

COURT FILE NO. 1701 – 04209
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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PLAINTIFF
AXCESS CAPITAL ADVISORS INC.

RESPONDENT
DMD MORTGAGE INVESTMENT CORPORATION, DMD II
MORTGAGE INVESTMENT CORPORATION and DMD III
MORTGAGE INVESTMENT CORPORATION

C70972

Jul 24, 2024
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DOCUMENT
FOURTH REPORT OF THE RECEIVER IN THE MATTER OF THE
RECEIVERSHIP OF DMD III MORTGAGE INVESTMENT CORPORATION

DATED July 15, 2024

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Counsel
Torys LLP
46th Floor, 525-8 Avenue SW
Calgary, AB T2P 1G1
Telephone: 403.776.3744
Facsimile: 403.776.3800
Email: kkashuba@torys.com

FIAT: Let this Application and supporting materials be filed notwithstanding the fact that they were submitted for filing after the deadline for filing.

Attention: Kyle Kashuba

Receiver
MNP Ltd.
Suite 2000, 112 - 4th Avenue SW
Calgary, AB T2P 0H3

Telephone: 403.298.8479 / 403.537.8424
Facsimile: 403.537.8437
Email: victor.kroeger@mnp.ca / rick.anderson@mnp.ca

Attention: Victor P. Kroeger / Rick Anderson

APPENDICES

Appendix A	Creditors' Package
Appendix B	Notice of Revision or Disallowance
Appendix C	Notice of Dispute
Appendix D	Receiver's Interim Statement of Receipts and Disbursements for the period April 4, 2017 to June 30, 2024

INTRODUCTION AND BACKGROUND

1. MNP Ltd. was appointed as receiver and manager (the "**Receiver**") of the assets, undertakings, and property of DMD III Mortgage Investment Corporation ("**DMD III**" or the "**Company**"), by an Order granted by the Court of Queen's Bench of Alberta, now the Court of King's Bench (the "**Court**") on April 4, 2017 (the "**Receivership Order**").
2. DMD III was formed in 2004 and was a mortgage investment corporation operating in Alberta.
3. DMD Mortgage Investment Corporation ("**DMD**"), DMD II Mortgage Investment Corporation ("**DMD II**"), DMD III and Sun Country Mortgage Investment Corporation ("**Sun Country**") were entities controlled and operated by the same individuals and funds were regularly moved between these related parties. DMD and DMD II were also placed into receivership on April 4, 2017. MNP Ltd. was discharged as Receiver of DMD and DMD II on October 13, 2023. Sun Country was assigned into bankruptcy on February 15, 2017.
4. The Receiver issued its first report on August 15, 2017 (the "**First Report**") in support of an application to obtain Court approval of the sale of a property located at 379 Whitman Place NE Calgary, Alberta. The Court granted a Sale Approval and Vesting Order on August 22, 2017 (the "**August 22 SAVO**").
5. The Receiver issued its second report on October 12, 2017 (the "**Second Report**") in support of an application to obtain Court approval of the sale of a property located at 135 – 30 Avenue NW Calgary, Alberta. The Court granted a Sale Approval and Vesting Order on October 18, 2017 (the "**October 18 SAVO**").
6. The Receiver issued its third report on June 1, 2018 (the "**Third Report**") in support of an application to obtain Court approval of the sale of a property located at 26, 3745 Fonda Way SE Calgary, Alberta. The Court granted a Sale Approval and Vesting Order on June 15, 2018 (the "**June 15 SAVO**").
7. This is the Receiver's fourth report to the Court (the "**Fourth Report**"). Capitalized terms not defined in the Fourth Report are as defined in the Receiver's prior reports and/or the Receivership Order.
8. All references to currency are in Canadian dollars unless otherwise stated.

NOTICE TO READER

9. In preparing the Fourth Report and making comments herein, the Receiver has relied upon certain unaudited, draft, or internal financial information, including DMD III's 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 (the "**Standards**").

Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may come to the Receiver's attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of the Fourth Report.

10. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of the Fourth Report. Any use which any party makes of the Fourth Report or any reliance or decision to be made based on the Fourth Report is the sole responsibility of such party.
11. Copies of the relevant documents relating to these proceedings are available on the Receiver's website at www.mnpdebt.ca/dmdiii.

PURPOSE OF THE REPORT

12. The Fourth Report is being filed in support of the Receiver's application to this Honorable Court returnable on July 24, 2024 (the "**July 24 Hearing**") requesting the following relief:
 - a. Approving the reported actions of the Receiver in administering these receivership proceedings;
 - b. Approving the Claims Process, as defined herein;
 - c. Approving the professional fees and disbursements of the Receiver (the "**Receiver's Fees**") for the period from April 4, 2017 to June 30, 2024; and
 - d. Approving the professional fees and disbursements of Torys LLP ("**Torys**"), the Receiver's legal counsel (the "**Legal Fees**") for the period from April 4, 2017 to June 30, 2024.

ACTIVITIES OF THE RECEIVER

13. The Receiver has undertaken activities including, but not limited to, the following:
 - e. Prepared and issued the Receiver's Notice and Statement of Receiver pursuant to subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act; RSC 1985, c B-3 ("**BIA**");
 - f. Prepared interim reports, as required, pursuant to Section 246(2) BIA;
 - g. Maintained the Receiver's website;
 - h. Engaged Axxess Capital Advisors, the Company's former Independent Fund Manager, to assist the Receiver with property maintenance and sale matters;
 - i. Engaged and consulted with Torys with respect to various matters related to the administration of the receivership proceedings;

- j. Took possession of and maintained various real estate properties;
- k. Listed various real estate properties for sale and negotiated and closed the corresponding transactions;
- l. Maintained insurance on the real estate properties until their sale;
- m. Reviewed property claims from Crossroads-DMD Mortgage Investment Corporation ("**Crossroads**") relating to a property that DMD III had an ownership interest in (the "**Crossroads' Claims**");
- n. Issued notices of disallowance with respect to the Crossroads' Claims (the "**Disallowances**"). The Disallowances were disputed resulting in attendance at Court;
- o. Held sales proceeds in trust pending Court's decision regarding the validity of the Crossroads' Claims;
- p. Attended the Court of Appeal of Alberta on behalf of the DMD III creditors to obtain the Court's determination regarding the Crossroads' Claims;
- q. Prepared the First Report, the Second Report and the Third Report and attended Court hearings as required to seek the relief outlined therein;
- r. Prepared the Fourth Report and prepared for the Court hearing in respect of the relief sought and set out in the Fourth Report; and
- s. Responded to various creditor/ stakeholder inquiries.

CROSSROADS PROPERTY CLAIMS

- 14. The Receiver was provided with the Crossroads' Claims in the amount of approximately \$1,643,000 relating to various DMD III properties, which were originally filed as unsecured claims and later amended to property claims, against the sales proceeds to properties held by the Receiver and sales proceeds from pre-receivership property sales where the funds (the "**Sales Proceeds**") were held by various law firms on behalf of DMD, DMD II, DMD III and Sun Country (collectively the "**Estates**").
- 15. The Receiver and the trustee of Sun Country disallowed Crossroads' Claims against the Estates (the "**Disallowances**"). The reason for the Disallowances was that the Receiver and the trustee took the position that the Crossroads' Claims did not substantiate a trust claim or a priority to the assets of the applicable entity.
- 16. Crossroads appealed the Disallowances. The Court dismissed Crossroads appeals, however, the Court of Appeal overturned the lower Court's decision that resulted in Crossroads being entitled to the Sales Proceeds up to the amount of its indebtedness. The Disallowances and the subsequent Court applications resulted in significant Professional Fees (as hereafter defined) to each of the Estates.

CREDITORS

Secured Creditors

17. Torsys provided opinions that all the mortgages against the Company's properties were valid and enforceable, subject to standard qualifications. Therefore as each property was sold the mortgages were paid from the sales proceeds. There are no remaining secured creditors to be paid.

Potential Priority Creditors

18. The Company was a mortgage investment corporation and was not able to claim input tax credits for GST paid and did not collect GST from its activities as its income was derived from rent payments which were GST exempt.
19. The Company also had no employees.
20. The Company has no known priority creditors such as Canada Revenue Agency.

THE CLAIMS PROCESS

21. The DMD III estate currently has approximately \$458,000. On the Receivership date, the Company's books and records listed unsecured creditors of approximately \$22,800. The Receiver subsequently became aware of an additional unsecured claim for approximately \$60,000.
22. The Receiver intends to initiate a claims process to notify all creditors of their rights and ability to make a claim in these proceedings.
23. At the July 24, 2024, Hearing, the Receiver is seeking approval of a claims process in respect of the Company (the "**Claims Process**") for the purpose of determining the claims that will be eligible to share in any distribution(s) made in the receivership proceedings. The key actions and estimated timing for the Claims Process is set out below:

Action	Estimated Timing
Claims Process Order	July 24, 2024
Claims package will be posted on the Receiver's website	As soon as practicable after the granting of the Claims Process Order
Newspaper notice published in the Calgary Herald	On or before August 8, 2024
Claims package will be sent to all known claimants	On or before August 15, 2024
Claims bar date for claimants to file proof of claim	September 17, 2024
Deadline for issuance of notices of revision or disallowance (the "Disallowance Notice")	October 1, 2024

Deadline for receipt by the Receiver of any notice of dispute	10 days after receipt by the claimant of the Disallowance Notice
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24. Should an order be obtained granting the Claims Process (the “**Claims Process Order**”), the Receiver will send a package containing Claims Process information to known potential creditors of the Company (the “**Creditor Package**”). The Creditor Package will include a notice to creditors outlining the Claims Process, a proof of claim form and the corresponding instructions. A copy of the proposed Creditor Package is attached as Appendix “**A**”. Copies of the proposed Disallowance Notice and the proposed Dispute Notices are attached respectively as Appendix “**B**” and Appendix “**C**”.
25. The Receiver recommends approval of the Claims Process as it provides a timely and efficient process for the determination and handling of creditor claims.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

26. Attached hereto as Appendix “**D**” is the Interim Statement of Receipts and Disbursements for the interim period April 4, 2017 to June 30, 2024 (the “**Interim R&D**”). As reflected in the Interim R&D approximately \$458,000 is currently being held in trust by the Receiver.
27. The Interim R&D reflects total receipts of approximately \$1,567,907. The Receiver highlights the following with respect to these receipts:
- a) \$592,550 from bank accounts held by DMD III on the date of receivership; and
 - b) Net proceeds from sale of properties reflected as follows:

Address	Sale adjustments and				Net Proceeds to DMD III
	Gross Sale Proceeds	selling commissions	Mortgage payout	Crossroads Trust claim	
379 Whitman Place NE Calgary AB	\$311,000.00	\$13,799.06	\$148,600.47		\$148,600.47
135 - 30 Ave NW	495,000.00	21,350.00		473,650.00	0.00
26-3745 Fonda Way SE	134,000.00	14,953.37	59,794.46		59,252.17
	940,000.00	50,102.43	208,394.93	473,650.00	207,852.64

28. The Interim R&D reflects total disbursements of approximately \$1,109,333. The Receiver highlights the following with respect to these disbursements:
- a) Payment of Crossroads’ Claims of \$473,650;
 - b) Payment to secured creditors of \$208,395;
 - c) Receiver’s Fees total approximately \$109,719 to June 30, 2024, and
 - d) Legal Fees total approximately \$205,796 to June 30, 2024.

APPROVAL OF PROFESSIONAL FEES AND DISBURSEMENTS

29. The Receiver is requesting approval of the Receiver's Fees and the Legal Fees (collectively, the "Professional Fees"). In addition to the substantial Professional Fees incurred in the various Court applications related to the Crossroads' Claims, the Receiver also listed and sold three properties. The Legal Fees charged to DMD III, related to the Crossroads' Claims, represent 1/3 of the total Torys charges. The remaining 2/3 of the Torys charges for the Crossroads' Claims were paid by DMD and DMD II.
30. For the period from April 4, 2017, to June 30, 2024, the Receiver expended a total of 342 hours with respect to the administration of the receivership proceedings and its professional fees and disbursements, excluding GST, for this same period total \$109,719.
31. For the period from April 4, 2017, to June 30, 2024, Torys has expended a total of 412 hours with respect to the administration of the Receivership proceedings and its professional fees and disbursements, excluding GST, for this same period total \$224,619.

RECOMMENDATION AND CONCLUSION

32. The Fourth Report has been prepared to provide the Court with information on the following relief sought by the Receiver at the July 24 Hearing:
- a. approving the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals.
 - b. approving the Claims Process;
 - c. approving the Receiver's Fees totaling approximately \$109,719 for period ended June 30, 2024; and
 - d. approving the Legal Fees totaling approximately \$205,796 for the period ending June 30, 2024.

All of which is respectfully submitted this 15th day of July, 2024.

MNP Ltd., in its capacity as Receiver and Manager of DMD III
Mortgage Investment Corporation and not in its personal or
corporate capacity

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

APPENDIX A

COURT FILE NO. 1701 – 04209

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF AXCESS CAPITAL ADVISORS INC.

RESPONDENT DMD MORTGAGE INVESTMENT CORPORATION, DMD II MORTGAGE INVESTMENT CORPORATION and DMD III MORTGAGE INVESTMENT CORPORATION.

DOCUMENT NOTICE OF CLAIMS PROCESS IN THE MATTER OF THE RECEIVERSHIP OF DMD III MORTGAGE INVESTMENT CORPORATION

1. Pursuant to an Order (the "**Receivership Order**") of the Court of Queen's Bench of Alberta, now the Court of King's Bench (the "**Court**") filed on April 4, 2017 (the "**Date of Receivership**"), MNP Ltd. was appointed as receiver (the "**Receiver**") of the assets, undertakings, and properties of DMD III Mortgage Investment Corporation ("**DMD III**" or the "**Company**").
2. Pursuant to a further Order granted by the Court on July 24, 2023 (the "**Claims Process Order**"), a claims process was approved that directed the Receiver to solicit claims from all creditors of the Company for the purpose of determining the claims that will be eligible to share in any distribution(s) made in the Receivership proceedings. A copy of the Claims Process Order is available on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/dmdiii> (the "**Receiver's Website**").
3. Any creditor having a claim against DMD III at the Date of Receivership of any nature whatsoever, including an unsecured, secured, contingent or unliquidated claim (a "**Claim**") is required to file, in the manner set out in this Notice of Claims Process (the "**Claims Notice**"), a proof of claim in the prescribed form (which has been provided to you with the Claims Notice) with the Receiver in order to participate in any distribution in the Receivership proceedings.
4. Additional copies of the prescribed proof of claim form can be obtained by contacting the Receiver via telephone at 403-537-8393 or via email at temitope.muraina@mnp.ca or it can be downloaded from the Receiver's Website.
5. Any creditor who chooses to file a proof of claim is required to provide whatever documentation they may have to support their Claim, such as contracts, invoices, bills of lading and shipping receipts, in

relation to the goods and/or services provided to the Company in the appropriate currency under which their Claim arose.

6. All proof of claim forms, together with the supporting documentation must be delivered by mail or courier service to MNP Ltd., 2000, 112 – 4th Avenue SW, Calgary, AB T2P 0H3 or via email at temitope.muraina@mnp.ca to the attention of Temi Muraina on or before 4:00 p.m. Mountain Time on Tuesday September 17, 2024 (the “**Claims Bar Date**”).
7. Creditors who do not submit a Claim to the Receiver by the specified time on the Claims Bar Date, or such later date as the Court may order, shall not be entitled to receive any further notice of the Receivership proceedings, not be entitled to receive any distribution in the Receivership proceedings and be forever barred from making or enforcing any Claim against DMD III related to the period prior to the Date of Receivership.
8. The Receiver will provide any Notice of Revision or Disallowance (the “**Disallowance Notice**”) to creditors in writing by registered mail, courier, or email on or before October 1, 2024.
9. Where a creditor objects to a Disallowance Notice, the creditor must notify the Receiver of its objection in writing (the “**Dispute Notice**”) by registered mail, courier service or email within 10 days from the date of the Disallowance Notice.
10. A creditor who does not file a Dispute Notice to a Disallowance Notice issued by the Receiver shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in the Disallowance Notice.

Dated July 24, 2024

MNP Ltd., in its capacity as Receiver of DMD III Mortgage Investment Corporation and not in its personal or corporate capacity

Per:

Rick Anderson, CIRP, LIT, CPA, CMA, CFE
Vice President

District of: Alberta
Division No. 02 - Calgary
Court No. 25-094766
Estate No. 25-094766

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the receivership of DMD III Mortgage Investment Corporation of the _____ of _____ in and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of receivership, namely the 4th day of April 2017, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

District of Alberta
Division No. 02 - Calgary
Court No. 25-094766
Estate No. 25-094766

FORM 31 --- Concluded

- E. CLAIM BY WAGE EARNER OF \$ _____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

Witness

Creditor

Phone Number: _____
Fax Number : _____
E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

PROOF OF CLAIM

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

PARAGRAPH 1

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

PARAGRAPH 3

- ▶ State the date of bankruptcy, proposal of receivership and the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 4

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. You must insert the value at which you assess each of your securities and provide a certified true copy of the security documents as registered.

PARAGRAPH 5

Strike out “are” or “are not” as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

PARAGRAPH 6

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the bankruptcy or proposal, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the bankruptcy or proposal, if the creditor and debtor are related.

In the case of an individual’s bankruptcy only, you may request some or all of the items stated after paragraph 6.

APPENDIX B

COURT FILE NO. 1701 – 04209

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF AXCESS CAPITAL ADVISORS INC.

DEFENDANTS DMD MORTGAGE INVESTMENT CORPORATION, DMD II MORTGAGE INVESTMENT CORPORATION and DMD III MORTGAGE INVESTMENT CORPORATION

DOCUMENT NOTICE OF REVISION OR DISALLOWANCE IN THE MATTER OF THE RECEIVERSHIP OF DMD III MORTGAGE INVESTMENT CORPORATION.

1. Pursuant to an Order of the Court of King's Bench of Alberta (the "Court") filed on April 4, 2017, MNP Ltd. was appointed as receiver (the "Receiver") of the assets, undertakings, and properties of the assets, undertakings, and properties of DMD III Mortgage Investment Corporation ("**DMD III**" or the "**Company**").
2. Pursuant to a further Order granted by the Court on July 24, 2024 (the "Claims Process Order"), a claims process was approved that directed the Receiver to solicit claims from all creditors of the Company for the purpose of determining the claims that will be eligible to share in any distribution(s) made in the Receivership proceedings.
3. Pursuant to the Claims Process Order, the Receiver hereby gives you notice that it has reviewed your proof of claim filed in the Receivership proceedings and has revised or disallowed your claim.
4. Subject to further disputes by you in accordance with the Claims Process Order, your claim will be allowed as follows:

Amount allowed by the Receiver:

Type:	Proof of claim amount:	Admitted amount:
Unsecured Claim		
Secured Claim		

Reasons for the Revision or Disallowance:

5. If you intend to dispute this Notice of Revision or Disallowance (the "Disallowance Notice"), you must within 10 days from the date of this Disallowance Notice, deliver to the Receiver, a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier to MNP Ltd., Suite 2000, 112 – 4th Avenue SW, Calgary, AB T2P 0H3 or via email to Rick.Anderson@mnp.ca to the attention of Rick Anderson.

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN TEN (10) DAYS OR THE DATE ON THIS DISALLOWANCE NOTICE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS DISALLOWANCE NOTICE.

Dated: _____, 2024

MNP Ltd., in its capacity as Receiver of DMD III Mortgage Investment Corporation. and not in its personal or corporate capacity

Per: _____
Rick Anderson CIRP, LIT, CPA, CMA, CFE
Vice President

APPENDIX C

COURT FILE NO. **1701 - 04209**

Clerk's Stamp

COURT **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PLAINTIFF **AXCESS CAPTIAL ADVISORS INC.**

DEFENDANTS **DMD MORTGAGE INVESTMENT CORPORATION, DMD II MORTGAGE INVESTMENT CORPORATION and DMD III MORTGAGE INVESTMENT CORPORATION**

DOCUMENT **NOTICE OF DISPUTE IN THE MATTER OF THE RECEIVERSHIP OF DMD III MORTGAGE INVESTMENT CORPORATION.**

1. I, _____ (name), of _____ (city/town), in the Province of _____ dispute the amount stated in the attached Notice of Revision or Disallowance.

2. I dispute the amount stated in the Notice of Revision or Disallowance for the following reasons and attach all applicable documents:

(use additional pages if necessary).

Dated at _____ (city/town), this ____ day of _____, 2024.

Witness

Signature of individual completing the form

APPENDIX D

**DMD III MORTGAGE INVESTMENT CORPORATION
IN RECEIVERSHIP
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD APRIL 4, 2017 TO JUNE 30, 2024**

RECEIPTS

Cash on hand	\$ 592,549.87
Sale of assets	940,000.00
Rental Income	2,329.28
Interest earned	33,027.81

TOTAL RECEIPTS

1,567,906.96

DISBURSEMENTS

Filing fees	70.00
Insurance	5,579.20
Change of locks	255.00
Storage fees	2,815.85
Appraisal fees	1,650.00
Utilities	2,470.97
Repairs and maintenance	7,300.00
Consulting fees	22,475.00
Receiver's fees	109,718.77
Legal Fees	205,796.39
Commissions	43,767.50
Property taxes	1,699.86
Condo fees	5,292.58
Mortgage payouts	208,394.93
Crossroads' Claim paid	473,650.00
GST paid	18,396.49

TOTAL DISBURSEMENTS

1,109,332.54

**EXCESS RECEIPTS OVER DISBURSEMENTS REPRESENTED BY CASH
IN BANK**

\$ 458,574.42

SCHEDULE 1 TO APPENDIX D

**In the matter of the Receivership of DMD III Mortgage Investment Corporation .
Schedule of Professional Fees and Disbursements for the Period Ended June 30, 2024**

MNP Ltd.

Invoice Number	Description	Receiver's Fees	Disbursements	Total before GST	GST	Invoice total
8073275	Period of May 1 to June 30, 2017	\$ 16,550.50	\$ 173.52	\$ 16,724.02	\$ 836.20	\$ 17,560.22
8094713	Period of July 1 to 31 2017	7,525.00	-	7,525.00	376.25	7,901.25
8007821	Period of April 4 to April 30, 2017	17,696.00	-	17,696.00	884.80	18,580.80
8116529	Period of August to 31 2017	10,860.00	-	10,860.00	543.00	11,403.00
8145992	Period of September 1 to 30, 2017	6,849.50	10.00	6,859.50	342.98	7,202.48
8171518	Period of October 1 to 31, 2017	7,781.00	-	7,781.00	389.05	8,170.05
8195696	Period of November 1 to 31, 2017	4,763.50	-	4,763.50	238.18	5,001.68
8216264	Period of December t to 31, 2017	3,696.00	-	3,696.00	184.80	3,880.80
8244413	Period of January 1 to 31, 2018	4,061.00	-	4,061.00	203.05	4,264.05
8278061	Period of February 1 to 28, 2018	4,148.50	-	4,148.50	207.42	4,355.92
8332388	Period of March 1 to 31, 2018	929.00	-	929.00	46.45	975.45
8413404	Period of April 1 to 30, 2018	1,073.00	-	1,073.00	53.65	1,126.65
8452813	Period of May 1 to 31, 2018	4,418.50	-	4,418.50	220.92	4,639.42
8475424	Period of June 1 to 30, 2018	1,504.00	10.00	1,514.00	75.70	1,589.70
8531738	Period of July 1 to August 31, 2018	1,528.50	-	1,528.50	76.42	1,604.92
8657499	Period of September 1, 2018 to January 31, 2019	2,015.00	-	2,015.00	100.75	2,115.75
8853542	Period of February 1 to April 30, 2019	824.00	-	824.00	41.20	865.20
9776563	Period of May 1 2019 to March 23 2021	5,278.00	-	5,278.00	263.90	5,541.90
10245010	Period of April 22, 2021 to March 2 2022	1,142.75	-	1,142.75	57.14	1,199.89
10540239	Period of March 3 2022 - July 31 2022	571.00	-	571.00	28.55	599.55
10853027	Period of August 1 2022 to February 28 2023	1,986.50	-	1,986.50	99.32	2,085.82
11225390	Period of March 1 to August 31 2023	1,850.50	-	1,850.50	92.52	1,943.02
11298361	Period of September 1 to October 31 2023	2,473.50	-	2,473.50	123.68	2,597.18
		\$ 109,525.25	\$ 193.52	\$ 109,718.77	\$ 5,485.93	\$ 115,204.70

Torys

Legal counsel for the Receiver

Invoice Number	Description	Legal Fees	Disbursements	Total before GST	GST	Invoice total
1397114	Period ending April 30 2017	\$ 4,206.60	\$ -	\$ 4,206.60	\$ 207.28	\$ 4,413.88
1399350	Period ending May 31, 2017	8,083.45	-	8,083.45	398.21	8,481.66
1404861	Period ending July 31, 2017	3,072.50	-	3,072.50	146.62	3,219.12
1407731	Period ending August 31, 2017	5,845.51	-	5,845.51	290.65	6,136.16
1411220	Period ending September 30, 2017	14,329.82	-	14,329.82	712.58	15,042.40
1417167	Period ending November 30, 2017	12,416.91	-	12,416.91	619.91	13,036.82
1418854	Period ending December 31, 2017	4,771.60	-	4,771.60	238.58	5,010.18
1413351	Period ending October 31, 2017	8,409.41	-	8,409.41	416.52	8,825.93
1422904	Period ending January 31, 2018	3,021.71	-	3,021.71	151.09	3,172.80
1424984	Period ending February 28, 2018	4,429.75	-	4,429.75	221.24	4,650.99
1428696	Period ending March 31, 2018	1,928.00	-	1,928.00	96.39	2,024.39
1430588	Period ending April 30, 2018	1,590.17	-	1,590.17	79.51	1,669.68
1434851	Period ending May 31, 2018	5,354.20	-	5,354.20	267.71	5,621.91
1442223	Period ending June 30, 2018	9,706.95	-	9,706.95	484.22	10,191.17
1444759	Period ending July 31, 2018	10,982.42	-	10,982.42	548.51	11,530.93
1451985	Period ending October 31, 2018	48.34	-	48.34	2.42	50.76
1461688	Period ending January 31, 2019	1,343.75	-	1,343.75	67.19	1,410.94
1482979	Period ending September 30, 2019	643.75	-	643.75	32.19	675.94
1485357	Period ending October 31, 2019	1,094.75	-	1,094.75	54.74	1,149.49
1491791	Period ending December 31, 2019	329.50	-	329.50	16.47	345.97
1495523	Period ending January 31, 2020	1,031.50	-	1,031.50	51.58	1,083.08
1506261	Period ending May 31, 2020	11,464.25	-	11,464.25	573.21	12,037.46
1504426	Period ending April 30, 2020	14,175.00	-	14,175.00	708.75	14,883.75
1501496	Period ending March 31, 2020	2,523.75	-	2,523.75	126.19	2,649.94
1511873	Period ending July 31, 2020	8,473.75	-	8,473.75	423.69	8,897.44
1527411	Period ending January 29, 2021	4,195.75	-	4,195.75	209.79	4,405.54
1522141, 1531040	Period ending November 30, 2020 and February 28, 2021	589.67	-	589.67	29.48	619.15
1560046	Period ending December 31, 2021	1,199.84	-	1,199.84	60.00	1,259.84
1569476	Period ending March 31, 2022	2,026.50	-	2,026.50	101.33	2,127.83
1572222	Period ending April 30, 2022	106.00	-	106.00	5.30	111.30
1566833	Period ending April 30, 2021	24,159.54	-	24,159.54	1,207.98	25,367.52
1533603	Period ending March 31, 2021	9,841.00	-	9,841.00	492.05	10,333.05
1563107	Period ending January 31, 2022	2,843.75	-	2,843.75	142.19	2,985.94
1565886	Period ending February 28, 2022	1,608.25	-	1,608.25	80.41	1,688.66
1595304	Period ending December 31, 2022	310.00	-	310.00	15.50	325.50
1607270	Period ending March 31, 2023	155.00	-	155.00	7.75	162.75
1620192	Period ending September 30, 2023	1,529.25	-	1,529.25	76.46	1,605.71
1624470	Period ending October 31, 2023	5,629.50	94.00	5,723.50	282.48	6,005.98
1643207	Period ending May 31, 2024	4,805.00	-	4,805.00	240.25	5,045.25
1646083	Period ending June 30, 2024	7,426.00	-	7,426.00	371.30	7,797.30
		\$ 205,702.39	94.00	205,796.39	10,257.71	\$ 216,054.10

Total

\$ 315,227.64 \$ 287.52 \$ 315,515.16 \$ 15,743.64 \$ 331,258.80