

Form 49
[Rule 13.19]

Clerk's stamp:



COURT FILE NUMBER

1303 06092

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

ROYAL BANK OF CANADA

DEFENDANTS

DOWLAND CONTRACTING LTD.,
0849809 B.C. LTD.,
DOWLAND CONSTRUCTION INC.
AND 6070 N.W.T. LIMITED

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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Barristers and Solicitors
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Lawyer's

Name: Rick T. G. Reeson, Q.C.

Lawyer's

Email: rreeson@millerthomson.com

File No.: 182818.0001 RTGR

AFFIDAVIT OF TODD MARTIN
SWORN ON OCTOBER 9TH, 2015

I, Todd Martin of Vancouver, British Columbia, SWEAR AND SAY THAT:

1. I am a Senior Vice President of Alvarez & Marsal Canada Inc. ("A&M"), and as such I have personal knowledge of the facts and matters herein deposed to except where stated to be based upon information and belief, and where so stated I verily believe the same to be true.
2. On May 6, 2013, and pursuant to an Order of Associate Chief Justice J. Rooke of the Alberta Court of Queen's Bench, A&M was appointed as Receiver of each of Dowland Contracting Ltd., 0849809 B.C. Ltd., and 6070 N.W.T. Limited (the "Receivership"). Each of Dowland Contracting Ltd., 0849809 B.C. Ltd., and 6070 N.W.T. Limited are referred to hereinafter as "Dowland".
3. I am a Chartered Professional Accountant and a licensed Trustee in Bankruptcy with over 25 years of experience in the area of Insolvency and Restructuring, and have been handling the day to day administrative work in relation to the Receivership.

4. With respect to A&M's accounts covering fees and disbursements incurred by A&M for the period May 21, 2013 to June 30, 2015, as referenced collectively in the Receiver's Seventh Report (the "Accounts"):
- (a) The Accounts specifically outline the date, the description of work completed, the length of time taken to complete the work, the total invoiced amount for the work completed and name of the individual who completed the work;
 - (b) The Accounts specifically outline the average hourly rate for each and every individual employee of A&M which completed work in regard to the Receivership (the "Hourly Rates"), including Non-Partner Services for Clerical, Administrative or IT employees ("Administrative Fees"), including:
 - (i) Todd Martin, Trustee - \$577.15;
 - (ii) Tim Reid, Managing Director - \$575.00
 - (iii) Pam Boparai, Managing Director - \$525.00
 - (iv) Peter Gibson, Senior Advisor - \$500.00
 - (v) Callum Beveridge, Senior Director - \$475.00
 - (vi) Orest Konowalchuk, Director/Senior Director - \$428.10
 - (vii) Stephen Moore, Director - \$425.00
 - (viii) Greg Karpel, Director - \$425.00
 - (ix) Vicki Chan, Senior Associate - \$350.04
 - (x) Chad Artem, Senior Associate - \$350.00
 - (xi) Jill Strueby, Senior Associate - \$276.52
 - (xii) Ray Wilk, Senior Associate (contractor)- \$ 275.00
 - (xiii) Marianna Lee, Associate - \$216.94
 - (xiv) Monica Cheung, Executive Assistant - \$100.00
 - (c) I submit that the Hourly Rates are reasonable and comparable to the hourly rates of other professional services firms within the City of Edmonton of equivalent competence, experience and expertise in the insolvency area;
 - (d) A&M has not invoiced any amounts in the Receivership on a percentage basis, and more specifically, A&M has not invoiced any amounts in the Receivership on a percentage basis in regard to Administrative Fees;
 - (e) Any billing by A&M personnel at the same experience level in the Receivership was necessary for the proper administration of the Receivership, particularly given the numerous and remote locations of Dowland assets and operations which included, Edmonton, Alberta, Kamloops, British Columbia, Inuvik, NT and Iqaluit, Nunavut.
 - (f) Given the integrated nature of Dowland's business operations, there is a high degree of commonality and overlap in the receivership administration such that

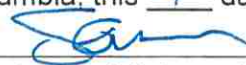
A&M has billed its accounts on a combined basis for all Dowland entities subject to the Receivership.

- (g) All disbursements contained within the Accounts are disbursements actually incurred by A&M in the proper administration of the Receivership, and furthermore, all disbursements are set out within the Accounts on an itemized basis. Actual out of pocket disbursements referred in the Receiver's Seventh Report total:

- (i) Newspaper Advertisements - \$14,764.16
- (ii) Airfares - \$45,726.27
- (iii) Hotel - \$16,088.92
- (iv) Locksmith - \$776.00
- (v) Meals - \$2,434.66
- (vi) Taxi, rental car, mileage, etc. - \$4,558.21
- (vii) Postage & courier fees - \$4,990.69
- (viii) Searches, supplies & outsourced printing/photocopying - \$1,117.97
- (ix) Telephone costs - \$501.44
- (x) Website maintenance - \$2,884.22
- (xi) Other - \$1,609.46

- 5. A&M has not charged an "Administration Charge" of any kind.
- 6. A&M estimates that an additional \$125,000.00 (plus GST), inclusive of disbursements, may be required to finalize the administration of the Receivership.
- 7. I make this Affidavit in support of the application to approve the fees and disbursements of A&M which have been rendered by A&M within this Action.

SWORN before me at the City of
Vancouver, in the Province of British
Columbia, this 9 day of October, 2015.


A Notary Public in and for the Province of
British Columbia

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Todd Martin

STEVEN J. EVANS
BARRISTER & SOLICITOR
1000 - 840 HOWE STREET
VANCOUVER, B.C. V6Z 2M1
(604) 687-2242

October 14, 2015

DELIVERED

Court of Queen's Bench of Alberta
Law Courts
1A Sir Winston Churchill Square
Edmonton, Alberta T5J 0R2

Attention: Madam Justice J. Ross

My Lady:

**Re: Royal Bank of Canada v. Dowland Contracting Ltd. et al ("Dowland") - Court File
No.: 1303 16092**

We represent Alvarez & Marsal Canada Inc. (the "Receiver"), the Court appointed Receiver of Dowland. The Receiver was appointed pursuant to the Receivership Order (the "Receivership Order") of Associate Chief Justice J. Rooke, dated May 6, 2013, with effect May 21, 2013.

We have scheduled an Application before you commencing at 10:00 a.m. on Tuesday, October 20, 2015.

The Receiver seeks the following Orders:

1. An interim distribution of funds to secured creditors;
2. Approval of a settlement between the secured parties on the priority to the distribution of funds;
3. A Declaration of priorities;
4. Approval of the Receiver's activities; and
5. Approval of the Receiver's fees and disbursements and those of its legal counsel.

We enclose herein the following:

1. Filed Application together with attached proposed Court Order for an Order for Interim Distribution of Proceeds, Approval of a Settlement between Secured Creditors, Declaration of Priorities, Approval of Receiver's Fees and Disbursements, Approval of Fees and Disbursements for Receiver's Legal Counsel, and Approval of Receiver's

Activities. The Order will be consented to by legal counsel for each of CNA, Intact and RBC;

2. Filed copy of the Seventh Report to the Court submitted by the Receiver, dated October 12th, 2015; and
3. Filed copy of the Affidavit of Todd Martin deposed to on October 9th, 2015.

We will be giving notice to the service list of the Application, the Seventh Report to the Court of the Receiver, and Mr. Martin's Affidavit. The Service List contains the major creditors of Dowland and was compiled from discussions and correspondence with various parties and their legal counsel and from discussions with the Receiver.

If you have any questions or concerns, please feel free to contact the writer. Otherwise, we look forward to appearing before you on the scheduled date.

Yours truly,

MILLER THOMSON LLP

Per:

Rick T. G. Reeson, Q.C.
RTR/cs

- c. Service List
- c. Alvarez and Marsal Canada Inc. – Attention: Mr. T. Martin (by e-mail)

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