

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OKLAHOMA**

In re:	§	
	§	Case No. 19-10653-R
INNOVA GLOBAL LTD., <i>et al.</i> , <sup>1</sup>	§	
	§	Jointly Administered
Debtors in a foreign proceeding.	§	
	§	Chapter 15
	§	

**APPLICATION REQUESTING EXPEDITED HEARING ON, AND SHORTENED AND  
LIMITED NOTICE OF, SECOND MOTION OF RECEIVER TO SELL CERTAIN  
PROPERTY OF DEBTOR BRADEN MANUFACTURING, L.L.C.,  
FREE AND CLEAR OF LIENS**

PricewaterhouseCoopers Inc., LIT, (“PWC”), solely in its capacity as court-appointed receiver (the “Receiver”) of the Debtors in these jointly administered cases based upon the Receivership Order dated April 1, 2019, entered by the Court of Queen’s Bench of Alberta in the Judicial Centre of Calgary, Canada, Court File No. 1901-04589, and as Chapter 15 recognized foreign representative of the Debtors, for its application (the “Application”), states that:

1. On May 16, 2019, the Receiver filed a motion (the “First Sales Motion”) in the jointly administered Bankruptcy Cases to sell the tangible assets of the Debtor, Braden Manufacturing, L.L.C. (“Braden”), that are located at 5199 North Mingo, Tulsa, Oklahoma as well as the intangible assets that Braden owned and used exclusively in the Braden Filtration business (collectively, with the tangible assets, the “Filtration Assets”).

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<sup>1</sup> The Debtors are: 1) Innova Global Ltd., (2) Innova Global Operating Ltd., (3) Innova Global Limited Partnership, (4) 1938247 Alberta Ltd., (5) Innova Global Holdings Limited Partnership, (6) Innova Global Inc. (formerly AEM Emissions Management Inc., formerly ATCO Emissions Management Inc.), (7) Innova Global LLC (formerly AEM Noise Management LLC, formerly ATCO Noise Management LLC), and (8) Braden Manufacturing, L.L.C.

2. On May 24, 2019, NXTNano, LLC (“NXTNano”) filed an objection to the First Sales Motion (the “Objection”) and the Bankruptcy Court held a hearing (the “Hearing”) on the First Sales Motion, which was begun on May 29, 2019, continued on May 30, 2019 and which has not concluded. In its Objection, NXTNano proposed to pay a substantially larger sum for purchase of the Filtration Assets and, at least potentially, other assets, for a substantially larger sum on terms that, with some potentially significant exceptions, were similar to those proposed in the First Sales Motion. At the hearing, NXTNano’s representatives appeared to have waived all or at least many of the provisions of their proposal that varied from that presented by the First Sales Motion.

3. Since the Hearing, the Receiver has negotiated and entered into an agreement (the “APA”) to sell the Filtration Assets to NXTNano at a higher price and under other terms that are slightly different, but that are intended to provide the same benefits to the Receivership and parties in interest, than those proposed in the First Sales Motion. This sale will be subject to a procedure (the “Sales Process”) that will allow other interested parties to purchase the Filtration Assets at a higher price than provided in the APA by placing a bid and depositing thirty-five thousand USD (\$35,000) by noon on the third business day prior to the Court’s hearing on the Second Sales Motion (as herein defined).

4. On July 3, 2019, the Receiver filed his Second Motion for Authority to Sell Property of Debtor Braden Manufacturing, L.L.C. Free and Clear of Liens (Doc. \_\_\_\_ ) (the “Second Sales Motion”).

5. The tangible property that is the subject of the Second Sales Motion is located at Braden’s Tulsa, Oklahoma filter manufacturing facility at 5199 North Mingo Road (the “Premises”).

6. Braden leases the Premises and adjoining real property (the “Leased Premises”) under a lease agreement (the “Lease”).

7. The monthly base lease cost for the Leased Premises is \$25,500. In addition the Lease provides that Braden is liable for taxes, insurance and maintenance costs and the Receiver has incurred security costs associated with the Premises. These total costs are significant in relation to the sales price for the Filtration Assets. If a closing on the sale that the Second Sales Motion proposes does not occur prior to the end of July, 2019, the Receiver is at risk of potentially significant additional costs.

8. Under the terms of the APA and the Sales Process, if a hearing were held on the Second Sales Motion on July 24, 2019, and if a closing on a sale to the highest bidder under the Sales Process did not occur because of such purchaser’s failure to close, a closing on a sale to the second highest bidder could be scheduled and concluded before August 1, 2019.

9. The Receiver wishes to minimize expenses by expediting the sale and eliminating potential obligations for future rental expense by having a closing on its sale of the Filtration Assets prior to August 1, 2019.

10. ATB Financial, as agent and lender, asserts priority liens and security interests in virtually all assets of the Debtors, including the Filtration Assets. It has consented to the sale of the Filtration Assets. The Receiver is not aware of any other party that asserts an interest in any of the Filtration assets.

11. There are approximately 2,000 parties on the service list in these cases. The cost to serve notice of the proposed sale on so many parties is significant in relation to the purchase price for the Filtration Assets.

12. The Receiver maintains a website relative to these Chapter 15 cases. That website included a posting of the First Sales Motion that was made shortly after the filing of the First Sales Motion. Formal notice of the First Sales Motion, the deadline for objections to that motion and the time of the Hearing were provided to parties. Informal notice also circulated within the industry and among the community of interested parties. The Receiver has compiled a list of companies in the industry that may have an interest in purchasing the Filtration Assets. On the morning of June 11, 2019, the Receiver emailed notice to those companies of its intent to sell the Filtration Assets on terms essentially identical to the Sales Process.

13. Pursuant to Bankruptcy Rule 2002(a)(2), the debtor and all creditors are to receive “21 days’ notice by mail” of a proposed sale, unless the Court “for cause shown shortens the time or directs another method of giving notice.”

14. Under the circumstances, the Receiver believes that it is appropriate to limit notice of the proposed sale of the Filtration Assets to the following parties: the United States Trustee, those parties who have filed financing statements or other publicly filed documents reflecting a lien upon any of the Filtration Assets, Power Filters, Inc., which is the proposed purchaser under the First Sales Motion, the landlord of the Premises and those parties who have entered appearances in these jointly administered cases. The Receiver further believes that, pursuant to Bankruptcy Rule 6004(c), it is appropriate that notice complying with Bankruptcy Rule 9014, which incorporates Bankruptcy Rule 7004, be limited to those parties asserting a lien or other interest in any of the Filtration Assets and that the other parties receiving notice may be served pursuant to Rule 5(b) of the Federal Rules of Civil Procedure as permitted under the Local Rules of the United States Bankruptcy Court for the Northern District of Oklahoma.

15. In order to expedite consideration of the Second Sales Motion, the Receiver believes that altering the deadline for filing an objection to the Second Sales Motion that Local Rule 6004-1 B. has established, from seven (7) days before the hearing to 48 hours before the time and the date set for the hearing, is appropriate. See Local Rule 1001-1 C. permitting such waiver.

THEREFORE, the Receiver requests that the Court:

1. Set a hearing on the Sales Motion on or about July 24, 2019 if the Court's docket will accommodate a setting on that date and, if not, on the earliest date that the Court feels is appropriate and that the Court's docket can accommodate;

2. Allow objections to the Sales Motion to be filed no later than 48 hours before the time set for the hearing;

3. Limit the parties to receive notice of proposed sale as specified in paragraph 14 of this Application; and

4. Authorize the Receiver to give notice of such hearing by mailing, via U.S. first class mail that is deposited no later than the day following the date of the Court's entry of its order on this Application, a notice in substantially the form of the attached Exhibit 1, with a copy of the Motion attached, directed as specified and to those parties identified in paragraph 14 of this Application.

Dated: July 3, 2019

Respectfully submitted,

**ROSENSTEIN, FIST & RINGOLD**

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