

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL

S U P E R I O R C O U R T  
(Commercial Division)

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No.: 500-11-057458-198

IN THE MATTER OF THE LIQUIDATION OF:

BRITISH CONTROLLED OILFIELDS LTD.

-and-

STEPHEN MICHAEL ROSEFIELD

Petitioners

-and-

KPMG INC.

Liquidator

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**MOTION FOR AN EXTENSION OF THE BAR DATE AND OTHER ANCILLARY  
RELIEFS**

(Sections 211 and 215 of the *Canada Business Corporation Act*, RSC 1985, c C-44  
("CBCA"))

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TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN  
COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL,  
BRITISH CONTROLLED OILFIELDS LTD. AND STEPHEN MICHAEL ROSEFIELD  
RESPECTFULLY SUBMIT THE FOLLOWING:

## **I. INTRODUCTION**

1. By the present *Motion for an Extension of the Bar Date and Other Ancillary Relieves* (the “**Motion**”), British Controlled Oilfields Ltd. (“**BCO**”) and Stephen Michael Rosefield (“**Stephen**” and collectively with BCO, the “**Petitioners**”) seek, *inter alia*, (i) an extension of the Bar Date (as defined below) and (ii) an order allowing the KPMG Inc. (“**KPMG**” or the “**Liquidator**”) to proceed with the payment of various creditors of BCO.

## **II. THE PETITIONERS**

2. BCO was incorporated in 1918 under the laws of Canada and currently exists under the *CBCA*, although it does not carry on business in Canada. Its primary activity has been to invest in marketable securities, such as stocks and bonds. As of November 2019, there are 4,062,626 common shares of BCO issued and outstanding.
3. Stephen is a registered shareholder of BCO and is also a member of the United Kingdom-based Rosefield family that, together with various related entities and individuals, holds a significant interest in BCO (being more than 40% of the issued and outstanding common shares thereof).

## **III. BACKGROUND SURROUNDING THE LIQUIDATION OF BCO**

4. BCO was a non-redeemable investment fund and was a reporting issuer subject to the securities legislation (“**Securities Laws**”) of the provinces of British Columbia, Alberta and Québec. The Québec Autorité des marchés financiers (“**AMF**”), BCO’s principal regulator, considers BCO to be acting as investment fund manager of itself.
5. All the assets of BCO were held by two custodians, namely Pictet Banque & Cie (Suisse) (“**Pictet**”) and HSBC Bank, in Zurich (“**HSBC Switzerland**”). Pictet was the custodian holding the principal portion of the assets of BCO which were exclusively securities of foreign issuers (the “**Portfolio**”). Said Portfolio was managed by Veritas Asset management A.G. of Zurich, Switzerland (“**Veritas**”).
6. In September, 2014, National Instrument 81-102 - Investment Funds (“**NI 81-102**”) which had previously applied only to mutual funds distributed by prospectus in Canada was amended to apply to all investment funds which are reporting issuers in Canada, including non-redeemable investment funds such as BCO.
7. As a result, the Portfolio was required to be held under the custodianship of a custodian such as a Canadian bank or trust company that satisfies the requirements of NI 81-102.
8. Over a period of several months, BCO actively sought, in good faith, to engage a custodian meeting the requirements of NI 81-102 to replace Pictet and HSBC Switzerland while maintaining BCO’s status as a corporation that does not carry

on business in Canada. However, no custodians were able to fulfil this mandate, mainly because the value of the Portfolio was far below any prospective custodian's minimum business requirements and the fact that the Portfolio was invested exclusively in securities of foreign issuers.

9. On August 14, 2015, Pictet informed BCO that it was resigning as custodian of BCO as it did not wish to become subject to regulation by any authority outside of Switzerland.
10. On August 19, 2015, Veritas also resigned.
11. As a result of Veritas and Pictet's resignation, BCO, despite its best efforts, had no custodian or portfolio manager and could not comply with its obligations under Securities Laws, including the requirements to engage a custodian and portfolio manager.
12. On September 17, 2015, the Bureau de décision et de révision issued a cease trade order suspending trading of BCO's shares and a freeze order on BCO's assets (the "**Freeze Order**"), as appears from a copy of the BDR Order communicated herewith as Exhibit R-1. Said order was subsequently extended on a few occasions as it appears from the orders communicated *en liasse* herewith as Exhibit R-2.
13. By October 15, 2015, the Portfolio of securities held by Pictet had been completely liquidated, and since that time, the resulting cash proceeds have been held in a trust account for BCO's benefit by BCO's corporate legal counsel, namely Bloomfield & Avocats.
14. On February 4, 2016, the AMF required BCO to file a detailed plan including a timeline describing the solution identified by BCO in order to rectify its non-compliance with Securities Laws by February 22, 2016 (the "**Plan**").
15. On February 22, 2016, BCO filed said Plan with the AMF. The Plan described how BCO intended to terminate its operations and existence by proceeding with a voluntarily liquidation and dissolution pursuant to the *CBCA*.
16. On March 23, 2016, BCO filed an exemption application for relief from certain continuous disclosure requirements under National Instrument 81-106 with the AMF.
17. On April 27, 2016, the AMF granted BCO an exemption on the production of certain continuous disclosure documents by way of administrative tolerance and on the condition that a proposed undertaking be signed by BCO. Said undertaking was signed on May 4, 2016
18. On June 30, 2016, consistent with the Plan, BCO sent a notice to its known shareholders advising them that on August 3, 2016, BCO would hold an annual general and special meeting of holders of common shares, as appears from the

notice communicated herewith as Exhibit R-3. Said notice also provided that the shareholders would need to consider if they should approve a voluntary liquidation of BCO pursuant to the *CBCA* as well as the appointment of a liquidator if and when appropriate by BCO's board of directors.

19. On August 3, 2016, holders of common shares holding 1,372,081 shares of BCO were either present in person or represented by proxy at the shareholders meeting, thus constituting a quorum. The special resolution providing for the voluntary liquidation of BCO pursuant to the *CBCA* as well as the appointment of a liquidator, if appropriate, was approved by 99.85% of the shares present and voting.
20. Pursuant to the approval of the voluntary liquidation by BCO's shareholders, BCO prepared the documents required to obtain the clearance certificates from the relevant tax authorities, namely Revenu Quebec and Canada Revenue Agency (the "**CRA**"). The requests to obtain the clearance certificates from CRA and Revenu Quebec were filed on or around November 1, 2016.
21. On January 25, 2017, BCO received the clearance certificate from Revenu Quebec, as appears from a copy of said certificate communicated herewith as Exhibit R-4.
22. On October 10, 2017, BCO received the clearance certificate from the CRA, as appears from a copy of said certificate communicated herewith as Exhibit R-5.
23. BCO has now completely ceased operations and have no employees. Since BCO obtained the clearance certificates mentioned above, it would be ready to distribute the funds to BCO's shareholders if it were not for the issue discussed below.

#### **IV. APPOINTMENT OF A LIQUIDATOR & SUBSEQUENT ACTIONS BY THE LIQUIDATOR**

24. On October 23, 2019, the directors of BCO approved the appointment of a liquidator under the *CBCA*.
25. On November 22, 2019, the Petitioners presented a *Motion for the Appointment of a Liquidator and the Issuance of a Claim Procedure Order* (the "**Motion to Appoint the Liquidator**").
26. On the same day, this Court issued two orders: (i) an order appointing KPMG as liquidator to BCO and ordering a judicial liquidation under the *CBCA* (the "**Liquidation Order**") and (ii) a claims process order to ensure a proper distribution in an orderly and efficient manner (the "**Claims Procedure Order**").
27. The Claims Procedure Order, for the reasons more fully explained in the Motion to Appoint a Liquidator, set out a procedure for BCO's shareholders and creditors (collectively the "**Stakeholders**") to make proofs of their Ownership Claims or Monetary Claims (as such terms are defined in the Claims Procedure Order).

28. On November 25, 2019, the Liquidator posted on its website a copy of the following documents: the Stakeholders list, the Claims Procedure Order, the Liquidation Order, the Proof of claim form and the instructions on how to complete the Proof of Claim (the “**Instructions**”).
29. On November 28, 2019, the Liquidator sent, by regular mail, a notice of the claims procedure (the “**Notice to Stakeholders**”) as well as the Proof of Claim form and the Instructions to all the known Stakeholders.
30. The Notice to Stakeholders was published in The Globe and Mail, Le Devoir and the New York Times on November 29, 2019, and in The Times (London) on December 3, 2019 (being the earliest available date for such announcement in that publication). In addition, although not required pursuant to the Claims Procedure Order or the Liquidation Order, the Notice to Stakeholders was published on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) on February 21, 2020 in both English and French, pursuant to an undertaking with the AMF in this respect.
31. The Stakeholders had until January 15, 2020 (the “**Bar Date**”) to file their Proofs of Claim, failing which they would not be entitled to further notice.
32. As at the Bar Date, the Liquidator received a total of thirty (30) Proofs of Claims composed of twenty-six (26) Ownership Claims and four (4) Monetary Claims, summarized as follow:

Summary of the claims received As at January 15, 2020 (Bar Date)	Proof of Claims		
	Proved	Rejected	Total
<b>Ownership Claims</b>			
Number of shares	3 321 027	N/A	3 321 027
Number of Shareholders	25	1	26
<b>Monetary Claims</b>			
Amount of the claims	100 481 \$	-	100 481 \$
Number of Creditors	4	-	4

33. Subsequent to the Bar Date, the Liquidator received an amended Monetary Claim from Computershare Investor Services Inc., an affiliate of Computershare Trust Company of Canada (“**Computershare**”), which had previously submitted a Monetary Claim for corporate transfer agency services rendered prior to the commencement of these proceedings, and made an additional claim for services subsequently rendered to the Corporation in the amount of \$3,483. Computershare’s services as transfer agent have now been terminated and the Liquidator expects no further claims from Computershare in this regard.
34. The Liquidator reviewed all the Proofs of Claims to verify their completeness and adequacy for distribution purposes and is satisfied that twenty-five (25) Ownership

Claims and four (4) Monetary Claims are proven for distribution purposes. Only one Proof of Claim was rejected for the reasons more fully explained in the Liquidator's report communicated herewith as Exhibit R-6 (the "**Report**").

35. As mentioned in the Report, a total of 741,575 shares of BCO remained unclaimed as of the date hereof, the majority of which appear to be registered in the name of The Canadian Depository For Securities Limited ("**CDS**") which acts as Canada's national securities depository.
36. Further to the Report, the Petitioner, the Liquidator and the AMF have had discussions with respect to next steps that should be taken in the interest of all Stakeholders. It was agreed that the Petitioners should seek the orders sought herein from this Court before proceeding with a final distribution to BCO's shareholders.

## **V. CONCLUSIONS AND ORDERS SOUGHT**

37. Given the foregoing and so as to allow the Liquidator and the Petitioners to be back before this Court to seek a distribution and discharge order, the Petitioners hereby are asking this Court to:
  - (i) Extend the Bar Date (as such term is defined in the Claims Procedure Order) to **[30 days after the order]**, 2020, being thirty (30) days from the date of the order sought herein, to permit, among other things, for the Liquidator to attempt to communicate with registered shareholders who have not yet filed Proofs of Claims and ask them to file same without delay (and in particular, to send a final notice to CDS inviting the latter to communicate once again with any beneficial owners who have not yet filed Proofs of Claim); and
  - (ii) Authorize the Liquidator, upon it or BCO having filed the required proceedings with the Tribunal des marches financiers to have the Freeze Order lifted for the sole and limited purpose of transferring an amount of up to US\$260,000 to the Liquidator, to proceed to pay BCO's creditors having submitted approved Monetary Claims as well as the professional fees and disbursements in connection with the present proceedings, the current amounts of which are more fully detailed in the Report.

## **VI. CONCLUSIONS**

38. For these reasons, the Petitioners consider that it is appropriate and necessary that the conclusions sought herein be granted.
39. The present Motion is well-founded in fact and in law.

**WHEREFORE THE PETITIONERS REQUEST THAT THIS HONOURABLE COURT:**

- [1] **GRANT** the present *Motion for an Extension of the Bar Date and Other Ancillary Relieve* (the “**Motion**”);
- [2] **EXTEND** the Bar Date as such term is defined in the Claim Procedure Order rendered by this Court on November 22, 2019 to October 15, 2020;
- [3] **AUTHORIZE** British Controlled Oilfields Ltd. (“**BCO**”) or KPMG Inc. in its capacity as liquidator to the assets of BCO (the “**Liquidator**”), after having filed the required proceedings with the Tribunal des marches financiers to have the Freeze Order (as such term is described at paragraph 12 of the Motion) lifted for the sole and limited purpose of transferring an amount of up to US\$260,000 to the Liquidator, to pay any outstanding Monetary Claims of BCO as well as the professional fees, Liquidator’s fees and disbursements related to the present liquidation proceedings.
- [4] **WITHOUT COSTS**, save and except in case of contestation.

**MONTREAL**, September 4, 2020

*Davies Ward Phillips & Vineberg, LLP*

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**STEPHEN MICHAEL ROSEFIELD**

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**KPMG Inc.**

Liquidator

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**MOTION FOR AN EXTENSION OF THE BAR  
DATE AND OTHER ANCILLARY RELIEFS**  
*(Sections 211 and 215 of the CBCA)*

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LIQUIDATOR

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