

## **DMD III MORTGAGE INVESTMENT CORPORATION – IN RECEIVERSHIP**

**25-094765**

### **FIRST INTERIM REPORT OF RECEIVER**

Subsection 246(2) of the *Bankruptcy and Insolvency Act*

#### **BACKGROUND**

Effective April 4, 2017, MNP Ltd. was appointed as receiver and manager (the "Receiver") of the assets, undertakings and properties of DMD III Mortgage Investment Corporation ("DMD III" or the "Company") pursuant to an order (the "Receivership Order") granted by the Court of Queen's Bench of Alberta (the "Court")

DMD III was a mortgage investment corporation. DMD III would use investor funds to purchase residential mortgages in Alberta. Various investment properties had been foreclosed on by DMD III and at the date of receivership, DMD III was a titled owner or co-owner of eight properties, as well as registered second mortgage holder on one other property.

#### **ASSETS**

The Receiver took possession and control of the Company's assets on April 4, 2017. The Receiver had engaged the services of a consulting company to assist in the management of the assets. That agreement was terminated in October 2017.

The Receiver has listed three of the properties and sold two of the co-owned properties to date. He Receiver has also settled the functioning second mortgage with the property owners and co mortgagees. The funds are currently held in trust pending the mortgage discharge.

The Receiver has received claims from a related party against funds held in trust by Miles Davison LLP (the Miles Davison Funds"). The Miles Davison Funds are net sale proceeds held in trust for five properties sold prior to the Receivership Order. The Receiver has requested the Miles Davison Funds and to date has not received them, pending the resolution of those claims.

The Receiver has been working with the other titled owners of the remaining properties to resolve various claims and is currently working towards an agreement to list the properties for sale. This would eliminate or minimize costs, allowing the Receiver to conclude the receivership proceedings.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

The Receiver's Interim Statement of Receipts and Disbursements for the period April 4 to November 6, 2017 is attached as Appendix A.

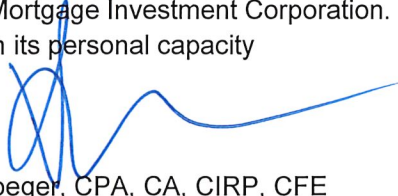
#### **OTHER**

Further information with respect to the receivership proceedings is available at the Receiver's website ([www.mnpdebt.ca/dmdiii](http://www.mnpdebt.ca/dmdiii)).

Dated at Calgary, Alberta this 6<sup>th</sup> day of November, 2017

MNP Ltd.

In its capacity as Receiver and Manager of  
DMD III Mortgage Investment Corporation.  
and not in its personal capacity



Victor Kroeger, CPA, CA, CIRP, CFE  
Senior Vice President

## Appendix "A"

**DMD III MORTGAGE INVESTMENT CORPORATION  
IN RECEIVERSHIP  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD APRIL 4, 2017 TO NOVEMBER 6, 2017**

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**RECEIPTS**

Cash on hand	\$ 558,492.32
Sale of properties	\$ 164,231.49
Rental Income	\$ 2,329.36
Interest earned	353.96

**TOTAL RECEIPTS**

725,407.13

**DISBURSEMENTS**

Filing Fees	70.00
Insurance	5,329.20
Change of locks	255.00
Storage Fees	195.02
Appraisal fees	1,375.00
Utilities	1,478.57
Repairs and Maintenance	2,805.00
Consulting fees	22,475.00
Receiver's Fees	59,664.52
Legal Fees	52,649.55
Commissions	13,330.00
GST Paid	7,637.66

**TOTAL DISBURSEMENTS**

167,264.52

**EXCESS RECEIPTS OVER DISBURSEMENTS**558,142.61