



No. S-120712
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57

AND

IN THE MATTER OF CATALYST PAPER CORPORATION
AND THE PETITIONERS LISTED IN SCHEDULE "A"

PETITIONERS

APPLICATION RESPONSE

Application Response of: Ad Hoc Unsecured 2014 Noteholders' Committee (the "2014 Group").

To: The Service List

THIS IS A RESPONSE TO the Notice of Application of Ronald Gary McCaig, Jeff Whittaker, Janice Young, Peter Flynn, Patricia Dwornik, and Francesca Pomeroy, acting on their own and on behalf of the Catalyst Salaried Employees & Pensions Group, dated April 13, 2012 (the "CSE&P Notice of Application") scheduled to be heard by Mr. Justice Sewell beginning on June 25, 2012 (the "CSE&P Deemed Trust Application").

All capitalized terms that are used but not defined herein are intended to bear their meanings as defined in the CSE&P Notice of Application and the supporting materials filed therewith, and as defined and used consistently in materials filed previously in the proceedings to date.

Part 1: ORDERS CONSENTED TO

1. None.

Part 2: ORDERS OPPOSED

1. The 2014 Group opposes the declarations sought in paragraphs 1 through 5 of Part 1 of the CSE&P Notice of Application.

Part 3: ORDERS ON WHICH NO POSITION IS TAKEN

1. None.

Part 4: FACTUAL BASIS

1. The pleadings and Affidavits as filed herein.
2. Such further and other factual grounds as counsel may advise at the hearing of the Application.

Part 5: LEGAL BASIS

1. The Applicants were asked to provide a summary of the legal basis for the relief sought in their Application. To date, they have not. Accordingly, the 2014 Group is unable to provide the legal bases for their response at this time. However, the 2014 Group anticipates relying on:
 - a. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
 - b. *Pension Benefits Standards Act*, R.S.B.C. 1996, c. 352;
 - c. *Pension Benefits Standards Regulation*, B.C. Reg. 433/93;
 - d. The common law;
 - e. The inherent and equitable jurisdiction of this Honourable Court; and
 - f. Such further and other legal bases as counsel may advise.

Part 6: MATERIAL TO BE RELIED ON

1. The pleadings, materials and proceedings filed herein;
2. Written argument, to be provided; and
3. Such further and other materials as counsel may advise and this Honourable Court may permit.

The Application Respondent estimates that the Application will take: 20 minutes.

[X] The Application respondent has filed in this proceeding a document that contains the Application respondent's address for service.

[] The Application respondent has not filed in this proceeding a document that contains an address for service. The Application respondent's ADDRESS FOR SERVICE is:

Ken Lenz and David R. McKinnon
Bennett Jones LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, AB T2P 4K7
Fax No.: (403) 265-7219
Email Address: lenzk@bennettjones.com
Email Address: mckinnond@bennettjones.com

S. Richard Orzy and Raj Sahni
Bennett Jones LLP
Barristers and Solicitors
Suite 3400
One First Canadian Place
Toronto ON M5X 1A4
Fax No.: (416) 863-1716
Email Address: orzyr@bennettjones.com
Email Address: sahnir@bennettjones.com

Date: Friday, June 15, 2012

Ken Lenz

Signature of Ken Lenz
[] Applicant Lawyer for Applicant

SCHEDULE "A"

LIST OF ADDITIONAL PETITIONERS

Catalyst Pulp Operations Limited

Catalyst Pulp Sales Inc.

Pacifica Poplars Ltd.

Catalyst Pulp and Paper Sales Inc.

Elk Falls Pulp and Paper Limited

Catalyst Paper Energy Holdings Inc.

0606890 B.C. Ltd.

Catalyst Paper Recycling Inc.

Catalyst Paper (Snowflake) Inc.

Catalyst Paper Holdings Inc.

Catalyst Papers U.S. Inc.

Pacifica Papers U.S. Inc.

Pacifica Poplars Inc.

Pacifica Papers Sales Inc.

Catalyst Paper (USA) Inc.

The Apache Railway Company

No. S-120712
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED; AND

IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT,
R.S.C. 1985, c. C-44; AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57; AND

IN THE MATTER OF CATALYST PAPER CORPORATION AND THE PETITIONERS
LISTED IN SCHEDULE "A"

PETITIONERS

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

RESPONDENT

APPLICATION RESPONSE

Ken Lenz, Rick Orzy,
Raj Sahni, David R. McKinnon
BENNETT JONES LLP
4500 Bankers Hall East
855 - 2nd Street S.W.
Calgary, AB T2P 4K7
Phone: (403) 298-3317
Fax: (403) 265-7219