

Clerk's stamp:

Court File Number	1603-16074
Court	COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre	EDMONTON
Plaintiff	THE TORONTO DOMINION BANK
Defendant	TARTAN CONTROLS INC. and TARTAN CONTROLS CORP.
Document	SECOND REPORT TO THE COURT SUBMITTED BY PRICEWATERHOUSECOOPERS INC. IN ITS CAPACITY AS RECEIVER DATED February 10, 2017
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## APPENDICES

- A. Confidential Appendix – Estimated Realization for Tartan Controls Corp.
- B. Accounts Receivable Listings as at September 28, 2016
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- D. Preliminary Injunction Order

## 1. INTRODUCTION

- 1.1 On September 28, 2016, pursuant to an order of the Court of Queen's Bench of Alberta, PricewaterhouseCoopers Inc. ("**PwC**") was appointed as receiver (in such capacity, 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 of Tartan Controls Inc. ("**TCI**") and Tartan Controls Corp. ("**TCC**") (collectively, the "**Company**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**") and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7.
- 1.2 On February 6, 2017, the Receiver filed its first report with the Court (the "**First Report**") setting out the activities of the Receiver, the marketing process for the sale of TCI assets and request the Court's approval of a Sale and Vesting Order for the sale of TCI assets.
- 1.3 This is the Receiver's second report (the "**Second Report**") to the Court. The purpose of this report is to seek approval of the sale of TCC assets in accordance with paragraphs 3(l) and 3(m) of the Receivership Order and to request a vesting order in respect of the same.
- 1.4 In preparing this Second Report, the Receiver has relied upon certain unaudited financial information of the Company, the Company's various books and records, information obtained from former management of the Company and other sources.
- 1.5 In accordance with industry practice, except as described in this Second Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would comply with Accounting Standards for Private Enterprises pursuant to the CPA Canada Handbooks.
- 1.6 The Receiver reserves the right to refine or amend its comments and findings as further information is obtained or brought to its attention subsequent to the date of this Second Report.
- 1.7 This Second Report contains sensitive information which may adversely affect the sale of the Company's assets (discussed later in this report). Further, if the proposed sale does not close, the Receiver is of the view that efforts to remarket the Company may be impaired if the following appendices to this Second Report are made public at this time:
  - 1.7.1 Confidential Appendix A – Estimated Realization for Tartan Controls Corp.
  - 1.7.2 Confidential Appendix C – Eastar TCC APA (as defined further below)

(collectively the "**Confidential Appendices**")

- 1.8 Therefore, the Receiver considers it appropriate that the Confidential Appendices remain confidential until such time as the sale of the TCC assets is completed and respectfully requests that the Confidential Appendices be sealed until that time.
- 1.9 The Receiver established a website at **www.pwc.com/ca/tartancontrols**. All prescribed materials filed by the Receiver relating to these proceedings are available to creditors and other interested parties in electronic format at this website.
- 1.10 Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

## **2. BACKGROUND**

- 2.1 TCC provided drilling services to the oil and gas industry to customers in the United States. At the date of the receivership, the Receiver was aware that TCC had two locations and operated primarily from Casper, Wyoming with a sales office located in Denver, Colorado.
- 2.2 Further information on the Company's background is set out in the Receiver's First Report.

## **3. POSSESSION AND CUSTODY**

- 3.1 At the date of the receivership, TCC was only operating in the United States. To the best of the knowledge of the Receiver, TCC did not continue to carry on business after the Receiver's appointment.
- 3.2 The Receiver prepared an estimated realization analysis for the TCC assets, attached as Confidential Appendix "A", which includes the underlying factors and reasoning that brought about the Receiver's opinion that there was likely no recoverable value to the estate in a forced liquidation scenario. Accordingly, the Receiver did not immediately proceed with an application for a recognition order in the United States Bankruptcy Court or take possession of the assets in the United States. The Receiver addressed its concerns with TD on this matter as they were the main affected creditor for the TCC assets.
- 3.3 Regardless, the Receiver engaged a third party appraiser to perform a site visit at the location where the majority of the TCC assets were located. A summary of these findings and the assets at each of the TCC locations are discussed later in this report.
- 3.4 The Receiver was of the view that until it moved forward with a potential sale of all assets of TCI and TCC (discussed later in the report), it may not be commercially reasonable to deal with the assets of TCC in the United States.

#### **4. ASSETS**

- 4.1 Set out below is a summary of the TCC assets as determined by the Receiver through a combination of information obtained from the Company's books and records in addition to assessments made from information obtained from site visits.

##### **Cash on Hand**

- 4.2 TCC held bank accounts with multiple financial institutions in the United States including TD, First Interstate Bank and First Capital. At the time of our appointment the account balances were nominal or had zero balances.
- 4.3 As indicated previously, the Receiver did not take possession of the TCC assets and, therefore, the Receiver did not establish a new bank account in the United States.

##### **Accounts Receivable**

- 4.1 The October 5, 2016 internal financial statements for TCC reflected an accounts receivable balance of approximately US\$325,000 a summary of which is attached as Appendix "B". It is anticipated that this balance is likely overstated as approximately \$155,000 is due from two companies related to TCC and is likely uncollectible.
- 4.2 To date, the Receiver has not pursued collection of accounts receivable of TCC, but will do so when the sale of other TCC assets (discussed later in this report) is completed.

##### **Inventory**

- 4.3 The financial information as at October 5, 2016 reflected an inventory balance of US\$786,845 at TCC. This inventory is of a similar nature to TCI's inventory. However, based on an appraisers review (discussed further below), this inventory balance may not be correct.

##### **Intangibles / Intellectual Property**

- 4.4 The Company's internal financial statements do not reflect any intangible assets or intellectual property. The Receiver performed a search at the patent registries and confirmed that TCC does not hold patents in Canada or the United States.

##### **Capital Assets**

- 4.5 The October 5, 2016 internal financial statements reflected a net book value of the capital assets of approximately US\$466,795. These assets are comprised primarily of various leased vehicles and specific oilfield tools and equipment, namely downhole drill motors.

Based on a discussion and review of these assets by an appraiser which attended on site, the value of the capital assets reflected in the records of TCC may not be correct.

- 4.6 The Receiver did not release its interest in the leased assets located in the United States as it did not take possession of these assets and was aware that these assets were of particular interest to potential purchasers, as addressed later in this report.

## 5. SECURED CREDITORS

- 5.1 The Receiver performed a search at the Personal Property Registry (the “PPR”) and the following secured creditors were identified as having registered a security interest against TCC. Copies of the search results are included as an appendix to the Receiver’s First Report.

<b>Tartan Controls Corp.</b>	
Creditor	Description
Toronto Dominion Bank	All Present and After Aquired Personal Property

- 5.2 The Receiver has retained legal counsel based in the United States, Lewis Roca Rothgerber Christie LLP (“LRRC”), and requested they provide an opinion on the validity of this security.
- 5.3 No creditor has contacted the Receiver indicating they are a secured creditor of TCC other than TD.

## 6. PRIORITY CLAIMS

- 6.1 As discussed in the Receiver’s First Report, the Receiver is currently reviewing the available records of TCC and discussing with its United States legal counsel the potential for any priority claims in the United States that could rank ahead of the security of TD. At this time the Receiver is not aware of any such priority claims.

## 7. REALIZATION PROCESS

- 7.1 The Receiver assessed the Company’s various locations in order to determine the optimal course of action with respect to realizing on the assets at each location. Specifically, the Receiver visited, or caused to be viewed, the locations of the Company to assess the cost versus the benefit to the estate of taking possession and dealing with the assets at each location.
- 7.2 A summary of the activities at each of the TCI locations can be found in the Receiver’s First Report. A summary of the activities for each of the TCC locations is discussed in further detail below.

- 7.3 Casper, Wyoming – As indicated previously, the majority of TCC assets were located in Casper where the majority of TCC's operations took place. The Receiver engaged a third party to review the assets at this location and based on this review and comparable forced liquidation values for assets of TCI, it was determined that there appeared to be no net benefit to taking possession of these assets (see Confidential Appendix "A" regarding TCC's estimated realization).
- 7.4 However, as these assets are included in the prospective sale of TCC assets (as discussed below), the Receiver has initiated Chapter 15 recognition proceedings in the United States and anticipates seeking approval of this sale in the United States once a sale and vesting order is granted in Canada.
- 7.5 Denver, Colorado – The Receiver was advised that this location served only as a sales office for TCC with assets limited to furniture and office equipment of minimal recoverable value. Accordingly, the Receiver did not incur costs to assess the assets at this location.

## 8. UNSOLICITED OFFER RECEIVED

- 8.1 As discussed in the Receiver's First Report, on December 6<sup>th</sup>, a letter of intent (the "**LOI**") was received from Eastar Premium Pipe Inc. ("**Eastar**" or the "**Purchaser**") for all of the assets of TCI and the TCC assets located in the United States.
- 8.2 The Receiver reviewed the offer with TD and it was concluded that accepting the offer from Eastar was the best course of action and would maximize the realizations in the receivership in light of the Receiver's analysis on the estimated realizations discussed earlier, attached as Confidential Appendix "A".
- 8.3 Following the signing of the LOI, an asset purchase agreement for the assets of both TCI and TCC was negotiated at length. Subsequently, the Receiver and Eastar agreed to separate the transaction in order to deal with the terms of the TCI assets (the "**Eastar TCI APA**") and the TCC assets (the "**Eastar TCC APA**") separately.
- 8.4 The Eastar TCI APA is discussed further in the Receiver's First Report. The Eastar TCC APA is attached as Confidential Appendix "C", and will form part of the Temporary Restricted Access Order requested by the Receiver.

## 9. PROPOSED SALE TRANSACTION – TCC ASSETS

- 9.1 Set out below is a summary of the principal terms and conditions of the Eastar TCC APA. All capitalized terms used in this section and not otherwise defined are as defined in the Eastar TCC APA.

### **Purchased Assets**

- 9.2 Eastar will acquire all the assets, properties and undertaking of TCC used in the United States and located at the premises of TCC at 2327 Colman Circle, Casper, Wyoming and Suite 2800S, 600-17 Street, Denver, Colorado as of the Closing Date in connection with the Business of TCC (the “**Purchased Assets**”), including but not limited to:
- 9.2.1 the capital assets of TCC as specified in Appendix I of Schedule B of the Eastar TCC APA, which, for certainty, shall exclude the Excluded Assets and any other assets to which the Receiver did not gain a right to possession since being appointed as Receiver pursuant to the Receivership Order;
  - 9.2.2 the intellectual property owned by TCC including the related designs, drawings, data sheets and any electronic versions of such materials; and
  - 9.2.3 all other assets of TCC as specified in the Eastar TCC APA.

### **Excluded Assets**

- 9.3 Certain Company assets are excluded (the “**Excluded Assets**”) under the Eastar TCC APA, including:
- 9.3.1 any accounts receivable or cash on hand of TCC as at January 11, 2017; and
  - 9.3.2 any equipment subject to leases, which will be obtained by the Purchaser subsequent to the release of the Receiver's interests therein as described in the Eastar TCC APA.

### **Consideration**

- 9.4 The Purchase Price shall be paid to the Receiver in full on the Closing Date including any applicable taxes therein as described in the Eastar APA.

### **Conditions Precedent**

- 9.5 The Eastar TCC APA is subject to the satisfaction or waiver of, each of the following conditions precedent:
- 9.5.1 obtaining an order of the Bankruptcy Court in the United States recognizing the original receivership order;
  - 9.5.2 obtaining an order recognizing the Alberta order approving the sale and an Approval and Vesting Order from Bankruptcy Court in the United States approving the Eastar TCC APA; and



- 9.5.3 any other terms and conditions as may be directed by the Bankruptcy Court in the United States.

### **Closing**

- 9.6 The date of closing the purchase and sale transaction shall be the Business Day next following the receipt of the latest of the PRC Approval, the granting of the Recognition Order and the compliance by the Purchaser and Receiver with any terms and conditions as may be contained in the Recognition Order.

## **10. SERVICE OF COURT APPLICATIONS**

- 10.1 This section is intended to address what service of documents the Receiver considers appropriate for both the TCC and TCI sale applications.
- 10.2 This receivership is in its fifth month. There are a number of reasons that the receivership is taking this length of time to reach applications for approvals of sale. The primary reason is protracted negotiations with respect to potential sales, but there were other logistical issues that needed to be dealt with as well.
- 10.3 As a result of this extended time, the occupancy costs for the Edmonton premises alone will be approximately \$450,000 by the time the Receiver vacates that location. Due to the protracted negotiations and the cross border nature of the estate, professional fees of the Receiver, its Canadian counsel and its United States counsel will impact estate recoveries.
- 10.4 Consequently, the Receiver expects that the net amount that will be paid upon completion of the sales, after payment of statutory priorities (CRA deemed trust and WEPPA) and the Receiver's fees and disbursements, will not be enough to pay out TD and they will suffer a significant shortfall. In short, there will be no money for unsecured creditors in Canada or the United States.
- 10.5 The Receiver has served the TCI sale application and First Report on CRA, WCB, all parties having a registration in Alberta's PPR and one unsecured creditor. That one unsecured creditor is Lee Oilfield Service Ltd. ("Lee"). Lee is owed approximately \$164,000. The unsecured creditor of TCI with the next highest claim is owed approximately \$35,000.
- 10.6 The Receiver will serve the TCC sale application and Second Report on CRA, TD and two unsecured creditors. With respect to serving TCC's unsecured creditors, the Receiver notes the records of TCC indicate that of approximately \$1,200,000 owed to unsecured creditors by TCC, over \$1,000,000 is owed to the related company Tartan Completion Systems Inc. ("TCS"). The Receiver will serve TCS. The next largest creditor of TCC is Stone Properties LLC ("Stone") of Casper Wyoming; it is owed \$62,500. The Receiver

will attempt to serve Stone, but will not be attempting to serve any other unsecured creditors.

- 10.7 In any event, both of these applications and the Receiver's First Report and Receiver's Second Report are on the Receiver's website, which is available to the public at large.

## **11. RECEIVER'S RECOMMENDATION**

- 11.1 Based on the foregoing, the Receiver fully supports the approval of the sale of the TCC assets to Eastar and the issuance of the necessary Court Orders to affect the transaction for the following reasons:
- 11.1.1 The Receiver is of the view that it is unlikely that higher recoveries could be obtained through an auction process after consideration of commissions, expenses and holding costs;
  - 11.1.2 TD, the principal secured creditor of the Company, fully supports accepting the offer from Eastar; and,
  - 11.1.3 As it is expected there will be a shortfall to TD, TD is the only creditor that will be affected by the sale.
- 11.2 As noted above, the Receiver is of the view that it is preferable that the Confidential Appendices remain confidential until the sale closes. The Receiver is of the view that if the sale does not close, disclosing the Confidential Appendices may impair the Receiver's efforts to remarket the assets if these documents are made public.
- 11.3 Accordingly, the Receiver requests an order of the Court temporarily restricting access to the Confidential Appendices, which will be independently filed with the Court as Confidential Appendices "A" and "C" to this Second Report, pending the closing of the sale.
- 11.4 If the Eastar deal is not completed as contemplated, the Receiver may seek auction proposals for the sale of the assets to determine the commercial reasonability of the proposals. However, if an auction is required, it is likely that the realizations in the estate of TCC will be impacted and some additional costs in dealing with the assets may be incurred. As indicated previously, TD is aware of this situation.

## **12. UNITED STATES PROCEEDINGS**

- 12.1 As noted in the Receiver's First Report, following the commencement of the Receivership proceedings in Canada, the Receiver engaged LRRC, legal counsel located in Denver, Colorado, concerning the Receiver's intention to seek provisional relief from the United States Bankruptcy Court for the District of Wyoming (the "**U.S. Court**") pursuant to Chapter 15 of the United States Bankruptcy Code ("**Chapter 15**") to deal with the assets of TCC as needed.
- 12.2 In anticipation of the Eastar TCC APA being finalized, materials were filed on January 23, 2017, and an Order to Show Cause and Temporary Restraining Order was granted.
- 12.3 On February 6, 2017, a Preliminary Injection Order was granted by the U.S. Court. A copy of the order is attached as Appendix "**D**".
- 12.4 A hearing is scheduled to be held on March 8, 2017 for recognition of the Canadian receivership proceedings as the Foreign Main Proceeding, pursuant to Chapter 15. This will then be followed by a recognition order approving the proposed sale and vesting order pursuant to this application.

## **13. FUTURE COURSE OF ACTION**

- 13.1 The Receiver will proceed as follows in respect of the administration of the estate:
  - 13.1.1 Conclude the sale contemplated above based on the assumption that this Honourable Court approves this proposed transaction;
  - 13.1.2 Continue to pursue the collection of outstanding accounts receivable;
  - 13.1.3 Seek orders in the United States Court for recognition of the Canadian receivership proceedings as the Foreign Main Proceeding and approval of the proposed sale and a vesting order for the TCC assets;
  - 13.1.4 Resolve and conclude all priority claims; and
  - 13.1.5 Conclude all statutory requirements pursuant to the BIA.

**14. CONCLUSION**

14.1 The Receiver respectfully requests that the Court grant the Receiver's motion to:

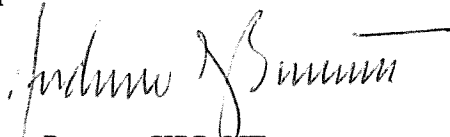
14.1.1 Approve the sale of the TCC assets to Eastar; and

14.1.2 Grant a Temporary Restricted Access Order with respect to the Confidential Appendices.

This report is respectfully submitted this 10<sup>th</sup> day of February, 2017

**PricewaterhouseCoopers Inc.**

**In its Capacity as Court Appointed Receiver of Tartan Controls Inc. and Tartan Controls Corp.**

A handwritten signature in black ink, appearing to read "Andrew Burnett", with a horizontal line extending from the end of the signature.

Andrew Burnett, CIRP, LIT  
Vice President

**APPENDIX B**

**Accounts Receivable Listings as at September 28,  
2016**

<b>Customer - TCC</b>	<b>\$</b>
Devon Energy	33,561
EOG Resources, Inc.	35,540
Range Resources	510
SM Energy Company, Inc.	5,600
Synergy Resources Corporation	8,400
Tartan Completion Systems Inc.	138,771
Tartan Controls Inc.	16,487
Whiting Petroleum	86,024
	<b>324,893</b>

## **APPENDIX D**

### **Preliminary Injunction Order**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF WYOMING**

In re:	)	
	)	Chapter 15
TARTAN CONTROLS CORP.,	)	
	)	Case No. 17-20037
Debtor in Foreign Proceeding.	)	

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**PRELIMINARY INJUNCTION ORDER**

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The application (the "Application")<sup>1</sup> of PricewaterhouseCoopers Inc. ("PWC"), as the court-appointed receiver (the "Receiver") and authorized foreign representative of Tartan Controls Corp. ("Tartan Corp.") in the proceeding pending in the Court of Queen's Bench of Alberta, Canada (the "Canadian Proceeding"), pursuant to sections 105(a) and 1519 of title 11 of the United States Code (the "Bankruptcy Code") for entry of an order to show cause with temporary restraining order and a preliminary injunction (the "Preliminary Injunction") is before this court. The court considered and reviewed: (i) the Application, (ii) the petition (the "Petition") pursuant to Section 1515 of the Bankruptcy Code for entry of an order recognizing the Canadian Proceeding as a foreign main proceeding; (iii) the Declaration of Andrew Burnett (the "Declaration") offered in support of the Application and the Petition; (iv) the Receivership Order entered in the Canadian Proceeding on September 28, 2016 (the "Receivership Order"); and all other documents filed in support thereof (together with the Application, Petition, Declaration and Receivership Order, the "Supporting Papers"). The court's review of the docket reflects no objections were filed. Therefore, this court finds and concludes as follows:

- A. There is a substantial likelihood that the Receiver will be able to demonstrate that the Canadian Proceeding is a "foreign proceeding" within the meaning of Section 101(23) of the Bankruptcy Code and that

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<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.



the Receiver is a "foreign representative" of the debtor, as defined in Section 101(24) of the Bankruptcy Code;

- B. The commencement or continuation of any action or proceeding in the United States against Tartan Corp., the Receiver, in its role as foreign representative of Tartan Corp., or any of Tartan Corp.'s assets or proceeds thereof should be enjoined pursuant to Sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of Tartan Corp.'s estate in the Canadian Proceeding, and the relief requested either: (i) will not cause undue hardship to; or (ii) any hardship to parties in interest is outweighed by the benefits of the relief requested;
- C. Unless a preliminary injunction order issues, there is a material risk that Tartan Corp.'s assets could be subject to efforts by creditors in the United States to control or possess such assets. Such acts could: (i) interfere with the jurisdictional mandate of this court under Chapter 15 of the Bankruptcy Code; (ii) interfere with and cause harm to the Canadian Proceeding; and (iii) undermine the Receiver's efforts to achieve an equitable result for the benefit of all of Tartan Corp.'s creditors. Accordingly, there is a material risk that Tartan Corp. may suffer immediate and irreparable injury for which it will have no adequate remedy at law and therefore it is necessary that the court enter this Order;
- D. The interests of the public will be served by this court's entry of this Order;
- E. The Receiver, in its role as foreign representative of Tartan Corp., and Tartan Corp., are entitled to the full protections and rights available pursuant to Section 1519(a) of the Bankruptcy Code; and
- F. The security provision provided in Rule 65(c) of the Federal Rules of Civil Procedure, made applicable through Rule 7065 of the Bankruptcy Rules, is unnecessary in this case and is therefore waived.

THEREFORE, IT IS HEREBY ORDERED that, upon entry of this Order and continuing until further Order of this court, all persons and entities are:

- 1. enjoined from: (i) commencing or continuing any legal proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever), including any discovery, or taking any other action (each, an "Action") against the Receiver, in its role as foreign representative of Tartan Corp., Tartan Corp., or Tartan Corp.'s United States assets or the proceeds thereof, rights, obligations, or liabilities; (ii) the enforcement of any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Receiver, in its role as foreign

representative of Tartan Corp., Tartan Corp., or Tartan Corp.'s United States assets or the proceeds thereof; and (iii) the commencement or continuation of any Action to create, perfect or enforce any lien, setoff or other claim against Tartan or against any of their assets or the proceeds thereof; provided, however, that no Action described in Sections 555, 556, 557, 559, 560, 561, 562 and 1519(d) and (f) of the Bankruptcy Code shall be enjoined by such preliminary injunction (the "Excepted Actions");

2. required, if plaintiff in an action in which Tartan Corp. is or was named as a party, or as a result of which liability against Tartan Corp. may be established, to place the Receiver's U.S. Counsel (as defined below) on the master service list of any such action or proceeding and to take such other steps as may be necessary to ensure that such counsel receive: (i) copies of any and all documents served by the parties to such action or proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or proceeding, and (ii) copies of any and all correspondence or other documents circulated to parties listed on the master service list; and
3. prohibiting all persons and entities other than the Receiver from possessing or exercising control over Tartan Corp.'s assets located in the United States, except as authorized in writing by the Receiver, by Order of this court, or in the Canadian Proceeding.

It is further ordered that nothing in this Order shall be deemed to prohibit or enjoin any civil action pending in the United States against third parties and non-Tartan Corp. entities or enjoin discovery as otherwise authorized against third parties and non-Tartan entities.

It is further ordered that, until further Order of this court, the Receiver, in its role as foreign representative of Tartan Corp., is entitled to the full protection and rights available pursuant to Section 1519(a) of the Bankruptcy Code, including:

- a. In accordance with and subject to the terms of the Receivership Order, the right and power of the Receiver to administer and/or to realize all or part of Tartan Corp.'s assets located in the United States in order to protect and preserve the value of such assets;
- b. The right and power to transfer, encumber, or otherwise dispose of any assets of Tartan Corp. is prohibited, except by the Receiver as provided in this Preliminary Injunction, the Receivership Order, or to facilitate the operation of Tartan Corp.'s business in the ordinary course; and

- c. The right and power to seek additional relief that is available to a trustee except for relief available under Sections 522, 544, 545, 547, 548, 550, and 724(a) of the Bankruptcy Code.

It is further ordered that (i) any party in interest may make a motion seeking relief from, or modification to, this Preliminary Injunction, by filing a motion on not less than ten (10) business days' notice to the U.S. Counsel (as defined below), seeking an order for such relief, and any such request shall be the subject of a hearing scheduled by the court, and (ii) any party in interest may file objections and be heard by the court in accordance with the terms of any order of the court providing for a hearing on any subsequent relief sought by the Receiver in this proceeding.

It is further ordered that motions, if any, submitted for the purpose of opposing or seeking relief from this Preliminary Injunction must be made in writing and shall be filed with this court and served upon Brent R. Cohen, Esq. and Chad S. Caby, Esq., Lewis Roca Rothgerber Christie LLP, 1200 17th Street, Suite 3000, Denver, CO 80202 (the "U.S. Counsel").

It is further order that, pursuant to Section 1519(b), this Preliminary Injunction shall terminate upon entry of an order granting the Receiver's Petition.

It is further ordered that, pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure are waived.

BY THE COURT:

*Cathleen D. Parker*

2/6/2017

Honorable Cathleen D. Parker  
United States Bankruptcy Judge