

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

**25-094765**

**FOURTH 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.

All residential properties owned or co-owned by the Receiver have been sold. Crossroads – DMD Mortgage Investment Corporation ("Crossroads"), a co-owner of the properties has filed property claims over the sales proceeds from those properties. A court application took place on July 4, 2018 regarding those claims.

The Receiver is currently waiting for the decision of that application. The value of the total Crossroads claims have not been quantified at this time, as the outstanding decision will direct whether those claims will be valid or not.

The Court rendered its decision in favor of the Receiver on September 20, 2019. Crossroads has since appealed the Court's decision. The Receiver is currently awaiting the timing for the appeal to be heard. Until the matter is resolved, the Receiver is unable to move forward to conclude the administration.

The Miles Davison Funds referenced in the Receiver's second interim report were released to Crossroads as counsel to the Receiver opined that the Crossroads claims to those funds were valid and enforceable.

**STATEMENT OF RECEIPTS AND DISBURSEMENTS**

The Receiver's Interim Statement of Receipts and Disbursements for the period April 4 to October 3, 2019, is attached as Appendix A.

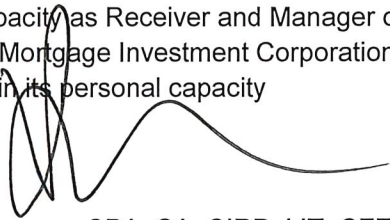
**OTHER**

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 3<sup>rd</sup> day of October, 2019

MNP Ltd.

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

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

**DMD III MORTGAGE INVESTMENT CORPORATION  
IN RECEIVERSHIP  
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD APRIL 4, 2017 TO OCTOBER 3, 2019**

---

**RECEIPTS**

Cash on hand	\$ 558,492.32
Sale of properties	331,196.81
Rental Income	2,329.28
Interest earned	<u>10,087.65</u>

**TOTAL RECEIPTS** 902,106.06

**DISBURSEMENTS**

Filing fees	70.00
Insurance	5,579.20
Change of locks	255.00
Storage fees	1,080.10
Appraisal fees	1,650.00
Utilities	2,470.97
Repairs and maintenance	7,300.00
Consulting fees	22,475.00
Receiver's fees	96,416.52
Legal Fees	118,363.68
Commissions	21,350.00
Property taxes	1,699.86
Condo fees	5,292.58
Payment to secured creditor	59,794.46
GST paid	<u>13,480.06</u>

**TOTAL DISBURSEMENTS** 357,277.43

**EXCESS RECEIPTS OVER DISBURSEMENTS** \$ 544,828.63