the Monitor, counsel for Ableco and counsel for the former directors of the Petitioners by 4:00 p.m. on October 1, 2009.

10. Any party responding to the Pension Claimants' materials is to deliver all materials it intends to rely on at the October 20, 2009 application, including written submissions, to counsel for the Pension Claimants by 4:00 p.m. on October 13, 2009.

11. The Pension Claimants are to deliver any reply materials by 4:00 p.m. on October 16, 2009.

12. This Order is without prejudice as to which party is to bear the cost of the production of documents referred to in paragraph 8 of this Order.

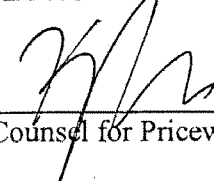
13. The Pension Claimants, the Monitor, Ableco and the former directors are at liberty to apply to vary the terms of this Order or for any further orders on no less than 24 hours' notice to the other parties.

14. Endorsement of this Order by counsel and other persons appearing on this application, except counsel for the Monitor, is hereby dispensed with.

BY THE COURT

DISTRICT REGISTRAR

APPROVED AS TO FORM:


Counsel for PricewaterhouseCoopers Inc.

SCHEDULE "A"

ADDITIONAL PETITIONERS

Pope & Talbot, Inc.

MacKenzie Pulp Land Ltd.

P&T Funding Ltd.

Penn Timber, Inc.

Pope & Talbot Lumber Sales, Inc.

Pope & Talbot Pulp Sales U.S., Inc.

Pope & Talbot Relocation Services, Inc.

P&T Power Company

P&T Finance Three LLC

SCHEDULE "B"

U.S. EMPLOYEES

Name of Claimant	Address of Claimant
Jean Althaus	19391 Orchard Grove Dr. , Oregon City OR, 97045
Rodney Aspen	PO Box 21 , Deadwood SD, 57732
Michael Barnack	PO Box 24336, Eugene OR, 97402
Donald Bass	3059 Crocker Rd., Eugene OR, 97404
Oksana Belaya	13584 SW Lauren Ln, Tigard OR, 97223
Roger Benn	PO Box 139, Halsey OR, 97348
Randy Besaw	2652 Valley Forge Dr., Eugene OR, 97498
Mikel Bidwell	9235 SW Iowa Dr., Tualatin OR, 97062
Leslie Boatsman	10751 SW Clear Street, Tualatin OR, 97062
Todd Boechler	199 Naismith Blvd., Eugene OR, 97404
Beverly Bolton	19027 SW Bonnie Meadow Lane, Aloha OR, 97006
Edward Bourguignon	103 NW 101st St., Vancouver WA, 98685
Susan Burnison	28 Lourie Lane, Spearfish SD, 57783
Gasat Burns	12026 NE Broadway St., Portland OR, 97220
Kevin Burrington	625 Industrial Dr., Spearfish SD, 57783
Terry Dean Chase	1041 North River Drive, Sweet Home OR, 97386
Joseph F Chido	31233 Willoway Dr., Albany OR, 97321
Timothy S. Cleveringa	PO Box 704, Lead SD, 57754
Ivan Cline	37765 River Drive, Lebanon OR, 97355
Jeffery Cooley	905 Monroe St., Harrisburg OR, 97446
Paula Corbridge	2200 NE Gile Terrace, Portland OR, 97212
Greg Davlin	40041 Jasper-Lowell Rd., Lowell OR, 97452
Theresa Dean	1820 16th Ave. SE, Albany OR, 97322
Jonathan Deitz	6150 SW Patton Rd., Portland OR, 97721

Bernadine Doan	15042 NW Applegate Lane, Portland OR, 97229
Richard Dodge	2175 Bobcat Ave. SW, Albany OR, 97321
Janina Federkiewicz	1420 Hill St., Spearfish SD, 57783
Edward Fisher	PO Box 147, Crawfordsville OR, 97336
William Grimes	32850 Miller Dr., Harrisburg OR, 97446
Wayne Gunderson	397 W. Anchor Ave., Eugene OR, 97404
David Hansen	2269 SE Thrush Ave, Hillsboro OR, 97123
Leon Harlson	3437 NE Dian Ave, Albany OR, 97322
Dale Hayford	1025 8th St., Spearfish SD, 57783
Kandy Hibbs-Davis	14135 NW Cornelius Pass Rd., Portland OR, 97231
Kevin Hoppes	17865 NW Emmaus Ln, Portland OR, 97231
Paul Allen Horton	1074 Rio Glen Dr., Eugene OR, 97401
Nancy Howe	7011 SE Reedway St., Portland OR, 97206-5381
James Hoxie	606 Englewood Court, Spearfish SD, 57783
David Hughes	25288 Gap Rd., Brownsville OR, 97327
Janice Jones	525 Ironwood Terrace, Woodburn OR, 97071
Shirley Jones	1386 NW Twins Ln., Albany OR, 97321
Branda Jurasek	14905 NW Gillihan Road, Portland OR, 97231
Carlos Lamadrid	8149 Las Palmas Way, Naples FL, 34109
Lyle Landreth	36642 Parsons Creek Rd., Springfield OR, 97478
Michael Louk	3868 Williamette Ave. SE, Albany OR, 97322
Mark Macedo	37530 Robinson Dr., Scio OR, 97374
Sharon Maillet	33719 Viewcrest Dr. NE, Albany OR, 97322
Gail Manning	30549 Ridge Street, Lebanon OR, 97355
Michael Martin	41687 Northside Drive, Sweet Home OR, 97386
Patricia Martinez	PO Box 294, Sweet Home OR, 97386-0294
Kevin McCrary	2220 NW Cluster Oak Avenue, Albany OR , 97321
Ronald McEachern	2819 S Columbus, Albany OR, 97321

Linda McGuire	3357 Lakegrove Ave., Lake Oswego OR, 97035
Jeanne McKibben	33898 Mt. Tom Dr., Harrisburg OR, 97446
Susan Michaelson	0121 SW Seymour St., Portland OR, 97239
Jeffery Mills	2707 Mount Mountain Dr., Eugene OR, 97403
Susan Molnar	20589 S. Noble Lane, West Linn OR, 97068
Mikell Morrison	2223 SE 186th , Portland OR, 97233
Bobby Murphy	946 NW Circle Blvd. #146, Corvallis OR, 97330
Harry Myers	PO Box 208, Monroe OR, 97456-0208
Gregory Naydiuk	883 NE 29th Court, Gresham OR, 97030
Dennis Nelson	18920 SW Mobile Ln., Aloha OR, 97006
Michael Noyes	8338 North Blucksberg Mt. Rd., Sturgis SD, 57785
Linda Papkoff	25945 Ridgeview Dr., Hillsboro OR, 97123-8735
Alan Parsons	395 Park Lane, Harrisburg OR, 97446
Jeffery Peaslee	34401 Riverside Dr., Albany OR, 97321
Vernon Peterson	3115 16th Ave. SE, Albany OR, 97322
Robert Pettit	826 SW 10, Coruallis OR, 97333
Loretta Pitt	5040 Briarwood Cr. N., Keizer OR, 97303
C. Valdean Prater	945 La Salle St., Harrisburg OR, 97446
James Rarick	935 Country Club Dr., Spearfish SD, 57783
Jennifer Roberts	720 8th St., Spearfish SD, 57783
Roman Roberts	720 8th St., Spearfish SD, 57783
Kirk Rogers	PO Box 838, Brownsville OR, 97327
David Royer	660 43rd Ave, Sweet Home OR, 97386
Frank Schamp	4215 Cabrillo Place, Albany OR, 97322
Daniel Scheafer	34164 Sunset Dr. NE, Albany OR, 97322
Randall Schoononver	25370 Crescent Hill Rd., Sweet Home OR, 97386
Elizabeth Scott	1093 Applegate Pl., Harrisburg OR, 97446
John Shepherd	12030 SE Eastbourne W., Happy Valley OR, 97086

Robert Shoshtari	5446 Mallard St. SE, Salem OR, 97306
Toby Smith	4565 NW Highland Drive, Corvallis OR, 97330
Thomas Sprigler Jr.	643 North 3rd St., Spearfish SD, 57783
Harold Stanton	4027 NW Riggs Dr., Portland OR, 97229
Larry Stone	PO Box 425, Brownsville OR, 97327
Mark Susbauer	13145 N.W. Mason Hill Rd, North Plains OR, 97133
Wendy Swart	3105 NE Ainsworth Street, Portland OR, 97211
Katherine Thomas	12051 Chapin Court, Oregon City OR, 97045
Boris Trukhnov	17816 SW Bryan Way, Beaverton OR, 97007
John Tuttle	2572 NE Linden Ave., Gresham OR, 97030
Ian Underhill	4227 SW 44th Ave, Portland OR, 97221
Susan Wallace	850 NW Division, Gresham OR, 97030
William Douglas Weise	920 Center St., Oregon City OR, 97045
Judith Welsh	#503 - 2020 SW Salm, Portland OR, 97205
Robert Woodard	41961 Northside Dr., Sweet Home OR, 97386
Ross Wootan	2903 Oak St. SE, Albany OR, 97322
Kelly Wyllie	6910 SW 168th Pl., Beaverton OR, 97007
Shelley Wynter	6115 SE Center St., Portland OR, 97206
Mark Zaugra	2205 NE 45th Ave, Portland OR, 97213
Steven Zubrod	2040 Meadow Lane, Spearfish SD, 57783

SCHEDULE "C"
LIST OF COUNSEL

Name	Party
Sandra Banister	Steelworkers Union
Don Bobert	CEP, Local 1092
Bill Kaplan, Q.C. and Peter Rubin	Ableco Finance LLC
Zachary Ansley	Certain Former Directions of the Petitioners
John McLean and Scott Andersen	Certain Former Directions of the Petitioners
Georges Sourisseau	Certain Pension Claimants
Susan Precious	Certain Pension Claimants
Mikell Morrison	Self-represented
Jeanne McKibben	Self-represented
Valdean Prater	Self-represented
Robert Wilson	Self-represented
William Faminoff	Self-represented