

COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c.C-34, as amended;

AND IN THE MATTER OF an Application by the Commissioner of Competition for an order pursuant to section 92 of the *Competition Act*;

AND IN THE MATTER OF the acquisition by CCS Corporation of Complete Environmental Inc.

BETWEEN:

COMMISSIONER OF COMPETITION

APPLICANT

AND

**CCS CORPORATION, COMPLETE ENVIRONMENTAL INC.,
BABKIRK LAND SERVICES INC., KAREN LOUISE BAKER, RONALD
JOHN BAKER, KENNETH SCOTT WATSON, RANDY JOHN
WOLSEY, AND THOMAS CRAIG WOLSEY**

RESPONDENTS

AFFIDAVIT OF KENNETH SCOTT WATSON

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE	
FILED / PRODUIT	
CT-2011-002 October 31, 2011	
Jos LaRose for / pour REGISTRAR / REGISTRAIRE	
OTTAWA, ONT	# 110

J. Kevin Wright and Morgan L. Burris

DAVIS LLP
2800 - 666 Burrard Street
Vancouver, BC V6C 2Z7

Tel.: (604) 643-3631 (K. Wright)
(604) 643-2943 (M. Burris)
Fax: (604) 687-1612

Counsel for Karen Louise Baker,
Ronald John Baker, Kenneth Scott Watson, Randy John
Wolsey and Thomas Craig Wolsey

COMPETITION TRIBUNAL

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AND THOMAS CRAIG WOLSEY**

RESPONDENTS

AFFIDAVIT OF KENNETH SCOTT WATSON

I, Kenneth Scott Watson, of Charlie Lake, British Columbia, **SWEAR** as follows:

1. I am one of the founding shareholders of the respondent, Complete Environmental Inc. ("Complete"). Together with the respondents Karen Baker, Ronald Baker, Randy Wolsey and Thomas Wolsey (collectively, the "Vendors") I sold my shares of Complete to the respondent, CCS Corporation ("CCS") on January 7, 2011 in the transaction that forms the subject matter of this application (the "Transaction"). I have personal knowledge of the facts and matters set out in this affidavit except where stated to be on information and belief, in which case I verily believe them to be true.

2. I am currently involved in the management and operation of Integrated Resource Technologies Ltd. ("IRTL"), a company that I own. The respondent, Karen Baker is a director and the chief financial officer of IRTL.
3. I have worked in British Columbia and Alberta in support of the oil and gas industry for my entire career, of which I have spent the last 18 years working in the environmental services industry in North-Eastern British Columbia ("NEBC") and North-Western Alberta.
4. My experience in the environmental services industry in NEBC and Alberta includes the management and operation of:
 - (a) an oilfield waste processing facility for Newalta Corporation ("Newalta") in Fort. St. John from about 1993 to 1994;
 - (b) IRTL, which has provided and continues to provide custom soil processing and waste management services to the oil and gas industry in NEBC and North-Western Alberta since 1999;
 - (c) a municipal solid waste and roll-off bin rental business for Complete from about 2007 to 2010.
5. In April 2007, the Vendors incorporated 0787373 B.C. Ltd.. This company was later renamed Complete Environmental Inc.. Until the Transaction, the shareholders of Complete were myself and the other four Vendors.

Babkirk Land Services Inc.

6. Complete acquired the shares of Babkirk Land Services Inc. ("BLS") from Murray and Kathy Babkirk (the "Previous Owners") in or about April 2009. At that time, BLS owned certain lands near Mile 115, Alaska Highway, Wonowon, British Columbia at which there had been a soil treatment facility. In December 2008, the British Columbia Environmental Assessment Office had issued to BLS an environmental approval certificate in respect of the construction of a secure landfill on BLS's lands.
7. By the time Complete acquired BLS in 2009, it was no longer an operating business. BLS's ability to operate under its original treatment and short-term storage permit was suspended in 2007 as a result of the application commenced by the Previous Owners to amend the permit to include a secure landfill. Even after the amended treatment and secure landfill permit in respect of BLS's lands was issued by British Columbia Ministry of the Environment to BLS in February 2010, BLS remained unable to commence construction of a secure landfill cell or any other operations under its permit until it submitted and obtained the British Columbia Ministry of the Environment's approval of its operations plan.

Activities of Complete (Apart from ownership in BLS)

8. In or about March 2007, I learned of an opportunity to purchase the assets of an existing municipal solid waste management business that had been based in Dawson Creek, British Columbia. In about April or May, 2007, Complete acquired the assets of this business. The business's operations included contracts with the Peace River Regional District ("PRRD") for the management of the Fort St. John and Bessborough municipal landfills and the Dawson Creek Transfer Station, the supply and hauling of roll-off bins, and the provision of rural refuse collections and transfer services. These municipal waste operations represented Complete's core operations from 2007 through 2009.
9. Complete's operation of the Dawson Creek Transfer Station and its roll-off bin rental businesses continued up to the time of the Transaction, when they were acquired by CCS by virtue of its acquisition of the shares of Complete.

The Transaction

10. The Transaction closed on January 7, 2011, pursuant to a Share Purchase Agreement dated December 30, 2010 (the "SPA"). A copy of the body of the SPA (without its schedules) is attached to my affidavit and marked as Exhibit "A".

11. The purchase price under the SPA for the shares of Complete was a base price of

The parties negotiated the base price according to the following allocation:

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12. Section 1.1(a) and 1.1(u) of the SPA describe and define the respective assets of BLS and Complete held at the time of the Transaction. Attached to my affidavit and marked as Exhibit "B" is a copy of Schedule G of the SPA. Schedule G lists the equipment and fixed assets of Complete and BLS as at the time of the Transaction.
 13. I am aware that since the closing of the Transaction, at least some of the equipment formerly owned by Complete was put up for auction by CCS and sold.

Proceeds of Sale

14. My share of the proceeds of the Transaction was approximately \$

- 15. Although the Commissioner had put the Vendors on notice of her intention to bring an application contesting the Transaction in about December, 2010, the Commissioner permitted the parties to complete the Transaction without any requirement that the Vendors preserve or hold the proceeds of the Transaction separate. Similarly, no conditions were requested or imposed on the Vendors by the Commissioner after she filed her Notice of Application on January 24, 2011.
- 16. Since receiving my share of the proceeds, I have spent approximately \$:

. None of these expenses are recoverable.

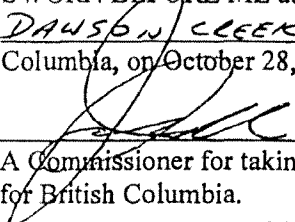
- 17. The payment of \$ _____ and \$ _____ payment _____ were made prior to January 24, 2011; the balance of expenditures were made thereafter.

18.

19.

20.

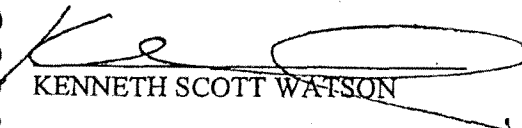
SWORN BEFORE ME at
DAWSON CREEK, British
 Columbia, on October 28, 2011.



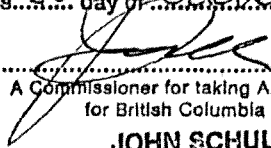
 A Commissioner for taking Affidavits
 for British Columbia.

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JOHN SCHULLER
 BARRISTER & SOLICITOR
 STE. 2, 933 - 103 AVENUE
 DAWSON CREEK, BC
 V1G 2G4

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) **KENNETH SCOTT WATSON**
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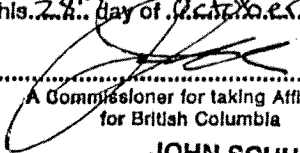
This is Exhibit "A" referred to in
the affidavit of Kenneth Watson
sworn before me at DAWSON CREEK
This 28th day of October, 2011.


A Commissioner for taking Affidavits
for British Columbia

JOHN SCHULLER
BARRISTER & SOLICITOR
STE. 2, 933 - 103 AVENUE
DAWSON CREEK, BC
V1G 2G4

This is Exhibit " B " referred to in
the affidavit of Kenneth Watson
sworn before me at DAWSON CREEK
This 28th day of October 2011.

.....
A Commissioner for taking Affidavits
for British Columbia



JOHN SCHULLER
BARRISTER & SOLICITOR
STE. 2, 933 - 103 AVENUE
DAWSON CREEK, BC
V1G 2G4