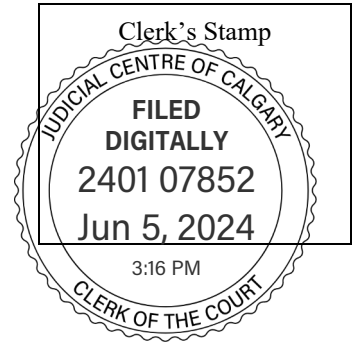


COURT FILE NUMBER **2401-**
COURT COURT OF KING’S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF DRSEAMAN & CO. LIMITED
DEFENDANT CCR TECHNOLOGIES LTD.
DOCUMENT **STATEMENT OF CLAIM**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Fasken Martineau DuMoulin LLP**
Barristers and Solicitors
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File No.: 338485.00001

NOTICE TO DEFENDANT

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

Statement of facts relied on:

Parties

1. The Plaintiff, DRSeaman & Co. Limited (the “**Shareholder**”), is a private corporation incorporated pursuant to the laws of the Province of Alberta, with its registered office located in the City of Calgary, in the Province of Alberta.
2. The Defendant, CCR Technologies Ltd. (“**CCR**”), is a private corporation incorporated pursuant to the laws of the Province of Alberta, with its registered and head office located

in the City of Calgary, in the Province of Alberta. CCR also has an office in the City of Woodlands, in the State of Texas.

3. The Shareholder, as implied by its name, is the 100% shareholder of CCR.

CCR Business

4. CCR carries on the business of chemical reclamation using proprietary vacuum distillation technology for solvent reconditioning and reclamation, to remove impurities from chemicals.
5. CCR's business is seasonal with contracts and subsequent revenues peaking in the summer months. Further, CCR's business structure requires significant upfront working capital to complete its various reclamation campaigns and the majority of customer payment terms only require payment of CCR's invoices approximately 60 days after a project is completed. For these reasons, among others, CCR's business model has not been profitable for a period of time.

Shareholder Loans and Demand for Payment

6. The Shareholder has provided significant capital injections to CCR by way of secured shareholder loans in the aggregate principal amount of \$17.5 million to attempt to mitigate CCR's financial shortfalls (the "**Shareholder Loans**"). The Shareholder Loans, provided since 2008, were critical for CCR to maintain ongoing operations.
7. Pursuant to the Shareholder Loans, all obligations of CCR, including payment of the amounts owing under the Shareholder Loans, inclusive of interest and legal and other costs (the "**Indebtedness**") are secured by a promissory grid note executed by CCR pursuant to which CCR pledged all of its present and after acquired personal property to the Shareholder to satisfy its present and future obligations owing to the Shareholder (the "**Security**"). The Shareholder duly registered the Security with the Alberta Personal Property Registry.
8. CCR has only repaid a small portion of the amounts owing under the Shareholder Loans (approximately \$500,00). On or about June 4, 2024, the Shareholder made demand on CCR

for repayment of the Indebtedness and provided notices of its intention under section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“*BIA*”), to enforce the Security (“*NITES*”) to CCR. On the same date, CCR executed an Acknowledgment and Waiver pursuant to which CCR waived any notice required under the *BIA* and consented to immediate enforcement by the Shareholder of the Security, including by way of the appointment of a receiver.

Other Creditors

9. CCR is also currently indebted to the Canadian Imperial Bank of Commerce (“*CIBC*”), its first secured creditor, under certain secured credit facilities (the “*CIBC Credit Facilities*”). The Shareholder agreed to postpone repayment of the amounts owing under the Shareholder Loans unless and until CCR repaid *CIBC* under the *CIBC Credit Facilities* in full.
10. The Shareholder attempted to work with *CIBC* to effect an orderly out-of-court wind-down or liquidation process; however, an agreement between the parties could not be reached and CCR now faces a major liquidity crisis. *CIBC* has made demand on CCR for the immediate repayment of the amounts owing under the *CIBC Credit Facilities* and has capped CCR’s operating line of credit with *CIBC*.

Status of Business and Necessity of Receiver

11. CCR’s employees are currently on three job sites in Brooks, Alberta, and in Chalmette, located in the State of Louisiana, USA. CCR does not have sufficient funds to complete these contracts. Failure to complete the contracts would result in CCR not collecting the revenues from the contracts. Furthermore, CCR does not have sufficient funds to repatriate its employees and equipment in the United States to Canada, or satisfy its next payroll cycle.
12. CCR has failed, neglected, or otherwise refused to repay the Indebtedness to the Shareholder. As at June 3, 2024, there remains \$17,548,193.06 due and owing by CCR to the Shareholder pursuant to the Shareholder Loans, with interest, costs, and other fees continuing to accrue.

13. The entire sum of the Indebtedness, plus all further accruing interest and costs incurred with respect to the collection thereof, is a just debt and properly due and owing by CCR to the Shareholder.
14. CCR has consented to the appointment of a receiver.
15. KSV Advisory Inc. has consented to act as receiver over CCR and its personal property.

Remedy sought:

16. The Plaintiff, DRSeaman & Co. Limited, claims against the Defendant, CCR Technologies Ltd. and seeks the following relief:
 - (a) a declaration that CCR is in default of payment of the Indebtedness;
 - (b) a declaration that the Security is valid, binding, and enforceable in accordance with its terms against CCR;
 - (c) judgment against CCR for all amounts owing under the Shareholder Loans, plus interest including and up to the date of judgment according to the terms of the Shareholder Loans, or alternatively, pre-judgment and post-judgment interest pursuant to the *Judgment Interest Act*, RSA 2000, c. J-1, as amended, or on such terms this Honourable Court deems just;
 - (d) the appointment of a receiver over the property, assets, and undertakings of CCR, pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, the *Judicature Act*, RSA 2000, c J-2, and the *Personal Property Security Act*, RSA 2000, c P-7;
 - (e) costs on a solicitor and own client full indemnity basis, or on such basis that this Honourable Court deems just; and
 - (f) such further and other relief as this Honourable Court deems just.

NOTICE TO THE DEFENDANT

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of King's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff against you.