

COURT FILE NUMBER	1903 - 06817
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	ROYAL BANK OF CANADA
DEFENDANTS	THE COMPLETE MASONRY LTD. 1875329 ALBERTA LTD., BEATTY RENTALS LTD., LILLIAN BEATTY and RICHARD BEATTY
DOCUMENT	FOURTH REPORT OF THE RECEIVER, MNP LTD., DATED JULY 12, 2019
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Attn: Dean Hitesman 2900 Manulife Place 10180 – 101 Street NW Edmonton, AB T5J 3V5 Phone (780) 423-7284 Fax (780) 423-7276 Solicitors for the Receiver, MNP Ltd.

Introduction and Purpose of the Report

1. MNP Ltd. was appointed Receiver of The Complete Masonry Ltd. ("TCM"), 1875329 Alberta Ltd. ("187") and Beatty Rentals Ltd. ("Beatty Rentals") (collectively hereinafter referred to as the "Companies") pursuant to an order (the "Receivership Order") dated April 10, 2019 of the Honourable Justice K.G. Nielsen of Court of Queen's Bench of Alberta (the "Court").
2. 187 primarily dealt in real estate holdings while TCM provided masonry services and Beatty Rentals dealt in equipment rental services.
3. This is the Receiver's Fourth Report to Court (the "Fourth Report") and it should be read in conjunction with the Receiver's First Report to Court dated June 3, 2019 (the "First Report"), the Receiver's Second Report to Court dated June 7, 2019 (the "Second Report") and the Receiver's Third Report to Court dated June 17, 2019 (the "Third Report"). Capitalized terms in the Fourth Report are as defined in the First Report, the Second Report and the Third Report.
4. The purpose of the Third Report is to advise the Court with respect to the following:
 - Sale of the Equipment of TCM; and,
 - Priority Claim to the TCM Equipment.
5. In preparing the Fourth Report, and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Companies, the Companies books and records, and information from other third-party sources (collectively, the "Information"). The Receiver has not audited, reviewed or otherwise attempted

to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.

6. Materials with respect to this proceeding can be found on the Receiver's website at <https://mnpdebt.ca/en/corporate/engagements/the-competemasonry-ltd-1875329-alberta-ltd-and-beatty-rentals-ltd>.

Sale of the Equipment of TCM

7. As detailed in its First Report, the Receiver conducted an inventory of the assets and equipment owned by TCM on April 10, 2019 (the "TCM Equipment").
8. The TCM Equipment has been stored on an acreage in the County of Grande Prairie which was being rented by Richard Beatty (the "Acreage").
9. The Receiver enlisted Ritchie Brothers Auctioneers to attend to the Acreage and provide the Receiver with an estimated auction value of the TCM Equipment.
10. The Receiver sought quotes from two (2) transport companies to have the equipment relocated from the Acreage to the Ritchie Brothers Auctioneers auction site. The Receiver engaged Cor Enterprises Hotshot Services to relocate the equipment as its bid was more competitive than the second entity who provided a quote.
11. Ritchie Brothers Auctioneers is holding an auction in Grande Prairie on July 29, 2019 (the "RB Auction"). The Receiver is seeking approval from the Court to sell the TCM Equipment at the RB Auction.
12. The agreed terms of sale for the sale of the TCM Equipment is based on a straight commission agreement with Ritchie Brothers Auctioneers as follows:
 - a. 13% commission on lots with a gross auction value in excess of \$2,500; and,
 - b. 25% commission on lots with a gross auction value of \$2,500 or less.
13. Attached as **Schedule A** is a listing of the assets to be sold at the RB Auction.
14. Attached as **Schedule B** is a copy of the executed auction contract in relation to the RB Auction.

Priority Claim to the TCM Equipment

15. CRA performed an audit of the payroll account of TCM on May 6, 2019, the results of which were received by the Receiver on or around July 2, 2019.
16. As a result of the audit, TCM has a total payroll debt of approximately \$346,000. CRA has not yet filed its deemed trust claim that would identify the portion of the \$346,000 for which CRA holds a deemed trust over the TCM Equipment.
17. Although the deemed trust claim has not yet been filed, it is likely that the deemed trust claim will encompass the entire net realization from the TCM Equipment.
18. The Receiver proposes to complete a reconciliation of the sale of the TCM Equipment once the liquidation is complete and the deemed trust claim has been filed. At that time the Receiver will recommend a distribution from the sale of the TCM Equipment in conjunction with an allocation of costs subject to a further order from this honorable Court.

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19. Based on an April 4, 2019 search conducted of the Personal Property Registry, both RBC and Workers' Compensation Board have certain specific serial number registrations over the TCM Equipment. A copy of the April 4 2019 PPR Search is attached as **Schedule C**.
20. As there is likely no realizable value in the TCM Equipment above what is owed to CRA pursuant to its payroll claim and as the Receiver is seeking an order that the sale proceeds will stand in the place of the TCM Equipment with respect to any and all claims against the TCM Equipment, the Receiver is seeking authority from the Court to discharge security registrations over the TCM Equipment upon completion of the sale.

Conclusion

21. The Receiver submits this Fourth Report in support of an Order for the following:

- Authorizing the Receiver to liquidate the TCM Equipment through the Ritchie Brothers Auctioneers auction; and
- Authorization to discharge specific serial numbered registrations upon the sale of the TCM Equipment.

All of which is respectfully submitted this 12th day of July 2019.

MNP Ltd.

In its capacity as Receiver of

The Complete Masonry Ltd., 1875329 Alberta Ltd., and Beatty Rentals Ltd.

And not in its personal capacity

**Per: Karen Aylward, CIRP, Licensed Insolvency Trustee
Vice President**