

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

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In Re:

Case No. 16-50778

Chapter 15 Case

**SANJEL (USA), INC., et al.,**

JOINTLY ADMINISTERED

Debtors.

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**LIMITED OBJECTION TO ISSUANCE OF PRELIMINARY  
AND FINAL INJUNCTIVE RELIEF**

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WELD RILEY, S.C. (the “Weld firm”) files this limited objection to, or request for relief from, the motion for a preliminary and permanent injunction filed by PricewaterhouseCoopers Inc. (the “Monitor”) in the above-captioned bankruptcy cases, and alleges as follows in support:

1. These Chapter 15 cases were filed on April 4, 2016, by the Monitor for the purposes of assisting foreign main proceedings initiated in Canada pursuant to the Companies’ Creditors Arrangement Act as of the same date.
2. On April 6, 2016, this Court entered an order (Doc. No. 43) granting the Monitor’s emergency ex parte application for temporary restraining order and relief pursuant to various sections of the bankruptcy code (including 11 U.S.C. §§ 105(a), 1519, and 1521).
3. Pursuant to that order, the Court issued a temporary restraining order which provides that “commencement or continuation of any action or proceeding concerning the assets, rights, obligations, or liabilities of the Chapter 15 Debtors, including any action or proceeding against [the Monitor] and foreign representative of the Chapter 15 Debtors, is hereby stayed.”



4. The order further provided that the “right of any person or entity, other than the Chapter 15 Debtors, or the Monitor, to transfer or otherwise dispose of any assets of the Chapter 15 Debtors is hereby suspended unless authorized in writing by the chapter 15 Debtors or by Order of this Court.”
5. The order further provided that the court retained jurisdiction over “any request by an entity for relief from the provisions of this Order,” and established April 26, 2016 as the date for a hearing on the issuance of a preliminary and permanent injunction in this matter.
6. Prior to the filing of this case or the foreign proceeding, the Weld firm served as Wisconsin counsel to Terracor Resources USA, Inc. (“Terracor”), one of the debtors in these jointly administered cases. These services largely related to real estate acquisition, development, permitting, and other matters related to Terracor’s silica sand mining operations in Wisconsin.
7. The Weld firm has been retained by Terracor on an ongoing basis for approximately four years prior to the filing of this case. Upon receipt of notice of the case, the Weld firm reviewed its accounts to determine the status of its claims against Terracor. In that regard, the Weld firm holds a prepetition claim against Terracor for unpaid legal services totaling approximately \$38,000.00.
8. During this review, the Weld firm also discovered that during 2014, it received an overpayment from Terracor for expenses associated with some of the many real estate commitments arising as part of its proposed mining operations. This overpayment (the “Potential Refund”) totals \$10,000.00 and has been held in the Weld firm’s trust account since the fall of 2014.

9. Terracor and the Weld firm have agreed that the Weld firm will withdraw from further representation of Terracor in regard to Wisconsin matters.
10. The Potential Refund represents a pre-petition obligation of the Weld firm to Terracor.
11. The Weld firm is entitled to enforce its setoff rights, lien rights, or other similar claims against the Potential Refund which exist pursuant to Wisconsin law and thereby reduce the balance of its unsecured prepetition claim.
12. Any final order authorizing a preliminary or permanent injunction in these cases should permit the Weld firm to exercise these rights and apply the Potential Refund to the unpaid legal fees owed by Terracor.

**WHEREFORE**, the Weld firm requests that any preliminary or permanent injunction entered in this case expressly provide that the Weld firm may proceed to exercise its rights against the Potential Refund and for such other relief as may be appropriate under the circumstances.

Dated this 25<sup>th</sup> day of April, 2016.

**WELD RILEY, S.C.**

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s/William E. Wallo

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