



COURT FILE/ESTATE NUMBER 1701 - 04209

COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY

JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE RECEIVERSHIP OF DMD III  
MORTGAGE INVESTMENT CORPORATION**

DOCUMENT **FIRST REPORT OF THE RECEIVER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
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File No.: 34004-2004

**APPENDICES**

**Appendix A**

Land title document for 379 Whitman Place NE, Calgary, AB

## INTRODUCTION AND BACKGROUND

1. DMD III Mortgage Investment Corporation (“DMD III” or the “Debtor”) was placed into receivership pursuant to a Consent Receivership Order, on April 4, 2017 naming MNP Ltd. as Receiver and Manager (the “Receiver”).
2. DMD III was a mortgage investment corporation. DMD III would use investor funds to purchase residential mortgages in Alberta.
3. Various investment properties had been foreclosed on by DMD III and at the date of receivership, the Debtor was a titled owner or co-owner of eight residential real estate properties.
4. In preparing the First Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of DMD III, books and records of DMD III, 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.
5. Copies of the relevant documents relating to these proceedings will be available on the Trustee’s website at [www.mnpdebt.ca/dmdiii](http://www.mnpdebt.ca/dmdiii).

## PURPOSE OF THE REPORT

6. The Receiver is seeking Court approval to:
  - a. complete the sale of 379 Whitman Place NE (the “Whitman Property”) to Rajvir Sran;
  - b. approval to pay the net proceeds to the Debtor and DMD IV Mortgage Investment Corporation, the “Owners”; and
  - c. a Sealing Order in relation to the Receiver’s First Confidential Report.

### **379 WHITMAN PLACE NE PROPERTY**

7. The owners of the Whitman Property are the Debtor and DMD IV Mortgage Investment Corporation ("DMD IV") who are together referred to as the "Owners", on a 50/50 basis.
8. A copy of the land title search is attached as Appendix "A".
9. The Receiver obtained an independent real estate appraisal of Whitman Property. A copy of the real estate appraisal is attached to the Receiver's First Confidential Report.
10. The Receiver, in agreement with DMD IV, agreed to list the property with the Chamberlain Group ("Chamberlain"). Chamberlain provided a Comparative Market Analysis to the Owners which is attached to the Receiver's First Confidential Report.
11. The property was listed on the Multiple Listing Service on July 24, 2017. Chamberlain advised that there were numerous showings and the Owners received two offers on the Whitman Property on July 27, 2017.
12. The offers to purchase submitted to the Owners are attached to the Receiver's First Confidential Report. The offers were assessed by the Owners and the offer of Rajvir Sran ("Sran") was approved subject to Court approval.
13. DMD IV and the Receiver have now approved the offer, subject to Court approval.
14. Upon closing, outstanding property taxes will be paid in full, sale costs will be paid and funds will be available to the Owners.

### **SEALING ORDER APPLICATION**

15. With a view to protecting the integrity of the sales process, in the event the transaction contemplated herein does not close, the Receiver respectfully requests and recommends that the Receiver's First Confidential Report be sealed (the "Sealing Order") until the closing of the Whitman Property.

**RELIEF SOUGHT**

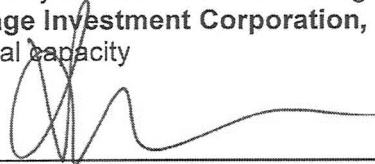
16. Based upon the foregoing, the Receiver seeks the Court's approval of the following:

- a. Approval of the proposed sale to Sran.
- b. Approval to pay out the unpaid property taxes.
- c. Approval to pay the remaining balance of sale proceeds to the Owners.
- d. A Sealing Order in relation to the Receiver's First Confidential Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 15<sup>th</sup> day of August, 2017.

**MNP Ltd.**

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



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Per: Victor P. Kroeger, CIRP, LIT, CPA, CA, CFE  
Senior Vice President

# APPENDIX A



