

COURT FILE NUMBER	1801 - 02453
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ROYAL BANK OF CANADA
DEFENDANTS	WESTRIDGE ELECTRIC LTD., GAP ELECTRIC LTD. AND 1880489 ALBERTA LTD.
DOCUMENT	SECOND REPORT OF THE RECEIVER, MNP LTD., DATED JANUARY 10, 2019
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLennan Ross LLP Attn: Stephen Livingstone 600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4 Phone (780) 482-9242 Fax (780) 733-9719 Solicitors for the Receiver, MNP Ltd.

Introduction and Purpose of the Report

1. MNP Ltd. was appointed Receiver of Westridge Electric Ltd. ("Westridge"), GAP Electric Ltd. ("GAP") and 1880489 Alberta Ltd. ("188") (collectively referred to herein as the "Company") pursuant to a May 17, 2018 Court of Queen's Bench of Alberta (the "Court") Order (the "May 17 Order").
2. The Company operated as an electrical contractor located in Yellowknife, NT and previously in Okotoks, AB. The Okotoks, AB location operated as Westridge and had ceased operations prior to the May 17 Order.
3. The principal Shareholders and Directors of the Company are Philip Rogers and Angela Rogers. 188 operated as a holding company for the shares of Westridge.
4. This is the Receiver's Second Report to Court (the "Second Report") and it should be read in conjunction with the Receiver's First Report to Court dated June 4, 2018 (the "First Report").
5. The purpose of the Second Report is to advise the Court with respect to the following:
 - Completion of the Terms in the June 15, 2018 Court Order ("June 15 Order");
 - Statutory Filings;
 - Professional Fees
 - Receiver's Interim Statement of Receipts and Disbursements; and
 - Discharge of the Receiver of 188 and Westridge
6. In preparing the Second 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

Company, the Company'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.

Completion of Terms in the June 15 Order

7. In accordance with the terms of the June 15 Order GAP was authorized to purchase the assets of Westridge and 188. GAP paid the sum of \$200,000 to the Receiver in accordance with the Asset Purchase Agreement, purchasing the assets of Westridge and 188 en-bloc.
8. The Receiver has distributed the sale proceeds as follows:
 - \$135,000 to RBC as first position secured creditor; and
 - \$65,000 held back for professional fees and disbursement of the receivership estate.
9. As of January 8, 2019, a balance of \$2,520.09 of the \$65,000 holdback remains in the receivership estate of Westridge and 188.
10. RBC confirmed to the Receiver that all amounts outstanding by the Company had been paid in full by the distribution from the Receiver (referenced in paragraph 12) and monies paid directly to RBC through the refinancing by GAP.
11. The Receiver confirmed that as of July 12, 2018 all claims in priority to RBC (known to the Receiver) had been paid in full.
12. On July 16, 2018 the Receiver filed its Affidavit with the Court in accordance with paragraph 11 in the June 15 Order effecting the discharge of the Receiver of GAP. A copy of the Receiver's Affidavit is attached as **Schedule A**.

Statutory Accounts for 188 and Westridge

13. CRA completed trust examinations on the Goods and Services Tax ("GST") of Westridge resulting in a notional assessment of approximately \$46,000 in August 2018. Upon further review and additional information provided to CRA the assessed outstanding amount was reduced to approximately \$6,400 in October 2018.
14. Management of GAP and their accountants completed the required outstanding statutory returns and CRA confirmed to the Receiver that payment was remitted on the outstanding GST balance for Westridge.
15. The Receiver is not aware of any further outstanding statutory filings or indebtedness for Westridge or 188.

Final Statement of Receipts and Disbursement

16. The Receiver's Final Statement of Receipts and Disbursements dated January 4, 2019 for GAP (the "GAP Final RD") is attached as **Schedule B**.
17. The Receiver's Final Statement of Receipts and Disbursements for Westridge and 188 dated January 4, 2019 (the "Westridge Final RD") is attached as **Schedule C**.

18. As noted in the Westridge Final RD there is a shortfall of approximately \$7,500 based upon the estimated accruals for professional fees to complete the receivership administration. GAP will be responsible for payment of the shortfall in accordance with the June 15 Order and the Receiver has requested that GAP remit payment of \$7,500 on the basis that any surplus monies remaining after the completion of the administration would be distributed back to GAP.

Professional Fees

19. Attached as **Schedule D** is the Affidavit of Eric Sirrs including summary of the Receiver's Fees and Disbursements as at January 4, 2019. The summary of fees and disbursements includes an accrual of \$5,000 to complete the administration.
20. Attached as **Schedule E** is a summary of the Receiver's Legal Fees and Disbursements as at August 27, 2018. The summary of legal fees and disbursements includes an accrual of \$5,000 to complete the administration. The Receiver is of the opinion that the legal fees accrued to date are fair and reasonable.

Conclusion

21. The Receiver proposes to provide the Director's of the Company with 30 days notice to collect the books and records currently in the possession of the Receiver failing which the Receiver will have the authority to destroy those records in its possession.
22. The Receiver submits this Second Report in support of an Order authorizing the following:
- Approval of the Receiver's activities as described in the Second Report;
 - Approval of the GAP Final RD;
 - Approval of the Westridge Final RD;
 - Approval of the Receiver's Fees and Disbursements;
 - Approval of the Receiver's Legal Fees and Disbursements;
 - Approval to provide the Directors of the Company with 30 days notice to retrieve the books and records in the Receiver's possession, failing which the Receiver is authorized to destroy those books and records;
 - Approval for the Receiver to pay any surplus monies in the Westridge and 188 receivership estates to GAP; and
 - Discharge of the Receiver of 188 and Westridge.

Respectfully submitted this 10th day of January 2019.

MNP Ltd.

In its capacity as Receiver of
Westridge Electric Ltd., and 1880489 Alberta Ltd.
And not in its personal capacity



Per: Eric Sirrs, CIRP, Licensed Insolvency Trustee
Senior Vice President

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DOCUMENT	AFFIDAVIT OF RECEIVER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLennan Ross LLP Attention: Stephen J. Livingstone #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4 Fax No. 780.482.9242 Phone No. 780.482.9101 Solicitors for the Receiver, MNP Ltd.



AFFIDAVIT OF ERIC SIRRS

Sworn on July 13, 2018

I, Eric Sirrs, of the City of Edmonton, Province of Alberta, Licensed Insolvency Trustee, MAKE OATH AND SAY THAT:


- 1) I am a Senior Vice President and Trustee at MNP Ltd., the Court Appointed Receiver of Westridge Electric Ltd., GAP Electric Ltd. and 1880489 Alberta Ltd. (hereinafter the "Receiver") and as such I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief.
- 2) On June 18, 2018 Justice J.J. Gill granted an Order for the sale of assets and distribution of proceeds (hereinafter the "Distribution Order") which provided, among other things, that the Receiver is authorized and directed to make a distribution to Royal Bank of Canada ("RBC") of certain funds available in the Receivership estate.
- 3) In accordance with paragraph 11 of the Distribution Order the Receiver is authorized to file an Affidavit upon being satisfied that the RBC and all claims in priority to the RBC have been paid in full.
- 4) I confirm that the sale of assets and distribution of proceeds to RBC, as referenced in the Distribution Order, has been completed. As at July 12, 2018 RBC and all claims in priority to RBC (known to the Receiver) have been paid in full.

- 2 -

5) I make this Affidavit in support of the discharge of the Receiver of GAP Electric Ltd. pursuant to paragraph 11 of the Distribution Order. MNP Ltd. will remain appointed as Receiver of Westridge Electric Ltd. and 1880489 Alberta Ltd.

SWORN BEFORE ME at Edmonton, Alberta,
this 13th day of July, 2018


(Commissioner for Oaths in and for the
Province of Alberta)


Eric Sirrs

REINA AINSWORTH
A Commissioner for Oaths
In and for Alberta
My Commission Expires July 15, 2019

GAP Electric Ltd.
Final Statement of Receipts and Disbursements
For the Period of May 17, 2018 to Jun 22, 2018

	May 17/18 to Jun 4/18 (\$)	Variance	May 17/18 to Jun 22/18 (\$)
RECEIPTS:			
Cash on Hand	54,277.39	-	54,277.39
Accounts Receivable Collected	59,524.91	171,946.73	231,471.64
Financing (1)	-	200,000.00	200,000.00
TOTAL RECEIPTS:	<u>113,802.30</u>	<u>371,946.73</u>	<u>485,749.03</u>
DISBURSEMENTS:			
Wages and Benefits (including pre receivership)	28,361.99	31,453.63	59,815.62
Payroll Source Deduction	23,646.71	28,081.04	51,727.75
Operating Expenses	25,625.40	32,996.16	58,621.56
Bank Charges	48.50	813.13	861.63
Property Taxes	1,323.70	-	1,323.70
WSCC	4,884.00	-	4,884.00
Insurance	2,290.60	-	2,290.60
Payment to Receiver of Westridge and 188 (2)	-	200,000.00	200,000.00
Equipment Leases	-	1,467.14	1,467.14
TOTAL DISBURSEMENTS:	<u>86,180.90</u>	<u>93,343.96</u>	<u>380,992.00</u>
Excess of Receipts over Disbursements (3)	<u>\$ 27,621.40</u>	<u>\$ 278,602.77</u>	<u>\$ 104,757.03</u>

NOTES

- (1) Financing obtained by GAP Electric Ltd. for the purposes of purchasing the assets of Westridge Electric Ltd. and 1880849 Alberta Ltd.
- (2) Monies advanced to the Receiver of Westridge Electric Ltd. and 1880849 Alberta Ltd.
- (3) Balance of funds retained by GAP Electric Ltd. following the discharge of the Receiver.

MNP Ltd.

in its capacity as Receiver of
GAP Electric Ltd.
and not in its personal capacity

Per: Eric Sims, CIRP, Licensend Insolvency Trustee

Westridge Electric Ltd. and 1880849 Alberta Ltd.
Final Statement of Receipts and Disbursements
For the Period of May 17, 2018 to January 4, 2019

	May 17/18 to Jan 4/19 (\$)
RECEIPTS:	
Cash on Hand	-
Sale of Assets En-Bloc	200,000.00
TOTAL RECEIPTS:	200,000.00
DISBURSEMENTS:	
Filing Fees	70.00
Bank Charges	25.00
Accounting Fees	890.00
Secured Creditor (RBC)	135,000.00
Legal Fees	21,527.77
Receiver's Fees and Disbursements	37,000.00
GST Paid	2,967.14
Professional Fees Accrual (1)	10,000.00
TOTAL DISBURSEMENTS:	207,479.91
Excess of Receipts over Disbursements	\$ (7,479.91)

NOTES

(1) Estimated accrual to complete the administration of the Receivership Estate.

MNP Ltd.

in its capacity as Receiver of

Westridge Electric Ltd. and 1880849 Alberta Ltd.

and not in its personal capacity

Per: Eric Sirrs, CIRP, Licensed Insolvency Trustee

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DOCUMENT	AFFIDAVIT OF ERIC SIRRS DATED JANUARY 10, 2019
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLennan Ross LLP #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4 Fax No. 780.482.9242 Phone No. 780.482.9101 Solicitors for the Receiver, MNP Ltd.

AFFIDAVIT OF ERIC SIRRS
Sworn January 10, 2019

I, Eric Sirrs, of the City of Edmonton, in the Province of Alberta, Insolvency Practitioner, MAKE OATH AND SAY THAT:

- 1) I am a senior vice-president of MNP Ltd. and a Licensed Insolvency Trustee and have been handling the day-to-day administrative work in relation to this engagement and as such, have personal knowledge of the matters herein deposed to except where stated to be based on information and belief in which case I do verify believe same to be true.
- 2) The Receiver's detailed billing covering the period May 17, 2018 to January 10, 2019 is attached as **Exhibit A** to this Affidavit. With regards to the detailed billing:
 - a) In relation to fees, the rates and charges applied are the normal rates and charges of personnel employed by MNP Ltd. The rates and ranges for the period of engagement are as follows:


i)

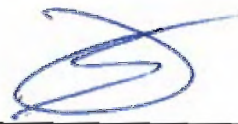
CLASSIFICATION	HOURLY RATE (\$)
Administrative Staff	75 - 192
Analysts and Consultants	188 - 315
Managers	335 - 475
Partners	475 - 595

- b) Actual out-of-pocket disbursements referred to in **Exhibit A** to this Affidavit total \$2,911.66 and represent disbursements paid to third parties.

- c) Actual out of pocket disbursements does not include amounts paid by the Receiver for printing which totals \$96.50.
- d) An estimated accrual of \$5,000 to complete the administration of the estate is included in the fee summary.

3) I make this Affidavit in support of the Receiver's application for approval of its fees.

SWORN BEFORE ME at the City of)
Edmonton, in the Province of Alberta,)
This 10th day of January 19 2018)
)
)

A Commissioner of Oaths in and for)
The Province of Alberta)


Eric Sirrs

REINA AINSWORTH
A Commissioner for Oaths
in and for Alberta
My Commission Expires July 15, 2019

This is Exhibit "A" referred to in the Affidavit of

ERIC SIRRS

Sworn before me this 10 day

of JANUARY A.D., 2019

GAP Electric Ltd., Westridge Electric Ltd. and 1880489 Alberta Ltd.

[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

FEE SUMMARY

Carolina Bautista	1.20	386.00
Eric Sirrs	40.60	21,036.00
Joanna Papierska-Zielinska	0.10	17.40
Karen Aylward	0.60	258.00
Julie Kennedy	20.10	7,955.50
Rebecca Namiiro	0.10	17.00
Lorry Fritsche	0.20	63.00
Reina Ainsworth	7.95	1,370.90
Rick Anderson	11.60	3,955.60
Maha Shah	3.00	578.50
	85.45	35,637.90

Total Hours

85.45

TOTAL FEES

35,637.90

DISBURSEMENT SUMMARY

Printing	96.50
Postage	60.86
Travel	2,089.63
Lodging	533.26
Meals	52.91
Locksmith	175.00
	3,008.16

TOTAL DISBURSEMENTS

3,008.16

TOTAL FEES AND DISBURSEMENTS

38,646.06

Less Interim Billings

(37,000.00)

Plus Estimated Accrual to complete the administration

5,000.00

NET FEES AND DISBURSEMENTS

6,646.06