

## PWC FILES CLAIM AGAINST PERPETUAL OVER SEQUOIA TRANSACTION

17 August 2018

---

Early last week PricewaterhouseCoopers Inc., in its capacity as trustee in bankruptcy for Sequoia Resources Corp., filed a statement of claim against Perpetual Energy Inc., attempting to unwind an asset sale from Oct. 1, 2016. Alternatively, PwC is seeking \$217-million in damages. Along with Perpetual, PwC has named certain subsidiaries and its CEO, Susan Riddell Rose, as defendants.

In its statement of claim, the plaintiff is relying upon legal principles associated with oppression, reviewable transactions in insolvencies and regulatory law in support of its action.

Given the elements of lack of good faith raised in this claim, we note the similarities to aspects of the decision of *Tronox Inc et al. v. Kerr McGee Corp et al.*, U.S. Bankruptcy Court, Southern District of New York, No. 09-1198. That case involved a \$5.15-billion settlement for the transfer of distressed assets carrying significant environmental liabilities, for a nominal sum, where the recipient filed for bankruptcy shortly afterward.

At this point in time a statement of defence has not been filed, but Gowling WLG (Canada) LLP will be following the case and advising clients of implications. This case will be of significance for any parties involved in A&D or M&A transactions involving environmental liabilities associated with natural resource development.

If you have any questions or would like to discuss further, you can contact members of Gowling WLG (Canada) LLP's Natural Resources Group.

---

NOT LEGAL ADVICE. Information made available on this website in any form is for information purposes only. It is not, and should not be taken as, legal advice. You should not rely on, or take or fail to take any action based upon this information. Never disregard professional legal advice or delay in seeking legal advice because of something you have read on this website. Gowling WLG professionals will be pleased to discuss resolutions to specific legal concerns you may have.

---

**Related** [Energy, Natural Resources](#)

## Key contacts

### Lorne Rollheiser

Partner - Calgary

 Email

lorne.rollheiser@gowlingwlg.com

 Phone

+1 403-298-1072

 vCard

Lorne Rollheiser

### Stuart M. Olley

Partner - Head of Natural Resources  
Group, Calgary

 Email

Stuart.Olley@gowlingwlg.com

 Phone

+1 403-298-1814

 vCard

Stuart M. Olley

### Richard Gushue, QC

Partner - Calgary

 Email

richard.gushue@gowlingwlg.com

 Phone

+1 403-298-1966

 vCard

Richard Gushue, QC

**Jay Lalach**

Partner - Calgary

 Email

[jay.lalach@gowlingwlg.com](mailto:jay.lalach@gowlingwlg.com)

 Phone

+1 403-298-1993

 vCard

Jay Lalach