

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	:	Chapter 15
	:	
CATALYST PAPER CORP., <u>et al.</u> ,	:	Case No. 12-10221 (PJW)
	:	
Debtors. <sup>1</sup>	:	Joint Administration Pending
	:	
	X	

**MOTION TO APPROVE ORDER (I) SPECIFYING FORM AND  
MANNER OF SERVICE OF NOTICE OF FILING OF PETITIONS  
AND OTHER PLEADINGS PURSUANT TO CHAPTER 15 OF THE  
BANKRUPTCY CODE, AND (II) SCHEDULING A HEARING ON  
CHAPTER 15 PETITIONS FOR RECOGNITION**

Catalyst Paper Corporation (“CPC”), as the authorized foreign representative for itself and its above-captioned affiliates (collectively, the “Debtors”) in a foreign proceeding (the “CBCA Proceeding”) under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and the *Business Corporations Act*, S.B.C. 2002, c.57, before the Supreme Court of British Columbia (the “Canadian Court”), hereby moves (the “Motion”) this Court for entry of an order: (i) specifying the form and manner of service of notice of filing the Debtors’ petitions and all related pleadings filed pursuant to chapter 15 of title 11 of the United States Code (the “Bankruptcy Code”), and (ii) setting a hearing on CPC’s *Motion for Provisional and Final Relief*

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<sup>1</sup> The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0606890 B.C. Ltd. (2214); (ii) Catalyst Paper Corporation (1171); (iii) Catalyst Paper Energy Holdings Inc. (3668); (iv) Catalyst Paper General Partnership (6288); (v) Catalyst Pulp and Paper Sales Inc. (2085); (vi) Catalyst Pulp Operations Ltd. (4565); (vii) Catalyst Pulp Sales Inc. (4021); (viii) Elk Falls Pulp and Paper Ltd. (9493); (ix) Pacifica Poplars Ltd. (6048).; (x) Catalyst Paper Holdings Inc. (7177); (xi) Pacifica Papers U.S. Inc. (7595); (xii) Pacifica Poplars Inc. (9597); (xiii) Pacifica Papers Sales Inc. (7594); (xiv) Catalyst Paper (USA) Inc. (6890); (xv) Catalyst Paper (Recycling) Inc. (8358); (xvii) Catalyst Paper (Snowflake) Inc. (7015); (xvii) The Apache Railway Company (0017) (Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc. and The Apache Railway Company, collectively, the “U.S. Debtors”). The Debtors’ executive headquarters’ addresses are 2<sup>nd</sup> Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3, Canada; 2101 Fourth Avenue, Suite 1950, Seattle, WA 98121; and Spur 277 N., Snowflake, AZ 85937.

*in Recognition of a Foreign Main Proceeding* (the “Recognition Motion”). In support thereof, CPC relies upon and incorporates by reference the Declaration of Brian Baarda (the “Baarda Declaration”), filed with the Court concurrently herewith. In further support of the Motion, CPC respectfully represents as follows:

### **BACKGROUND**

1. On January 17, 2012, the Debtors commenced the CBCA Proceeding to effect a consensual restructuring arrangement reached with certain creditors. On January 17, 2012, the Canadian Court entered an interim order (the “Interim Order”) specifying such items as the manner for calling and holding a special meeting of the stakeholders (e.g., distribution of proxy materials, notice periods, and time and place of meeting), the persons entitled to vote at the meeting, classes of persons entitled to a separate class vote, and the acceptance thresholds for approval of the CBCA arrangement.

2. On the date hereof (the “Petition Date”), the Debtors commenced their chapter 15 cases by filing petitions (collectively, the “Chapter 15 Petitions”) pursuant to section 1504 and 1515 of the Bankruptcy Code (collectively, the “Chapter 15 Cases”). CPC seeks recognition of the CBCA Proceeding as a “foreign main proceeding” as defined in sections 1502(4) and 1517(b)(1) of the Bankruptcy Code.

3. The factual background regarding the Debtors, including their business operations, their capital and debt structure, and the events leading to the filing of these bankruptcy cases, is set forth in detail in the Baarda Declaration.

### **JURISDICTION AND VENUE**

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

5. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

6. The statutory predicates for the relief requested herein are Rules 2002(q), 9007, and 9008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

### **RELIEF REQUESTED**

7. By this Motion, CPC respectfully requests the entry of an order (the “Notice Order”), substantially in the form attached hereto as Exhibit A, (i) approving the notice substantially in the form annexed hereto as Exhibit B (the “Notice”) of the Chapter 15 Petitions, the Recognition Motion, and other related pleadings (collectively, the “Supporting Documents”); (ii) approving the notice to the Debtors’ employees substantially in the form annexed hereto as Exhibit C (the “Employee Notice”); (iii) setting a hearing on the relief sought in the Recognition Motion (the day of the hearing being the “Hearing Date”); and (iv) setting 4:00 p.m. (Eastern Time) on the fifth business day prior to the Hearing Date as the deadline (“Objection Deadline”) by which any responses or objections to the Recognition Motion must be received.

8. Pursuant to Bankruptcy Rule 2002(q), CPC proposes to serve any order granting emergency provisional relief and the Notice by United States or Canadian mail, first class postage prepaid or by overnight courier, within three (3) business days of the later of (a) entry of such order granting emergency provisional relief and (b) entry of the Notice Order, upon (i) all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code (excepting employees, for the reasons explained below); (ii) all parties to litigation pending in the United States in which any of the Debtors are parties at the time of the filing of the Chapter 15 Petitions; (iii) the United States Trustee; (iv) the Debtors; (v) counsel for certain 2016 Noteholders (as described below); (vi) counsel for certain 2014 Noteholders (as described below); (vii) counsel to the Administrative Agent for the Debtors’ postpetition credit facility, J.P.

Morgan Chase Bank, N.A., Toronto; (viii) all other known parties who claim interests in or liens upon the assets owned by the Debtors in the United States; (ix) all governmental taxing authorities who have or may have claims, contingent or otherwise, against any Debtor; (x) governmental pension, environmental and Medicare entities; (xi) the Attorneys General of Delaware, California and Arizona; (xii) the Attorney General of the United States; (xiii) the Internal Revenue Service; (xiv) all relevant taxing authorities; and (xv) all parties who have requested notice (collectively, the “Notice Parties”).

9. The Notice will notify the Notice Parties of the commencement of the Debtors’ chapter 15 cases and related relief sought therein. The Notice will provide the electronic case filing (“ECF”) website maintained by the federal judiciary at which interested parties may view all pleadings, and a contact person from whom any interested party may obtain copies of the pleadings. Further, the Notice will notify all parties of any order granting emergency provisional relief.

10. Additionally, CPC proposes to serve by email and overnight courier all pleadings and other relevant notices upon the Debtors’ counsel, counsel for secured creditors, counsel to the Administrative Agent for the Debtors’ ABL credit facility, J.P. Morgan Chase Bank, N.A., Toronto Branch, the United States Trustee, principal parties that have appeared in the CBCA Proceeding, and any additional party requesting notices (the “Master Service List”).

11. If any party files a notice of appearance in this case, CPC will serve any order granting emergency provisional relief and the Notice upon such party within three (3) business days of the filing of such notice of appearance if such documents have not already been served on such party (or its counsel) and shall add that party to the Master Service List for service of future pleadings and other relevant notices.

## **BASIS FOR RELIEF REQUESTED**

### **I. Request to Approve Notice Pursuant to Bankruptcy Rules 9007 and 9008**

12. CPC respectfully requests that the Notice be approved by this Court pursuant to Bankruptcy Rules 9007, 9008, and 2002(q), that the Court approve the manner of service of the Notice upon the Notice Parties by United States or Canadian mail, first-class postage prepaid or by overnight courier, and that the Court approve the manner of service upon the parties listed in the Master Service List. Further, CPC proposes to serve any order granting emergency provisional relief and the Notice on any interested party that becomes known to CPC thereafter by first class mail or overnight courier within three (3) business days of the later of (1) entry of such order granting emergency provisional relief and (2) entry of the Notice Order, and that this service be approved as adequate and sufficient notice of the Supporting Documents and the relief sought thereby.

13. Bankruptcy Rule 2002(q)(1) provides that certain of the Notice Parties must be given at least twenty-one (21) days' notice, by mail, of a hearing on the petition for recognition of a foreign proceeding. Bankruptcy Rule 2002(m), in turn, provides that the Court, among other things, shall designate the form and manner in which notices shall be given, provided the Bankruptcy Rules do not otherwise specify the appropriate form and manner of such notice.

14. Bankruptcy Rule 1011(b) provides, among other things, that a party objecting to a petition to commence an ancillary proceeding under chapter 15 of the Bankruptcy Code has twenty-one (21) days from the date of service of the summons to respond thereto. Because the summons requirement of Bankruptcy Rule 1010 does not apply to petitions for recognition of foreign main proceedings, see 9 COLLIER ON BANKRUPTCY, 1010[6] (Alan N. Resnick, et al. (15<sup>th</sup> ed. rev. 2006)) and 2005 Advisory Committee Note to Fed. R. Bankr. P. 1010, CPC believes the reference to summons in Bankruptcy Rule 1011(b) is inapplicable. Accordingly,

CPC requests that the Court set a hearing on the Recognition Motion on a date approximately twenty-one (21) days after service thereof, preferably on or shortly after February 14 2012, declare that no summons is required, and declare adequate the service of the Supporting Documents to the Notice Parties, as described above.

15. CPC further respectfully requests that the Court also require that objections or answers, if any, in response to the Supporting Documents be made in writing describing the basis therefor and the nature and extent of the respondent's interests in the Debtors' estates and shall be filed with the Court electronically and served upon: (A) counsel for CPC as foreign representative: Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, CA 90071, Attn: Van C. Durrer, II, Esq.; (B) counsel for the Debtors: Blake, Cassels & Graydon LLP, 595 Burrard Street, P.O. Box 49314, Suite 2600, Three Bentall Centre, Vancouver, BC V7X 1L3, Canada, Attn: William C. Kaplan, Esq.; (C) counsel for certain 2016 Noteholders<sup>2</sup>: Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036-6745, Attn: Michael Stamer, Esq., Stephen Kuhn, Esq., Meredith Lahaie, Esq.; (D) counsel for certain 2014 Noteholders<sup>3</sup>: Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, ON M5H 2S7, Canada, Attn: Robert Chadwick, Esq., Melaney Wagner, Esq.; (E) JPMorgan Chase, as ABL facility agent: (i) McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, ON M5J 2T3, Canada, Attn: R.D. Jeffrey Rogers, Esq., (ii) JPMorgan Chase Bank, N.A., Toronto Branch, c/o JPMorgan Chase Bank, N.A., 3 Park Plaza, Suite 900, Irvine, CA 92614, Attn: Annaliese Fisher, (iii) JPMorgan Chase Bank, N.A., Toronto Branch,

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<sup>2</sup> Representing an unaffiliated group of holders of 2016 Notes who have executed the Restructuring Support Agreement (attached as Exhibit C to the Baarda Declaration).

<sup>3</sup> Representing a group of 2014 Noteholders who have executed the Restructuring Support Agreement (attached as Exhibit C to the Baarda Declaration).

200 Bay Street, South Tower, Suite 1800, Toronto, Ontario M5J 2J2, Canada, Attn: Agostino Marchetti; (F) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: David Buchbinder, Esq., so as to be received on or before 4:00 p.m. Eastern Time, five (5) business days prior to the Hearing Date.

16. Section 1514(c) of the Bankruptcy Code states that when “a notification of commencement of a case is to be given to foreign creditors, such notification shall (1) indicate the time period for filing proofs of claim and specify the place for filing such proofs of claim; [and] (2) indicate whether secured creditors need to file proofs of claim . . . .” 11 U.S.C.

§ 1514(c). It is not clear that section 1514 has any application in the context of an ancillary case under chapter 15 of the Bankruptcy Code. As explained in Collier, the section is the “last in a series of sections dealing with the international aspects of cases under chapters other than chapter 15.” 8 COLLIER ON BANKRUPTCY ¶ 1514.01 (Alan N. Resnick, et al. eds, 15<sup>th</sup> ed rev. 2006). Out of an abundance of caution, therefore, CPC respectfully requests that the deadline for meeting such requirements be extended in the instant matter, to the extent applicable, for a period of seventy-five (75) days from the Petition Date, subject to further order of this Court.

17. Debtors have thousands of creditors, potential creditors, and other parties in interest, all of whom CPC would need to serve as Notice Parties. A shortened form of notice will significantly reduce the substantial administrative burden and cost that would otherwise be placed on the Debtors’ estates.

18. Service of the Notice is adequate and sufficient notice and service of the Supporting Documents to all creditors, potential creditors, and other parties in interest. The Notice will notify the Notice Parties of the commencement of the Debtors’ chapter 15 cases and related relief sought therein, as well as any order granting emergency provisional relief. Further,

the Notice provides multiple, efficient ways for the Notice Parties to view and receive copies of all pleadings by providing the ECF website maintained by the federal judiciary and an additional contact person.

19. Electronic service and overnight courier of the pleadings and other relevant notices upon the Master Service List is both efficient and effective. The parties on the Master Service List will immediately receive all pleadings and other relevant notices and will be able to plan accordingly. At the same time, the Debtors' estates will not be burdened with the costs associated with copying and mailing all documents filed with the Court to a long list of parties.

20. Certain parties listed on the Master Service List have been informally notified of the Debtors' chapter 15 cases and relief sought therein. CPC has served on the Master Service List copies of all pleadings filed on the Petition Date and the agenda for the hearing to consider all first-day motions.

**II. Request for Authority To Provide Notice of These Chapter 15 Proceedings to the U.S. Debtors' Employees Through a Modified Procedure, In Lieu of Providing Names and Addresses For Them As Prescribed by Bankruptcy Rule 1007(a)(4)**

21. In addition to the notice procedures stated above, CPC requests special modified procedures to provide notice to the U.S. Debtors' employees of the commencement of these chapter 15 proceedings and certain provisional relief sought therein. Bankruptcy Rule 1007(a)(4) provides that CPC must provide names and addresses to the Court of "all entities against whom provisional relief is being sought under § 1519 of the [Bankruptcy] Code." Because CPC seeks provisional relief, that would, among other things, enjoin any party from commencing or continuing any legal proceeding involving the Debtors or their assets, all of the Debtors' creditors are among those against whom CPC seeks section 1519 provisional relief. Each of the U.S. Debtors' approximately 314 U.S. employees is a potential creditor and, therefore, all of their employees fall within the scope of Bankruptcy Rule 1007(a)(4). As explained in more



detail in the Baarda Declaration, the Debtors intend for the business of the United States affiliates of CPC to continue as usual, with as little disruption as possible. Accordingly, CPC submits that the U.S. Debtors' employees will not be adversely affected by the commencement of these chapter 15 cases and limited notice is warranted under these circumstances.

22. Moreover, CPC is concerned that public disclosure of so many individuals' names and addresses in a publicly accessible list jeopardizes employee privacy. In addition, if many of the Debtors' employees receive routine U.S. notice of the relief sought by CPC, without explanation or context, unnecessary confusion, possibly harmful to the Debtors' reorganization efforts, may result. Further, the costs associated with copying and mailing or otherwise serving all documents filed with the Court upon all 314 employees of the U.S. Debtors will impose an extraordinary and expensive administrative and economic burden on the Debtors' estate, the Court, and other parties in interest. Such a mass mailing will require the Debtors to divert their limited resources from reorganization efforts.

23. To alleviate these concerns, CPC requests the Court's approval of the following and the Employee Notice, in lieu of providing the Court with each of the U.S. Debtors' employees' names and addresses and in lieu of providing mail notice to the U.S. Debtors' employees:

Within three (3) business days following entry of an order regarding this Motion, the Debtors shall serve by United States or Canadian mail, first class postage prepaid or by overnight courier, a notice of its Canadian and chapter 15 proceedings substantially similar to that attached hereto as Exhibit C. The notice shall, at a minimum, provide a short and plain description of the Debtors' proceedings in Canada and the United States; provide a method by which any employee can access all motions, orders, and other documents related to the proceedings, including the Debtors' request for provisional relief under section 1519; and provide a telephone number where routine questions about the Canadian and chapter 15 proceedings may be directed.

In a case with facts comparable to the Debtors' situation, this Court previously approved a similar form of notice and manner of service to employees. See In re Grant Forest Products Inc., Case No. 10-11132-PJW, Docket No. 31 (Bankr. D. Del. 2010); In re Fraser Papers Inc., Case No. 09-12123-KJC, Docket No. 59 (Bankr. D. Del. 2009).

### **NOTICE**

24. CPC requests that the Court grant this Motion without notice to creditors. CPC will serve notice of the Order on the Notice Parties in the manner approved herein. In light of the nature of the relief requested, CPC submits, and requests, that this Court hold that no further notice is required.

25. Moreover, although CPC does not believe it is required by the Bankruptcy Rules or the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, CPC has served on the Master Service List copies of all pleadings filed on the Petition Date and the agenda for the hearing to consider all first-day motions.

### **NO PRIOR REQUEST**

26. No prior request for the relief sought herein has been made to this or any other United States Court.

## **CONCLUSION**

**WHEREFORE**, CPC respectfully requests (i) entry of an order in the form of the Notice Order: (a) setting a hearing date on the Recognition Motion, and (b) approving the Notice and the manner of service of the Notice and the Supporting Documents; and (ii) granting CPC such other and further relief as may be just and proper.

Dated: January 17, 2012  
Los Angeles, CA

/s/ Van C. Durrer, II  
Van C. Durrer, II (I.D. No. 3827)  
SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
300 South Grand Avenue  
Los Angeles, California 90071  
(213) 687-5000

Counsel for Catalyst Paper Corporation

**EXHIBIT A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	X	
	:	Chapter 15
In re:	:	
	:	Case No. 12- 10221 (PJW)
CATALYST PAPER CORP., <u>et al.</u> , <sup>1</sup>	:	
	:	Joint Administration Pending
Debtors.	:	
	:	<b>Related Docket No. ____</b>

**ORDER (I) SPECIFYING FORM AND MANNER OF SERVICE OF NOTICE  
OF FILING OF PETITIONS AND OTHER PLEADINGS PURSUANT TO  
CHAPTER 15 OF THE BANKRUPTCY CODE AND (II) SCHEDULING A  
HEARING ON CHAPTER 15 PETITIONS FOR RECOGNITION**

Upon the Motion (the "Motion") of Catalyst Paper Corporation ("CPC"), as the authorized foreign representative for itself and its above-captioned affiliates (collectively, the "Debtors") in a proceeding under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and *Business Corporations Act*, S.B.C. 2002, c.57, before the Supreme Court of British Columbia (the "Canadian Court"), for entry of an order specifying the form and manner of service, including: serving the Notice Parties<sup>2</sup> by mail the notice annexed to the Motion as Exhibit B (the "Notice"); serving by email and by overnight courier the parties listed in the Master Service List the Notice; mailing the Employee Notice (in substantially similar form to the

<sup>1</sup> The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0606890 B.C. Ltd. (2214); (ii) Catalyst Paper Corporation (1171); (iii) Catalyst Paper Energy Holdings Inc. (3668); (iv) Catalyst Paper General Partnership (6288); (v) Catalyst Pulp and Paper Sales Inc. (2085); (vi) Catalyst Pulp Operations Ltd. (4565); (vii) Catalyst Pulp Sales Inc. (4021); (viii) Elk Falls Pulp and Paper Ltd. (9493); (ix) Pacifica Poplars Ltd. (6048); (x) Catalyst Paper Holdings Inc. (7177); (xi) Pacifica Papers U.S. Inc. (7595); (xii) Pacifica Poplars Inc. (9597); (xiii) Pacifica Papers Sales Inc. (7594); (xiv) Catalyst Paper (USA) Inc. (6890); (xv) Catalyst Paper (Recycling) Inc. (8358); (xvi) Catalyst Paper (Snowflake) Inc. (7015); (xvii) The Apache Railway Company (0017) (Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc. and The Apache Railway Company, collectively, the "U.S. Debtors"). The Debtors' executive headquarters' addresses are 2<sup>nd</sup> Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3, Canada; 2101 Fourth Avenue, Suite 1950, Seattle, WA 98121; and Spur 277 N., Snowflake, AZ 85937.

<sup>2</sup> Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Motion.

Employee Notice annexed to the Motion as Exhibit C); of the Debtors' chapter 15 petitions, and documents related thereto, filed pursuant to chapter 15 of title 11 of the United States Code (the "Bankruptcy Code") commencing the Debtors' chapter 15 cases ancillary to a foreign proceeding and seeking recognition of such foreign proceeding and relief in aid thereof, including approval of the transaction proposed therein; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. § 1410;

**IT IS HEREBY ORDERED THAT:**

1. The form of the Notice is hereby approved.
2. Any order granting emergency provisional relief and the Notice shall be served by United States or Canadian mail, first-class postage prepaid or by overnight courier, within three (3) business days of the later of (a) entry of such order granting emergency provisional relief and (b) entry of the Notice Order<sup>3</sup>, upon the Notice Parties.<sup>4</sup>
3. All pleadings and other relevant notices shall be served by email and by overnight courier upon the parties listed in the Master Service List, including service upon any party requesting to be added to the Master Service List.

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<sup>3</sup> All capitalized terms not defined herein have the meanings ascribed to them in the Motion.

<sup>4</sup> Pursuant to the Motion, the Notice Parties include: (i) all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code (excepting employees); (ii) all parties to litigation pending in the United States in which any of the Debtors are parties at the time of the filing of the Chapter 15 Petitions; (iii) the United States Trustee; (iv) the Debtors; (v) counsel to certain 2016 Noteholders (as described below); (vi) counsel to certain 2014 Noteholders (as described below); (vii) counsel to the Administrative Agent for the Debtors' postpetition credit facility, J.P. Morgan Chase Bank, N.A., Toronto; (viii) all other known parties who claim interests in or liens upon the assets owned by the Debtors in the United States; (ix) all governmental taxing authorities who have or may have claims, contingent or otherwise, against any Debtor; (x) governmental pension, environmental and Medicare entities; (xi) the Attorneys General of Delaware, California and Arizona; (xii) the Attorney General of the United States; (xiii) the Internal Revenue Service; (xiv) all relevant taxing authorities; and (xv) all parties who have requested notice.

4. If any party files a notice of appearance in this case, CPC shall serve any order granting emergency provisional relief and the Notice upon such party within three (3) business days of the filing of such notice of appearance if such documents have not already been served on such party (or its counsel) and shall add that party to the Master Service List for service of future pleadings and other relevant notices.

5. CPC shall serve any order granting emergency provisional relief and approving the Notice on any interested party that becomes known to CPC thereafter by first-class mail or overnight courier within three (3) business days of the later of (a) entry of such order granting emergency provisional relief, and (b) the time a party is identified by CPC.

6. Service of the Notice in accordance with this Order is hereby approved as adequate and sufficient notice and service of the chapter 15 petitions, the Recognition Motion and the documents filed in support thereof (collectively, the "Supporting Documents") on all interested parties.

7. In lieu of including the names and addresses of all of the Debtors' employees on its Bankruptcy Rule 1007(a)(4) consolidated list and in lieu of providing mail notice to the Debtors' employees, the Debtors shall provide the following notice:

Within three (3) business days following entry of an order regarding this Motion, the Debtors shall serve by United States or Canadian mail, first class postage prepaid or by overnight courier, a notice of its Canadian and chapter 15 proceedings substantially similar to that attached to the Motion as Exhibit C. The notice shall, at a minimum, provide a short and plain description of the Debtors' foreign proceedings in Canada and the United States; provide a method by which any employee can access all motions, orders, and other documents related to the proceedings, including the Debtors' request for provisional relief under section 1519; and provide a telephone number where routine questions about the Canadian and chapter 15 proceedings may be directed.

8. Objections or answers, if any, in response to the Supporting Documents must be in writing describing the basis therefore and the nature and extent of the respondent's interests in

the Debtors' estates and shall be filed with the Court electronically or with the Clerk of the United States Bankruptcy Court, 824 Market Street, Wilmington, Delaware 19801, and served upon (A) counsel for CPC as foreign representative: Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, CA 90071, Attn: Van C. Durrer, II, Esq.; (B) counsel for the Debtors: Blake, Cassels & Graydon LLP, 595 Burrard Street, P.O. Box 49314, Suite 2600, Three Bentall Centre, Vancouver, BC V7X 1L3, Canada, Attn: William C. Kaplan, Esq.; (C) counsel for certain 2016 Noteholders<sup>5</sup>: Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036-6745, Attn: Michael Stamer, Esq., Stephen Kuhn, Esq., Meredith Lahaie, Esq.; (D) counsel for certain 2014 Noteholders<sup>6</sup>: Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, ON M5H 2S7, Canada, Attn: Robert Chadwick, Esq., Melaney Wagner, Esq.; (E) JPMorgan Chase, as ABL facility agent: (i) McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, ON M5J 2T3, Canada, Attn: R.D. Jeffrey Rogers, Esq., (ii) JPMorgan Chase Bank, N.A., Toronto Branch, c/o JPMorgan Chase Bank, N.A., 3 Park Plaza, Suite 900, Irvine, CA 92614, Attn: Annaliese Fisher, (iii) JPMorgan Chase Bank, N.A., Toronto Branch, 200 Bay Street, South Tower, Suite 1800, Toronto, Ontario M5J 2J2, Canada, Attn: Agostino Marchetti; (F) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: David Buchbinder, Esq., so as to be received on or before 4:00 p.m. Eastern Time, \_\_\_\_\_, 2012.

9. A hearing on the relief sought in the Recognition Motion as well as motions or answers, if any, in response to the Supporting Documents shall be held on \_\_\_\_\_ 2012 at

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<sup>5</sup> Representing an unaffiliated group of holders of 2016 Notes who have executed the Restructuring Support Agreement (attached as Exhibit C to the Baarda Declaration).

<sup>6</sup> Representing a group of 2014 Noteholders who have executed the Restructuring Support Agreement (attached as Exhibit C to the Baarda Declaration).



\_\_: \_\_.m., Eastern Time, or as soon thereafter as counsel shall be heard, in Room \_\_ of the United States Bankruptcy Court, 824 Market Street, Wilmington, Delaware 19801.

10. The deadline for meeting any and all notice requirements specified in section 1514(c) of the Bankruptcy Code is hereby extended for a period of seventy-five (75) days from the Petition Date, subject to further order of this Court.

11. Bankruptcy Rule 1010 does not apply to the Debtors' petitions seeking recognition of a foreign main proceeding and, accordingly, the summons requirement in Bankruptcy Rule 1011(b) is inapplicable.

12. Service pursuant to this Order shall be good and sufficient service and adequate notice of the hearing to consider the chapter 15 petitions, and CPC's Recognition Motion. The deadline for meeting any and all notice requirements specified in those provisions of section 1514(c) regarding notification of foreign creditors of the time and place (and with respect to secured creditors, the need) for filing proofs of claim is hereby extended for a period of seventy-five (75) days from the Petition Date, subject to further order of this Court.

13. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: \_\_\_\_\_, 2012  
Wilmington, Delaware

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UNITED STATES BANKRUPTCY JUDGE

## **EXHIBIT B**

### **Notice of Filing and Hearings**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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	:		
In re	:		Chapter 15
	:		
CATALYST PAPER CORP., <u>et al.</u> ,	:		Case No. 12-10221 (PJW)
	:		
Debtors. <sup>1</sup>	:		Joint Administration Pending
	:		
-----	-X		

**NOTICE OF FILING AND HEARINGS UNDER CHAPTER 15  
OF THE UNITED STATES BANKRUPTCY CODE**

**PLEASE TAKE NOTICE**, that on January 17, 2012, Catalyst Paper Corporation (“CPC”), as the authorized foreign representative for itself and its above-captioned affiliates (collectively, the “Debtors”), in a proceeding under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and *Business Corporations Act*, S.B.C. 2002, c.57, before the Supreme Court of British Columbia (the “CBCA Proceeding”), filed petitions under chapter 15 of title 11 of the United States Code commencing the Debtors’ chapter 15 cases ancillary to the CBCA Proceeding. CPC has filed its *Motion for Provisional and Final Relief in Recognition of a Foreign Main Proceeding* (“Recognition Motion”), seeking recognition of such foreign

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<sup>1</sup> The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0606890 B.C. Ltd. (2214); (ii) Catalyst Paper Corporation (1171); (iii) Catalyst Paper Energy Holdings Inc. (3668); (iv) Catalyst Paper General Partnership (6288); (v) Catalyst Pulp and Paper Sales Inc. (2085); (vi) Catalyst Pulp Operations Ltd. (4565); (vii) Catalyst Pulp Sales Inc. (4021); (viii) Elk Falls Pulp and Paper Ltd. (9493); (ix) Pacifica Poplars Ltd. (6048); (x) Catalyst Paper Holdings Inc. (7177); (xi) Pacifica Papers U.S. Inc. (7595); (xii) Pacifica Poplars Inc. (9597); (xiii) Pacifica Papers Sales Inc. (7594); (xiv) Catalyst Paper (USA) Inc. (6890); (xv) Catalyst Paper (Recycling) Inc. (8358); (xvi) Catalyst Paper (Snowflake) Inc. (7015); (xvii) The Apache Railway Company (0017) (Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc. and The Apache Railway Company, collectively, the “U.S. Debtors”). The Debtors’ executive headquarters’ addresses are 2nd Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3, Canada; 2101 Fourth Avenue, Suite 1950, Seattle, WA 98121; and Spur 277 N., Snowflake, AZ 85937.

proceeding and relief in aid of the CBCA Proceeding in the United States Bankruptcy Court for the District of Delaware (the “Court”) with respect to the Debtors.

**PLEASE TAKE FURTHER NOTICE**, that copies of the verified Chapter 15 Petitions, along with **(A)** the list required to be filed with the Chapter 15 Petitions pursuant to Bankruptcy Rule 1007(a)(4); **(B)** the *Statement of Foreign Representative* of the foreign proceeding required to be filed pursuant to Bankruptcy Code section 1515; **(C)** CPC’s *Motion for Provisional and Final Relief in Recognition of a Foreign Main Proceeding* and *Memorandum of Law* in support thereof; **(D)** the *Declaration of Brian Baarda*; **(E)** the *Declaration of William Kaplan*; **(F)** CPC’s *Motion to Authorize Debtors to File Consolidated List of Foreign Proceeding Administrators, Litigation Parties, and Entities Against Whom 11 U.S.C. § 1519 Provisional Relief is Sought*; and **(G)** the *Scheduling Order*, (as defined below) (collectively, the “Supporting Documents,” which were filed in support of and contemporaneously with the Chapter 15 Petitions), are available by (i) contacting the office of CPC’s Counsel at 300 South Grand Avenue, Los Angeles, California 90071, Attention: Annie Li; or (ii) accessing the electronic case filing (“ECF”) website maintained by the federal judiciary (<https://ecf.deb.uscourts.gov/>).

**PLEASE TAKE FURTHER NOTICE**, that pursuant to CPC’s *Motion for Provisional and Final Relief in Recognition of a Foreign Main Proceeding*, CPC seeks, among other things, to stay proceedings and actions against the Debtors, and make any provision of the type described in 11 U.S.C. § 365(e) unenforceable against the Debtors until such time as an order is entered on the Recognition Motion. The Court has scheduled a hearing on \_\_\_\_\_, 2012 at \_\_\_\_\_.m. Eastern Time before the Honorable \_\_\_\_\_ in Room \_\_\_\_ of the United States Bankruptcy Court, 824 North Market Street, Third Floor, Wilmington, Delaware 19801 to consider any unresolved objections to the foregoing Motion (the “Provisional Relief Hearing”).

**PLEASE TAKE FURTHER NOTICE**, that pursuant to the Order (I) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings Pursuant to Chapter 15 of the Bankruptcy Code and (II) Scheduling a Hearing on Chapter 15 Petitions for Recognition, dated \_\_\_\_\_, 2012 (the “Scheduling Order”) the Bankruptcy Court has scheduled a hearing on \_\_\_\_\_, 2012 at \_\_\_\_:\_\_\_\_.m. Eastern Time before the Honorable \_\_\_\_\_ in Room \_\_\_\_\_ of the United States Bankruptcy Court, 824 North Market Street, Third Floor, Wilmington, Delaware 19801 to consider the recognition of the CBCA Proceeding (as further described in the Supporting Documents) (the “Recognition Hearing,” and with the Provisional Relief Hearing, the “Hearings”).

**PLEASE TAKE FURTHER NOTICE**, that any party in interest wishing to submit a response or objection to the Chapter 15 Petitions, the relief sought in the Recognition Motion, must do so pursuant to the Bankruptcy Code and the Local and Federal Rules of Bankruptcy Procedure, including, without limitation, Rule 1011 of the Federal Rules of Bankruptcy Procedure, in writing and setting forth the bases therefore and the nature and extent of the respondent’s interests in the Debtors’ estates, and such response or objection must be filed with the Office of the Clerk of the Court, 824 Market Street, Third Floor, Wilmington, Delaware 19801, and served upon: (A) counsel for CPC as foreign representative: Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, CA 90071, Attn: Van C. Durrer, II, Esq.; (B) counsel for the Debtors: Blake, Cassels & Graydon LLP, 595 Burrard Street, P.O. Box 49314, Suite 2600, Three Bentall Centre, Vancouver, BC V7X 1L3, Canada, Attn: William C. Kaplan, Esq.; (C) counsel for certain 2016 Noteholders<sup>2</sup>: Akin Gump

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<sup>2</sup> Representing an unaffiliated group of holders of 2016 Notes who have executed the Restructuring Support Agreement (attached as Exhibit C to the Baarda Declaration).

Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036-6745, Attn: Michael Stamer, Esq., Stephen Kuhn, Esq., Meredith Lahaie, Esq.; (D) counsel for certain 2014 Noteholders<sup>3</sup>: Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, ON M5H 2S7, Canada, Attn: Robert Chadwick, Esq., Melaney Wagner, Esq.; (E) JPMorgan Chase, as ABL facility agent: (i) McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, ON M5J 2T3, Canada, Attn: R.D. Jeffrey Rogers, Esq., (ii) JPMorgan Chase Bank, N.A., Toronto Branch, c/o JPMorgan Chase Bank, N.A., 3 Park Plaza, Suite 900, Irvine, CA 92614, Attn: Annaliese Fisher, (iii) JPMorgan Chase Bank, N.A., Toronto Branch, 200 Bay Street, South Tower, Suite 1800, Toronto, Ontario M5J 2J2, Canada, Attn: Agostino Marchetti; (F) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: David Buchbinder, Esq., so as to be received by them no later than 4:00 p.m. Eastern time, \_\_\_\_\_, 2012.

**PLEASE TAKE FURTHER NOTICE**, that all parties in interest opposed to the Chapter 15 Petitions, the Provisional Relief Motion, or the Recognition Motion must be at and appear at the Hearings at the time and place set forth above.

**PLEASE TAKE FURTHER NOTICE**, that the Hearings may be adjourned from time to time without further notice other than an announcement in open court at the Hearings of the adjourned date or dates or any further adjourned hearing.

**PLEASE TAKE FURTHER NOTICE**, that if no response or objection is timely filed and served as provided above the Bankruptcy Court may grant the relief requested by CPC without further notice or hearing. Copies of the Chapter 15 Petitions and the Supporting

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<sup>3</sup> Representing a group of 2014 Noteholders who have executed the Restructuring Support Agreement (attached as Exhibit C to the Baarda Declaration).

Documents will be made available upon request at the office of CPC's Counsel at 300 South Grand Avenue, Los Angeles, California 90071, Attention: Annie Li.

Dated: January 17, 2012  
Los Angeles, CA

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Van C. Durrer, II (I.D. No. 3827)  
SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
300 South Grand Avenue  
Los Angeles, California 90071  
(213) 687-5000

Counsel for Catalyst Paper Corporation

**EXHIBIT C**

**Employee Notice**





January x, 2012

Name  
Company  
Address  
Address  
Country

Catalyst Paper Corporation  
2nd Floor, 3600 Lysander Lane  
Richmond, British Columbia  
Canada V7B 1C3

Tel: 604 247 4400  
Fax: 604 247 0512

Dear [Employee Name],

I am writing to share some important news about our company. On January 17, 2012, Catalyst Paper filed a motion for protection under the *Canada Business Corporations Act* or CBCA. Catalyst obtained an initial CBCA order from the Supreme Court of British Columbia and will shortly be seeking recognition of this order in the United States.

We filed for CBCA protection to effect a consensual restructuring arrangement with certain creditors. The CBCA process involves an arrangement which restructures the claims and interests of the Chapter 15 Debtors' secured lenders, unsecured debenture holders and equity holders. Like certain "prepackaged" reorganizations, the claims of all other creditors, including employees, litigants, trade vendors, licensors and other contract counterparties, and others, are unaffected by the recapitalization transaction. Accordingly, the Company will continue to pay such creditors consistent with normal trade terms in the ordinary course.

**While these proceedings are ongoing, creditors are stayed by Court Order from taking or continuing any enforcement or legal action against Catalyst and its operating subsidiaries, unless permitted by the Court. In addition, the company has requested other relief under the CBCA and from the US Bankruptcy Court. You may receive copies of Court Orders implementing this relief in the mail. You should take care in reviewing those mailings, as your rights may be affected.**

**What does this mean for you as an employee?**

*First* and foremost, the terms and conditions of your employment with Catalyst will continue in the normal manner during this period.

You will come to work at your usual time and will be paid in the usual way. Benefits will continue. In fact, the court order ensures you will continue to receive your salary, hourly wages and benefits including health, dental and vacation pay and insurance coverage.

*Second*, we intend to operate without interruption and have established sufficient cash and financial resources as part of the proceedings to support our business through the restructuring process.

Similarly, it is even more important than ever that our customers are served exceptionally well with accurate orders, and timely shipments. Our sales, technical and inside service team will work especially hard to reach out to our major customers and assure them of our capabilities now and in the future.

*Third*, although we are now operating under the supervision of the Supreme Court of British Columbia under the CBCA, management will continue to lead the company, with the help of certain advisors to ensure our compliance with the court orders, and reporting to the courts on a periodic basis. Although we cannot predict how long this process will take, our goal is to complete the

restructuring as quickly as possible. The news release issued January 14, 2011 has been shared with employees through email, posted on our intranet and mill bulletin boards and it is also available at <http://www.catalystpaper.com>. All court documents in the US proceeding will also be available by accessing the federal judiciary electronic case filing (“ECF”) website at <https://ecf.deb.uscourts.gov/>.

If you have questions about this announcement that were not addressed in the employee briefings and materials provided to you thus far, contact your manager, any member of the executive team, or my office. You may also contact \_\_\_\_\_ at the company, who can be reached at \_\_\_\_\_. We will collectively do our best to provide you with accurate and timely information and will update you on our progress through the restructuring process. I know this announcement may generate media attention and to ensure our message is consistent, direct all media inquiries to the Marketing and Corporate Responsibility.

As always, I thank you for your continued commitment and dedication to Catalyst Paper. It is my privilege to work with you – and I firmly believe that together we will emerge from this process as a company better able to address the requirements of our industry and marketplace.

Sincerely,

[Name]

[Title]

**File a Motion:**[12-10221-PJW Catalyst Paper Corporation](#)

Type: bk

Chapter: 15 v

Office: 1 (Delaware)

Assets: y

Judge: PJW

Case Flag: VerifDue

**U.S. Bankruptcy Court****District of Delaware**

## Notice of Electronic Filing

The following transaction was received from Van C. Durrer entered on 1/17/2012 at 10:20 PM EST and filed on 1/17/2012

**Case Name:** Catalyst Paper Corporation**Case Number:** [12-10221-PJW](#)**Document Number:** [11](#)**Docket Text:**

Motion to Approve *Order (I) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings Pursuant to Chapter 15 of the Bankruptcy Code, and (II) Scheduling a Hearing on Chapter 15 Petitions for Recognition* Filed by Catalyst Paper Corporation. (Attachments: # (1) Exhibit A# (2) Exhibit B# (3) Exhibit C) (Durrer, Van)

The following document(s) are associated with this transaction: