



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: April 29, 2016.

**CRAIG A. GARGOTTA
UNITED STATES BANKRUPTCY JUDGE**

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

In re:

**SANJEL (USA) INC., et al.,¹
Debtors in a foreign proceeding.**

§
§
§
§
§
§

Case No. 16-50778

(Chapter 15)

JOINTLY ADMINISTERED

**ORDER GRANTING EXPEDITED PETITIONS FOR RECOGNITION AS
FOREIGN MAIN PROCEEDINGS PURSUANT TO SECTIONS 1515 AND 1517
OF THE UNITED STATES BANKRUPTCY CODE AND RELATED RELIEF**

PricewaterhouseCoopers Inc. (“PwC” or the “Monitor”), as the court-appointed foreign representative for the above-captioned foreign Debtors filed the *Expedited Petitions For Recognition As Foreign Main Proceeding Pursuant To Sections 1515 And 1517 Of The United States Bankruptcy Code And Related Relief* [Docket No. 9] (the “Petition”).

¹ The debtors in these jointly administered Chapter 15 cases are as follows: Sanjel Corporation (“Sanjel Corp.”), Suretech Group Ltd. (“Suretech”), Sanjel Energy Services (USA) Inc. (“Sanjel Energy”), Sanjel (USA) Inc. (“SUSA”), Suretech Completions (USA) Inc. (“Suretech USA”), Sanjel Capital (USA) Inc. (“Sanjel Capital”), Terracor Group Ltd. (“Terracor Group”), Terracor (USA) Inc. (“Terracor USA”), Terracor Resources (USA) Inc. (“Terracor Resources”), Terracor Logistics (USA) Inc. (“Terracor Logistics”), and Sanjel Canada Ltd. (collectively, the “Chapter 15 Debtors”).



The Court finds that notice was proper and that (i) those parties in interest not filing a response in opposition to the petitions are deemed to have consented to the relief granted herein and (ii) as to responses in opposition to the petitions, any such response was either (a) denied for the reasons stated on the record or (b) resolved in accordance with agreements stated on the record, and further finds that the relief requested in the Petitions should be GRANTED as herein provided. All terms not otherwise defined herein shall have the meanings provided in the Petitions. The Court, having reviewed the Petition and the Court's files, the evidence presented on April 5, 2016 and April 26, 2016, including the information in the *Notice of Filing of Documents in Support of First Day Filings*, and after due deliberations and sufficient cause appearing, this Court finds and concludes as follows:

- A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and (b) and 1334(a) and (b) and Sections 109 and 1501 of the Bankruptcy Code. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
- B. Venue is proper in this district pursuant to 28 U.S.C. §§ 1410 and 1408.
- C. The "Chapter 15 Debtors" are the following eleven entities: Sanjel (USA) Inc., Sanjel Corporation, Suretech Group Ltd., Sanjel Energy Services (USA), Inc., Suretech Completions (USA) Inc., Sanjel Capital (USA) Inc., Terracor Group Ltd., Terracor (USA) Inc., Terracor Resources (USA) Inc., Terracor Logistics (USA) Inc. and Sanjel Canada Ltd.
- D. On April 4, 2016, the Chapter 15 Debtors filed applications for the commencement of reorganization proceedings ("Canadian Proceedings") pursuant to the Companies' Creditors Arrangement Act ("CCAA") in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "Canadian Court").
- E. On April 4, 2016, the Canadian Court granted, ex parte, an Initial Order for relief in the Canadian Proceedings (the "Initial Order").
- F. Also, on April 4, 2016, the Canadian Court, ex parte, appointed (i) PwC as the Monitor of the Canadian Proceedings and (ii) the foreign representative of the Chapter 15 Debtors.

- G. The Monitor is a person within the meaning of Section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of the Chapter 15 Debtors within the meaning of Section 101(24) of the Bankruptcy Code.
- H. These cases were properly commenced pursuant to Sections 1504 and 1515 of the Bankruptcy Code.
- I. The Canadian Proceedings are foreign proceedings within the meaning of Section 101(23) of the Bankruptcy Code.
- J. The Canadian Proceedings are entitled to recognition by this Court pursuant to Section 1517 of the Bankruptcy Code.
- K. The Canadian Proceedings are entitled to recognition as foreign main proceedings within the meaning of Section 1502(4) of the Bankruptcy Code and are entitled to recognition as foreign main proceedings pursuant to Section 1517(b)(1) of the Bankruptcy Code. The Chapter 15 Debtors' centers of main interests are in Canada.
- L. The Monitor, as the foreign representative of the Chapter 15 Debtors, and the Chapter 15 Debtors are entitled to the relief afforded under Section 1520 of the Bankruptcy Code.
- M. Relief is needed to protect the assets of the Chapter 15 Debtors or the interests of the creditors pursuant to 11 U.S.C. § 1521. Therefore, the Monitor, as the foreign representative, and the Chapter 15 Debtors may be entitled to the additional relief afforded under Section 1521 of the Bankruptcy Code (the "**1521 Relief**").
- N. There is a threat of irreparable injury if the 1521 Relief is not issued. The Chapter 15 Debtors are attempting to sell their assets or otherwise restructure in the Canadian Proceedings. If the 1521 Relief is not ordered, the necessary and appropriate administration of the Chapter 15 Debtors' assets could be jeopardized.
- O. As a result, the Monitor, in its role as foreign representative of the Chapter 15 Debtors, and the Chapter 15 Debtors, are entitled to the full protections and rights available pursuant to Section 1521 of the Bankruptcy Code.
- P. The relief granted is necessary and appropriate, in the interest of international comity, and is consistent with the United States public policy.
- Q. Permitting the cash management system to continue under the existing agreements with the Banks will facilitate the continued operations of the Chapter 15 Debtors during the Canadian Proceedings.
- R. Likewise, permitting the Chapter 15 Debtors to pay prepetition employee wages and other pre-petition obligations as provided by the Initial Order will further facilitate the Chapter 15 Debtors' continued operations.

- S. The Bond Trustee objected to the Petition and the Court recognizes that the Bond Trustee has reserved all of its rights to contest in the future the findings set out above.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS

1. The Canadian Proceedings are hereby recognized as foreign main proceedings pursuant to Section 1517 of the Bankruptcy Code, subject to the Parties' reservation of rights herein.

2. Except with respect to the provisions of the Initial Order relating to the Interim Financing and Interim Financing Charge², the terms of the Initial Order are given full force and effect in the United States.

3. The Monitor and the Chapter 15 Debtors are granted all of the relief afforded under Section 1520 of the Bankruptcy Code except for those powers set forth in Section 1520(a)(3), which shall remain with the Chapter 15 Debtors, including the following:

- (a.) Sections 361, 362 and 365 of the Bankruptcy Code apply with respect to the Chapter 15 Debtors and the property of the Chapter 15 Debtors that is within the territorial jurisdiction of the United States; provided, however, that nothing herein shall limit the right of any party-in-interest to seek relief to modify the stay under 11 U.S.C. § 362 (and the right of any party, including the Monitor and the Chapter 15 Debtors, to contest any such relief), including, without limitation, the right of the Bond Trustee to seek to modify the stay to permit it to file an involuntary petition pursuant to 11 U.S.C. § 303.
- (b.) Sections 363, 549 and 552 of the Bankruptcy Code apply to a transfer of an interest of the Chapter 15 Debtors in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate.

² The provisions of the Initial Order relating to the Interim Financing and Interim Financing Charge and matters relating thereto have been addressed in the Court's interim orders on the *Motion for an Order (I) Specifically Recognizing Canadian Court Order Authorizing Debtors to Borrow Under a Post-Petition Credit Facility, (II) Approving Liens On Assets Located in the Territorial Jurisdiction of the United States and (III) Granting Adequate Protection to Prepetition Secured Parties* (the "Post-Petition Financing Motion"), [Docket No. 13] and will be addressed, on a final basis, at the hearing on the Post-Petition Financing Motion currently scheduled for May 31, 2016.

- (c.) Section 552 of the Bankruptcy Code applies to property of the Chapter 15 Debtors that is within the territorial jurisdiction of the United States.

4. Pursuant to Section 1524 of the Bankruptcy Code, the Monitor, as foreign representative of the Chapter 15 Debtors, may intervene in any proceeding in a State or Federal court in the United States in which a Chapter 15 Debtor is a party.

5. Pursuant to Section 1523(a) of the Bankruptcy Code, the Monitor, as foreign representative of the Chapter 15 Debtors, has standing in a case concerning any of the Chapter 15 Debtors pending under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, 553 and 724(a).

6. The following additional relief is granted pursuant to Section 1521 of the Bankruptcy Code:

- (a.) The 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 PwC in its capacity as Monitor of the Chapter 15 Debtors, to the extent not stayed under Section 1520(a) of the Bankruptcy Code, is hereby stayed;
- (b.) Execution against the assets of the Chapter 15 Debtors to the extent not stayed under Section 1520(a) of the Bankruptcy Code is hereby stayed; provided, however, Weld Riley, S.C. may set off the \$10,000.00 in its trust account against its claim for unpaid services of approximately \$38,000.00;
- (c.) Subject to further order of the Court, the administration or realization of all or part of the assets of the Chapter 15 Debtors within the territorial jurisdiction of the United States is hereby entrusted to the Chapter 15 Debtors. The terms of the Initial Order shall apply to the Chapter 15 Debtors, its creditors, the Monitor, and any other parties-in-interest;
- (d.) 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 to the extent not suspended under Section 1520(a) of the Bankruptcy Code is hereby suspended unless authorized in writing by the Chapter 15 Debtors or by further Order of this Court.

- (e.) The Monitor, as foreign representative of the Chapter 15 Debtors, may undertake the examination of witnesses, the taking of evidence, the production of documents, or the delivery of information concerning the assets, affairs, rights, obligations or liabilities of the Chapter 15 Debtors.
- (f.) Nothing in this Order shall be deemed to entrust or otherwise vest the Chapter 15 Debtors or its assets to the Monitor. The terms of the Initial Order expressly govern the rights and responsibilities of the Monitor as foreign representative in this foreign main proceeding.
- (g.) Notwithstanding Rule 7062 of the Bankruptcy Rules, made applicable to this case by Rule 1018 of the Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry and, upon its entry, shall become final and appealable.
- (h.) Pursuant to 11 U.S.C. § 1521(a), that 11 U.S.C. § 108(c) is applicable in these jointly administered Chapter 15 Bankruptcy Cases.

7. The Chapter 15 Debtors are authorized to maintain their existing consolidated cash management system, to allow receipt and sending of transfers via the ACH or automatic clearing house system and by wire transfer (collectively, the “Cash Management System”), all subject to the terms and conditions of the Chapter 15 Debtor’s prepetition agreements with its depository institutions (including the right to pay all pre-petition and post-petition administrative fees associated with such Bank Accounts and Cash Management System). To facilitate the use of the current cash management system, the Chapter 15 Debtors are authorized and empowered to (i) maintain and continue to use, with the same account numbers, all of its existing bank accounts at depository institutions in the United States (the “Bank Accounts”); (ii) treat the Bank Accounts for all purposes as debtor-in-possession accounts; (iii) maintain and continue to use its existing business forms, stationery and checks, all without the appellation “debtor-in-possession”; and (iv) preserve the reporting and accounting mechanisms used by the Chapter 15 Debtors in respect of the Bank Accounts.

8. The Chapter 15 Debtors are authorized to pay the pre-petition wages of employees and other pre-petition obligations as provided by the Initial Order.

9. Except for the Interim Finance Charge³, the charges granted against the Chapter 15 Debtors' assets in the Initial Order are hereby approved as provided in the Initial Order.

10. Pursuant to 11 U.S.C. § 1521(a)(6), to the extent not superseded by this Order, the findings and relief granted in those certain *Orders Granting Monitor's Emergency Ex Parte Application for Temporary Restraining Order And, After Notice And a Hearing, Preliminary Injunctive Relief, Pursuant to Sections 105(a) and 1519 of the Bankruptcy Code* [Docket No. 43 and 20] will continue in full force until otherwise ordered by the Court.

11. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 proceedings, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court. The relief provided herein shall survive the termination of the Canadian Proceedings subject to further order of this Court after notice and hearing.

12. Notwithstanding anything contained to the contrary herein or in the TRO, nothing in this Order or the TRO shall stay or enjoin any police or regulatory action by a governmental unit permitted by 11 U.S.C. § 362(b)(4).

13. 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.

³ As noted in Footnote 1, issues related to the Interim Financing and Interim Financing Charge have been addressed in interim orders and will be finally addressed in the Court's rulings on the Post-Petition Financing Motion at the final hearing on the Post-Petition Financing Motion.

14. This Order applies to all parties in interest in these Chapter 15 proceedings and all of their agents, employees, and representatives, and all those who act in concert with them who receive notice of this Order.

15. Nothing herein shall limit the rights of the Bond Trustee, the Syndicate, the Monitor, MacBain Properties Ltd. (“MacBain”), or the Chapter 15 Debtors (and all rights are reserved and preserved, including the right to contest any of the findings or relief provided herein), to seek other or further relief (or contest such other or further relief), including, without limitation, the right of the Bond Trustee or MacBain to seek modification or termination of recognition pursuant to 11 U.S.C. § 1517(d), reasonable discovery in connection with any such requested relief, and an expedited hearing for such relief in the event that the Canadian Court modifies the Initial Order. In the event that the Bond Trustee or MacBain seeks to modify or terminate recognition pursuant to 1517(d) as a result of the modification by the Canadian Court of the Initial Order, the Syndicate, the Monitor and the Chapter 15 Debtors will work with the Bond Trustee and/or MacBain in good faith regarding the expeditious and appropriate scheduling of an expedited hearing on such relief. The Monitor, the Chapter 15 Debtors, the Syndicate, MacBain, and the Bond Trustee reserve any and all rights to object to or otherwise oppose any further relief or discovery requested pursuant to this paragraph.

###