

Court File No.: CV-18-609417-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

HSBC BANK CANADA

Applicant

-and-

ROYAL CANADIAN BEDROCK INC.

Respondent

**MOTION RECORD
(Seeking Advice and Direction with respect to the Debtor's Books and Records and
Location of Property)
(returnable January 16, 2019)**

DATE: January 15, 2019

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

HSBC BANK CANADA

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-and-

ROYAL CANADIAN BEDROCK INC.

Respondent

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TAB 1

Court File No.: CV-18-609417-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

HSBC BANK CANADA

Applicant

-and-

ROYAL CANADIAN BEDROCK INC.

Respondent

**NOTICE OF MOTION
(Seeking Advice and Direction with respect the Debtor's Books and Records and
Location of Property)
(returnable January 16, 2019)**

Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as receiver (the "**Receiver**") of Royal Canadian Bedrock Inc. ("**RCBI**" or the "**Debtor**"), will make a motion to a Judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario, on **Wednesday, January 16, 2019, at 9:30 a.m.** or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR AN ORDER:

1. abridging the time for service of the notice of motion and motion record and validating the service of such materials;
2. seeking the Court's advice and direction with respect to compliance with paragraphs 4 through 6 of the Appointment Order (defined below), to provide the books and records of RCBI's business to the Receiver and to identify the locations of RCBI's Property (defined below) and specifically the scheduling of any proceedings in respect thereof;

3. such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. pursuant to the Order of the Honorable Justice Hainey made December 6, 2018 (the “**Appointment Order**”), Deloitte was appointed Receiver, without security, of all the assets, undertakings and properties of RCBI acquired for, or used in a business carried on by the Debtor, including all proceeds thereof (the “**Property**”), save and except for:
 - (i) certain equipment in respect of which Kooy Brothers Lawn Equipment Limited has a prior-ranking security interest (the “**Kooy Equipment**”), and which is subject to an existing receivership proceeding (Court File No.: CV-18-00595177-00CL); and
 - (ii) certain equipment in respect of which TD Equipment Finance Canada, a division of The Toronto-Dominion Bank has a prior-ranking security interest (the “**TD Equipment**”), subject to the Receiver obtaining an independent security opinion confirming the validity of such prior-ranking security interest to the Applicant.
2. the Appointment Order authorizes the Receiver to, among other things, locate, secure and realize upon various pieces of equipment subject to the Appointment Order as well as to obtain a listing of creditors of RCBI and pertinent information related thereto;
3. since the date of the Appointment Order, the Receiver as made many attempts to fulfill its mandate in a timely and responsible fashion, including, but not limited to five requests for information, teleconference between the Receiver and Mr. Guido which was also attended by counsel for both parties, numerous email communications between the Receiver and Mr. Guido, an unsuccessful site visit to two quarries where the majority of RCBI’s property was understood to be located and an in-person meeting at the

Receiver's offices between the Receiver and Mr. Guido to discuss the affairs of RCBI;

4. these efforts and communications are more particularly described in the First Report of the Receiver, dated January 11, 2018 (the "**First Report**");
5. As of the date of the First Report:
 - (i) of the 58 pieces of equipment which the Receiver wished to account for, only 16 have been located;
 - (ii) the Receiver has been unable to identify and locate several key pieces of RCBI's equipment which relate to specific PPSA registrations;
 - (iii) and Mr. Guido has provided no books and records, including fixed asset listings and no supporting information as to RCBI's creditors;
6. The receivership is over one month old and the Receiver is still without significant and material information it requires to carry out its mandate;

General

7. the inherent and equitable jurisdiction of this court; and
8. such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the First Report; and
2. such further and other evidence as counsel may advise and this Court may permit.

DATE: January 15, 2019

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Lawyers for the Receiver

TO: THE SERVICE LIST

HSBC BANK CANADA and ROYAL CANADIAN BEDROCK
INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO

NOTICE OF MOTION
(Seeking Advice and Direction with respect the Debtor's
Books and Records and Location of Property)
(returnable January 16, 2019)

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Lawyers for the Receiver

TAB 2

Court File No. CV-18-609417-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

BETWEEN:

HSBC BANK CANADA

Applicant

-and-

ROYAL CANADIAN BEDROCK INC.

Respondent

FIRST REPORT OF THE COURT-APPOINTED RECEIVER

JANUARY 11, 2019

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APPENDICIES

APPENDIX	DESCRIPTION
A	Appointment Order dated December 6, 2018
B	First Information Request dated December 6, 2018 and Anthony Guido's email response dated December 7, 2018
C	Second Information Request (with attachments, excluding Appointment Order) dated December 7, 2018
D	Third Information Request (with attachments) dated December 7, 2018
E	Email from Debtor's Counsel dated December 10, 2018 (with attachments)
F	Fourth Information Request dated December 11, 2018
G	Anthony Guido's emails dated December 11, 2018
H	Anthony Guido's first email dated December 17, 2018 (with attachments)
I	Anthony Guido's second email dated December 17, 2018 (with attachments)
J	Listing of RCBI Plant and Equipment known to the Receiver as at January 4, 2019
K	Anthony Guido's email dated December 18, 2018
L	Listing of RCBI Equipment and Locations provided to Anthony Guido on December 20, 2018
M	Fifth Information Request dated December 21, 2018
N	Anthony Guido's email dated December 26, 2018
O	Letters from Canada Revenue Agency dated December 19, 2018

INTRODUCTION AND PURPOSE OF THE RECEIVER'S REPORT

1. Pursuant to the Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made December 6, 2018 (the “**Appointment Order**”), which was made on the application of HSBC Bank Canada (the “**HSBC**” or “**Applicant**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act, R.S.C. 1985 c. B-3*, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act, R.S.O. 1990, c. C.43*, as amended (the “**CJA**”), Deloitte Restructuring Inc. was appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Royal Canadian Bedrock Inc. (“**RCBI**”) acquired for, or used in a business carried on by RCBI, including all proceeds thereof (the “**Property**”), save and except for:
 - i) certain equipment in respect of which Kooy Brothers Lawn Equipment Limited has a prior-ranking security interest (the “**Kooy Equipment**”), and which is subject to an existing receivership proceeding (Court File No. CV-18-00595177-00CL)(the “**Parallel Proceeding**”); and
 - ii) certain equipment in respect of which TD Equipment Finance Canada, a division of The Toronto-Dominion Bank has a prior-ranking security interest (the “**TD Equipment**”), subject to the Receiver obtaining an independent security opinion confirming the validity of such prior-ranking security interest to the Applicant.

A copy of the Appointment Order is attached hereto as **Appendix “A”**.

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2. The purpose of the First Report of the Receiver (the “**First Report**”) is to advise the Court of the Receiver’s actions to date, and in particular, the lack of cooperation from Anthony Guido (“**Guido**”), the President and sole director and officer of RCBI, in complying with paragraphs 4 through 6 of the Appointment Order, that being providing the books and records of RCBI’s business to the Receiver and identifying the locations of RCBI’s Property.

TERMS OF REFERENCE

3. In preparing this First Report, the Receiver has been provided with limited information beyond that provided by the Applicant and has relied on discussions and correspondence with Guido (the “**Information**”). Deloitte has reviewed the Information for reasonableness, consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Accounting Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

RECEIVER’S INFORMATION REQUESTS AND ATTEMPTS TO LOCATE RCBI’S PROPERTY

4. The Receiver has been appointed to, among other things, locate, secure and realize upon various pieces of equipment subject to the Appointment Order as well as to obtain a listing of creditors of RCBI and pertinent information related thereto. What follows is a

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description of the Receiver's efforts and Guido's responses to these attempts by the Receiver to fulfill its mandate in a timely and responsible fashion. In short, of the 58 pieces of equipment which the Receiver wished to account for, only 16 have been located. Moreover, Guido has provided no books and records, including fixed asset listings and no supporting information as to RCBI's creditors.

5. On December 6, 2018, the date of the Appointment Order, the Receiver sent an email to Guido which requested that he contact the Receiver immediately to discuss arrangements for:
 - i) a site visit to 104 Quarry Road, Wiarton, Ontario (the "**Wiarthon Quarry**"), where the majority of RCBI's property was understood to be located; and
 - ii) the collection of the books and records of RCBI by the Receiver (collectively, the "**First Information Request**").
6. On December 7, 2018, Guido responded to the First Information Request advising he was available for a teleconference to discuss these matters at 2:00PM (ET) the same day. A copy of the First Information Request and Guido's response is attached hereto as **Appendix "B"**.
7. On the same day, the Receiver sent an additional email to Guido in advance of the scheduled teleconference, attaching the Appointment Order, a letter to Guido requesting the delivery of all books and records of RCBI, and a detailed listing of documents/information required by the Receiver with the most pertinent

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documents/information highlighted for reference (collectively, the “**Second Information Request**”). A copy of the Second Information Request and related attachments is attached hereto as **Appendix “C”**.

8. The teleconference between the Receiver and Guido was also attended by counsel for both parties: Larry Ellis of Cassels Brock Blackwell LLP attended in his capacity as legal counsel to RCBI (“**Debtor’s Counsel**”), and Mario Forte of Goldman Sloan Nash & Haber LLP attended in his capacity as legal counsel to the Receiver (“**Receiver’s Counsel**”). On the teleconference, the parties discussed, among other items:
 - i) Guido’s duty to provide the Receiver with the location of RCBI’s Property and its books and records and access to same. Guido advised that the books and records were in electronic form and were not up to date and that he would require the weekend to update them and would then provide them to the Receiver;
 - ii) The Debtor Counsel’s insistence that the Receiver provide an indemnity to QMX8 Wiarion Inc. (“**QMX8**”), a company controlled by Guido and the registered owner of the Wiarion Quarry, prior to any visits to the Wiarion Quarry by the Receiver. Guido indicated that due to the winter weather, there were hazards at the Wiarion Quarry for which he required an indemnity prior to anybody accessing the site; and
 - iii) Confirmation of a site visit to the Wiarion Quarry on December 11, 2018, subject to coming to an agreement on the terms of an indemnity.

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9. While the Receiver did not believe that providing QMX8 with an indemnity was necessary since the Appointment Order required that immediate and continued access be provided (and the fact that HSBC had been provided with a landlord waiver from QMX8 specifically in relation to the Wiarnton Quarry (the “**Landlord Wavier**”), a copy of which was also sent to Guido and Debtor’s Counsel), in the interest of time and the spirit of cooperation (the Receiver required the assistance of Guido or his associates to gain access to buildings on the premises and identify equipment), the Receiver felt it would be more expedient to negotiate an indemnity with QMX8.

10. Immediately following the December 7, 2018 teleconference, the Receiver sent Guido a further email attaching the Landlord Waiver as well as a listing of RCBI’s equipment that the Receiver had extracted from information provided by HSBC and The Fuller Landau Group Inc. (“**Fuller**”), in its capacity as Court-appointed Receiver of Amsen Quarry Limited (another company owned by Guido) and certain equipment leased by RCBI. The Receiver also requested that Guido confirm the locations of all of RCBI’s equipment, including those not known to the Receiver (the “**Third Information Request**”). A copy of the Third Information Request and related attachments is attached hereto as **Appendix “D”**.

11. On December 10, 2018, Debtor’s Counsel emailed the Receiver enclosing a schedule of RCBI’s equipment along with each piece’s purported location (the “**December 10 Email**”). A copy of this correspondence and equipment listing is attached hereto as **Appendix “E”**.

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12. As a result of the delays in coming to terms on the form of indemnity that Guido requested and which the Receiver was prepared to execute, the proposed site visit to the Warton Quarry on December 11, 2018 had to be postponed.
13. On December 11, 2018, the Receiver emailed Guido to, among other things, i) seek further clarification regarding the list of equipment provided by Guido in the December 10 Email, ii) have him provide documentation to substantiate repair and storage lien claims purportedly being advanced by QMX8 in the December 10 Email; and iii) emphasize the critical importance of the Receiver obtaining a listing of all RCBI's creditors as soon as possible in order to issue the Notice of Receiver as required under section 245 of the BIA (the "**S. 245 Notice**") (collectively, the "**Fourth Information Request**"). A copy of the Fourth Information Request is attached hereto as **Appendix "F"**.
14. On the same date, Guido responded with two separate emails providing partial clarification related to RCBI's assets and their locations, and an undertaking to provide a listing of RCBI's creditors on December 17, 2018. Copies of these emails are attached hereto as **Appendix "G"**.
15. As described later in this Report, it was not until December 19, 2018, thirteen days after the date of the Appointment Order, that Guido provided the Receiver with his list of creditors such that the Receiver was finally in a position to prepare and issue its S. 245 Notice.
16. On December 17, 2018, Guido phoned the Receiver to advise that he had additional equipment to be added to the listing Debtor's Counsel had previously provided with the

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December 10 Email. The Receiver advised that this information was required as a matter of urgency considering the scheduled site visits at both the Wiarton Quarry and the Amsen Quarry (as defined below) the following day.

17. Also on December 17, 2018, Guido sent two further emails to the Receiver. The first email was Guido's responses to the Second Information Request, most of which were sparse or indicated that that a response would be provided in "early January 2019". A copy of this email and its attachment are attached hereto as **Appendix "H"**.
18. The second email from Guido included an updated list of RCBI's equipment and their respective locations. In the covering email, Guido advised the Receiver that the attached listing was "conjecture and locations may change". A copy of this email and its attachment are attached hereto as **Appendix "I"**.
19. Due to delays in negotiating a form of indemnity with QMX8 that would be acceptable to the Receiver, and lack of availability of Guido or any of his associates, the Receiver did not obtain access to the Wiarton Quarry until December 18, 2018. On that date, the Receiver attended at the site with Matteo Caratozzolo ("**Caratozzolo**"), an associate of Guido who was apparently familiar with the business and operations of RCBI and the location of assets.
20. For the sake of cost effectiveness, the Receiver had also arranged to attend a nearby quarry located at 136 The Bury Road, South Bruce Peninsula, Ontario (the "**Amsen Quarry**"), owned by Amsen Quarry Limited, a company owned by Guido and which is under the control of Fuller via the Parallel Proceeding discussed above. The Receiver sought to visit

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the Amsen Quarry as Guido had advised that certain RCBI equipment not otherwise excluded from the Appointment Order was located there and Fuller had advised the Receiver that there was certain equipment located at Amsen Quarry that did not fall under its mandate in the Parallel Proceeding but which may be RCBI assets.

21. On December 18, 2018, the Receiver attended the Wiarnton Quarry and was provided access by Caratozzolo. Caratozzolo advised that the main structure on the Wiarnton Quarry was where RCBI's equipment was being stored. Upon arrival at the main structure of the Wiarnton Quarry, the Receiver noted the front door to the structure was chained and locked up, and large stone slabs were blocking all entries to the structure. Caratozzolo advised he did not have the keys to unlock the front door to the structure, and Guido had previously advised he was "unavailable by phone" for the entirety of the day. The Receiver observed visible signs of attempted break-ins at the front door, and the front-side roller door of the structure. The Receiver eventually obtained access to the structure via a back door which was unlocked, but blocked by a large stone slab. The Receiver was unable to locate several key pieces of equipment at the Wiarnton Quarry, contrary to what Guido had previously advised.
22. The Receiver also attended the Amsen Quarry on the same day. Overall, the Receiver observed that the RCBI equipment identified at both the Wiarnton Quarry and the Amsen Quarry were generally in a poor state of repair, and in particular, two key pieces of equipment located at the Amsen Quarry were missing their control panels which are required for operation. Attached hereto as **Appendix "J"** is a listing of RCBI's equipment which has been identified by the Receiver, its locations as advised by Guido and its

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confirmed locations per the Receiver's site visits to the Wiarnton Quarry and Amsen Quarry, respectively.

23. Later on December 18, 2018, the Receiver emailed Guido again highlighting the critical urgency of the Receiver's obtaining a listing of RCBI creditors. Guido responded the same day that he was "tied up longer than expected" and would provide this information the following day. A copy of this email correspondence is attached to the First Report at **Appendix "K"**.
24. On December 19, 2018, Guido emailed the Receiver a listing of creditors with amounts owing and addresses. However, the amounts owing to several creditors, including related parties, were provided on a "to be determined" basis. Additionally, Guido had also provided an aged receivables listing and an employee listing, both of which did not list any receivables or employees.
25. On December 20, 2018, the Receiver met with Guido at the Receiver's offices to discuss the affairs of RCBI. At that meeting, Guido advised the following:
 - he articulated at KPMG in Mississauga, Ontario where he obtained his Chartered Accountant's designation;
 - prior to purchasing various assets and establishing the RCBI business, he worked as a consultant;
 - he started RCBI by purchasing certain assets out of an insolvency proceeding;

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- RCBI employed various workers on a seasonal basis, but none had worked for RCBI in the previous six months;
- CRA assessed him for unpaid taxes (it was unclear to the Receiver if this was for income tax, source deductions or HST) in 2017 or 2018 and CRA refused to accept a payment plan that he proposed;
- upon HSBC freezing RCBI's bank account in March 2018 when it was served with a Requirement to Pay by CRA, he started channelling receipts and disbursements through an account in the name of Royal Bedrock Inc. ("RBI"), a company controlled by Guido which focused on international sales of stone;
- RCBI had failed to remit any source deductions since operations commenced in 2016 and he believed he owed CRA about \$500,000. RCBI had also failed to file any HST returns since its inception, but he was of the belief that RCBI would be in a net receivable HST position of an amount equal to the amount owed for source deductions. Guido acknowledged that he was aware that unpaid source deductions and HST represented a director liability;
- he either owned or controlled 6 or 7 other quarries in Ontario, but would not provide further details, including locations, to the Receiver; and
- he maintained the books and records for RCBI in electronic form, along with his other corporations and businesses, but as he was short staffed he only updated them infrequently when he had time. He advised that books and records for RCBI were

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not up to date, notwithstanding that he had previously undertaken to provide them to the Receiver on December 9, 2018.

26. The Receiver then discussed the nature of RCBI's business and the interrelationship between RCBI and QMX8, much of which was vague. For example, it was unclear who owned the mined rock still at the quarries as Guido was unable to provide any financial information or documentation to substantiate ownership.
27. Also at that meeting, the Receiver restated to Guido his duties to provide all of the books and records of RCBI to the Receiver and to identify the locations of and provide access to all of RCBI's assets. The Receiver then provided Guido with a list of assets whose locations remained undetermined, a copy of which is attached hereto as **Appendix "L"**. The Receiver requested Guido provide the accurate locations of RCBI's equipment immediately. Guido appeared puzzled that the assets were not located at either the Amsen Quarry or the Wiarnton Quarry. He suggested that they may be located at one of his other quarries and that he would have to drive around to them and check; however, he was heading out of the country on December 26, 2018 and would not be returning until January 7, 2019 and did not know if he would find the time to visit the quarries. The Receiver indicated that it was imperative that it be provided with the location of the assets and that it be able to take possession of them in order to place insurance on those assets, since without obtaining possession (with sufficient security protocols in place) the insurer would not provide coverage.
28. At the end of the meeting, Guido undertook to provide the Receiver with the following:

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- i) the books and records of RCBI;
 - ii) documentation surrounding RCBI's receipts and disbursements that were transacted through RBI's bank account;
 - iii) updated locations for equipment owned by RCBI, including if this equipment is situated at other quarries owned, controlled or used by Guido; and
 - iv) assistance in providing documentation to complete tax filings for HST and source deductions.
29. On December 21, 2018, the Receiver sent Guido a follow-up email to confirm these undertakings and to request the delivery of RCBI's books and records and updated locations for RCBI's equipment by no later than December 24, 2018, and provide the Receiver with relevant information to complete RCBI's delinquent tax filings by no later than January 12, 2019 (the "**Fifth Information Request**"). A copy of the Fifth Information Request is attached hereto as **Appendix "M"**.
30. On December 26, 2018, Guido responded to the Fifth Information Request by email without providing any of the information requested. Guido advised he would be "on holidays returning to work January 7th, 2019", that he had "no management or assistant support to gather information" and that he would "follow up" with the Receiver when he returned from holidays. A copy of this correspondence is attached hereto as **Appendix "N"**.

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31. As a result, as of the date of this First Report, the Receiver has not received any information subject to Guido's undertakings listing in paragraph 28 above.

RCBI'S ASSETS IDENTIFIED TO DATE

32. As of the date of this First Report, as discussed above, the Receiver has been unable to identify and locate several key pieces of RCBI's equipment which relate to specific PPSA registrations. Attached hereto as **Appendix "L"** is a listing of RCBI's equipment which is known to the Receiver at this time, including the first-ranking security holder accordingly to PPSA registrations only, the locations as advised by Guido and the locations as confirmed by the Receiver. Of particular concern to the Receiver is Guido's inability to provide accurate locations for assets numbered 1, 2, 3, 4, 6, and 7, which were financed directly by the Applicant.

RCBI'S TAX OBLIGATIONS

33. The Receiver contacted CRA who confirmed that no returns for HST or payroll taxes had been filed.
34. By letters dated December 19, 2018, attached hereto as **Appendix "O"**, CRA advised the Receiver that RCBI owes:
- i) \$48,811.41 for GST/HST for years ending January 31, 2015 through 2017; and
 - ii) \$449,609.77 for source deductions for the period June 8, 2016 to December 12, 2018, \$169,000.92 of which CRA claims is subject to a deemed trust pursuant to

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subsection 227(4) of the *Income Tax Act*, subsection 23(3) of the Canada Pension Plan, subsection 57(2) of the *Unemployment Insurance Act* and subsection 86(2) of the *Employment Insurance Act*.

35. CRA has separately advised the Receiver that RCBI has failed to complete any tax filings or pay any amounts outstanding related to source deductions and GST/HST. The Receiver does not have any of the books and records of the Company to substantiate any of the amounts set out in CRA's letters.

OUTSTANDING INFORMATION REQUESTS OF THE RECEIVER

36. The receivership of RCBI is over one month old and the Receiver is still without significant and material information it requires to carry out its mandate and, with the exception of the assets of the Amsen Quarry for which the Receiver has made arrangements with Fuller for security and insurance coverage, is still not in possession of the equipment or in a position to insure it. While Guido has at times responded to the Receiver's requests, his answers are either non-responsive or wholly inadequate.
37. In summary, the Receiver still requires the following information/documentation:
- i) Accounting records including general ledgers, trial balances, profit and loss statements and balance sheets;
 - ii) Accurate locations for all equipment believed to be owned by RCBI, but unidentified at this time;

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- iii) Access to related party controlled properties where RCBI equipment may be located;
- iv) Location and explanation of custody arrangements for the two missing control panels related to equipment at the Amsen Quarry;
- v) Details regarding inventory owned by RCBI and arrangements made with relevant landlords regarding ownership of the same;
- vi) Documentation related to RCBI's receipts and disbursements that have been transacted through RBI's bank account;
- vii) Documentation related to QMX8 and substantiating its relationship to RCBI;
- viii) Copies of documents related to leases and other financing arrangements; and
- ix) Completed delinquent tax filings or sufficient documentation to facilitate the completion of same by the Receiver.

CONCLUSION AND THE RECEIVER'S REQUEST

- 38. At the date of writing, Guido has failed to substantively comply with his duties under the Appointment Order to provide access and co-operation to the Receiver.
- 39. Based on Guido's assertions that hard copy records do not exist and that the only form of books and records kept by RCBI is an "accounting spreadsheet", it appears that RCBI may have failed to comply with section 20(2) and 20(2.1) of the *Canada Business Corporations Act* RSC 1985, c. C-44.

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40. Guido's limited cooperation, delays, contradictory information and lack of records have severely impacted the Receiver's ability to exercise its duties as a Court-appointed officer and have resulted in increased the costs that would otherwise be incurred by the Receiver in carrying out its mandate. Guido's actions appear to be aimed at ensuring that limited or no recoveries will be available for RCBI's creditors.
41. Furthermore, Guido's inability to provide accurate locations for RCBI's equipment has resulted in the Receiver being unable to locate a substantial portion of the equipment of RCBI.
42. The Receiver intends to seek such relief from the Court as is necessary to ensure compliance and continued compliance with the terms of the Receivership Order as the Court considers appropriate in the circumstances.

All of which is respectfully submitted this 11th day of January, 2019.

**Deloitte Restructuring Inc.,
solely in its capacity as Court-appointed Receiver
of Royal Canadian Bedrock Inc. and not in its personal capacity**

Per:



Hartley M. Bricks, MBA, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX “A”

Court File No. CV-18-609417-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) THURSDAY, THE 6TH
JUSTICE)
 HAINES) DAY OF DECEMBER, 2018

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,
as amended*

BETWEEN:



HSBC BANK CANADA

Applicant

- and -

ROYAL CANADIAN BEDROCK INC.

Respondent

**ORDER
(appointing Receiver)**

THIS MOTION made by HSBC Bank Canada (the "**Applicant**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Deloitte Restructuring Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Royal Canadian Bedrock Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, save and except for the Kooy Equipment and the TD Equipment (as such terms are defined in paragraph 2 herein), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew O'Coin sworn November 26, 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and all such other counsel as

were present as appears from the Counsel Slip, no one appearing for any other party although duly served as appears from the affidavit of service of Roxana Manea sworn November 30, 2018 and on reading the consent of Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record herein is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), save and except for:

- (a) certain equipment set out in Schedule "A" hereto in respect of which Kooy Brothers Lawn Equipment Limited has a prior-ranking security interest (the "**Kooy Equipment**") and which is subject to the existing receivership proceeding detailed at paragraph 4 herein; and
- (b) certain equipment set out in Schedule "B" hereto in respect of which TD Equipment Finance Canada, a division of The Toronto-Dominion Bank has a prior-ranking security interest (the "**TD Equipment**"), subject to the Receiver obtaining an independent security opinion confirming the validity of such prior-ranking security interest to the Applicant.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized (but not required) to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable, including but

not limited to the Limited Existing Receiver (as defined below) appointed over the Kooy Equipment, if the Receiver deems it appropriate or helpful to the carrying out of its mandate pursuant to this Order;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (r) to release its interest in, and to release from its possession and control, any Property that the Receiver determines pursuant to an independent security opinion is subject to a prior-ranking security interest in favour of a party other than the Applicant upon notice being provided to each such party and a reasonable notice period having expired;
- (s) to file an assignment in bankruptcy on behalf of the Debtor; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, authorized signing officers, employees, agents, accountants, legal counsel (subject to solicitor and client privilege) and shareholders, and all other persons acting on its instructions or behalf, (iii) The Fuller Landau Group Inc., solely in its capacity as Court-appointed receiver (in such capacity, the "**Limited Existing Receiver**") of Amsen Quarry Limited (a related entity to the Debtor) and the Kooy Equipment (the "**Limited Existing Receivership**") subject to such terms as to confidentiality as the Limited Existing Receiver and the Receiver may deem advisable, and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, save and except for the Limited Existing Receivership proceedings.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects

identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as

security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Applicant, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "C" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

RETENTION OF LAWYERS

25. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include the solicitors for the Applicant herein, in respect of any aspect where the Receiver is satisfied that there is no actual or potential conflict of interest.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.insolvencies.deloitte.ca/en-ca/RoyalCanadianBedrock

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the

Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

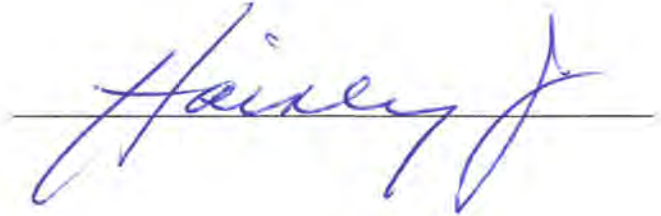
29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in blue ink, appearing to read "Hainey J", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 06 2018

PER / PAR:

A handwritten signature in blue ink, appearing to read "mh", is written next to the "PER / PAR:" label.

SCHEDULE "A"

KOOY EQUIPMENT

Year	Make	Model	Serial	Description
2003	Wilson	11-6	HD30-11630-03149	Overhead Gantry Saw
1997	CAT	980G	2KR01235	Wheel Loader
2013	Kubota	IKX057-4GA	21846	Excavator
2005	Volvo	L220E	EV3530	Wheel Loader
2014	Kubota	ISVL90-2HFC	13943	Skid Steer Loader
2008	JCB	436HT	JCB43600L7 1305303	Wheel Loader
2011	JCB	456HT	JCB45600H 01304170	Wheel Loader
2010	Park Industries	PYTHON II	138368	Diamond Saw
2013	Daewoo	LOLAR 3000-V	1305	Excavator C/W RTS SA
1998	Fiat Allis	FR220	DGM40659 MOEST010 M	Wheel Loader
2005	CAT	908	CAT00908L TAR00543	Wheel Loader
2000	OGDEN	8-40300	OG1058	Stone Splitter
2008	Park Industries	36-16-150	109542	Stone Splitter
2008	Park Industries	PCDC-30-120	109543	Conveyer with skid loader

SCHEDULE "B"
TD EQUIPMENT

Year	Make	Model	Serial	Description
2014	Caterpillar	950K	CAT0950KCRA02413	Wheel Loader
2014	Caterpillar	336ELH	CAT0336ETRZA00861	Hydraulic Excavator

SCHEDULE "C"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Royal Canadian Bedrock Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 6th day of December, 2018 (the "**Order**"), save and except for the Kooy Equipment and the TD Equipment (as defined in the Order), made in an action having Court file number CV-18-609417-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

Deloitte Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA

- and -

ROYAL CANADIAN BEDROCK INC.

Applicant

Respondent

Court File No. CV-18-609417-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(appointing Receiver)

Thornton Grout Finnigan LLP
 TD West Tower, Toronto-Dominion Centre
 100 Wellington Street West, Suite 3200
 Toronto, ON M5K 1K7
 Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
 Email: djmiller@tgf.ca
 Tel: (416) 304-0559

Puya Fesharaki (LSO #70588L)
 Email: pfesharaki@tgf.ca
 Tel.: (416) 304-7979

Lawyers for the Applicant, HSBC Bank Canada

APPENDIX “B”

Whittingham, Andrew (CA - Toronto)

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Friday, December 7, 2018 5:18 AM
To: Whittingham, Andrew (CA - Toronto)
Cc: Bricks, Hartley (CA - Toronto); Larry Ellis; tashmeade@casselsbrock.com
Subject: [EXT] Re: Royal Canadian Bedrock Inc.

Hi Andrew,

Sorry I missed your call.

I'm available for call at 2pm today.

Kindly regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



**ROYAL CANADIAN
BEDROCK**

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](https://www.royalcanadianbedrock.com)
T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

On Dec 6, 2018, at 1:50 PM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good afternoon Anthony

I have tried to call you three times this afternoon but was unable to leave a voicemail due to a full voicemail box. HSBC's legal counsel has advised me that Justice Hailey has signed the Court Order to appoint Deloitte as the Receiver of Royal Canadian Bedrock Inc ("RCBI"). I understand the Order will be issued by the Court this afternoon.

Would you please contact me as soon as possible to arrange for a site visit to your quarry located at 104 Quarry Rd, Warton? We also need to discuss the collection of all RCBI assets/equipment and the books and records of the company.

I am awaiting your response.

Regards

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

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APPENDIX “C”

Whittingham, Andrew (CA - Toronto)

From: Whittingham, Andrew (CA - Toronto)
Sent: Friday, December 7, 2018 10:09 AM
To: 'Anthony Guido'
Cc: Bricks, Hartley (CA - Toronto); 'Larry Ellis'; 'tashmeade@casselsbrock.com'
Subject: RE: [EXT] Re: Royal Canadian Bedrock Inc.
Attachments: Letter to Mr. Guido Dec 7 2018.pdf; RCBI - Receiver's Info Request of Mr. Guido.xlsx; Receivership Order re Royal Canadian Bedrock Inc. (ENTERED)_Dec 6, 2018PDF

Good Morning Anthony

Further to my below email, I am attaching the following for your consideration and action:

- A letter from the Receivers requesting the delivery of all of the Debtor's books and records; and
- The Receivership Order dated December 6, 2018 and signed by Justice Hainey.
- An initial list of information requested by the Receivers (which I believe HSBC's counsel had already provided to you).

In the interest of time and costs, I am sending these to you now so that you have time to consider the requests prior to the 2pm call. I note that several items on the information request listing have been highlighted in yellow. These items represent priority items which we would request you to provide at your earliest convenience.

Thanks in advance

Andrew

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
 8 Adelaide St. West, Toronto, ON, M5H 0A9
 D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca



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PARTNER

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From: Whittingham, Andrew (CA - Toronto)
Sent: Friday, December 7, 2018 8:43 AM
To: 'Anthony Guido' <anthony@royalcanadianbedrock.com>
Cc: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com
Subject: RE: [EXT] Re: Royal Canadian Bedrock Inc.

Thanks for getting back to me, Anthony.

Yes, 2pm works for Deloitte. I will be in transit this afternoon, however, my colleague Hartley Bricks will be on the call.

I noticed you have cc'd your legal counsel. Can you please advise whether your counsel will be attending the call at 2pm?

I will send out dial in instructions once attendees are confirmed.

Regards

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
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From: Anthony Guido <anthony@royalcanadianbedrock.com>

Sent: Friday, December 7, 2018 5:18 AM

To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>

Cc: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>;
tashmeade@casselsbrock.com

Subject: [EXT] Re: Royal Canadian Bedrock Inc.

Hi Andrew,

Sorry I missed your call.

I'm available for call at 2pm today.

Kindly regards,

ANTHONY GUIDO, CPA, CA

PRESIDENT

anthony@royalcanadianbedrock.com

M [416 459 1037](tel:4164591037)



**ROYAL CANADIAN
BEDROCK**

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)

T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

On Dec 6, 2018, at 1:50 PM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good afternoon Anthony

I have tried to call you three times this afternoon but was unable to leave a voicemail due to a full voicemail box. HSBC's legal counsel has advised me that Justice Hainey has signed the Court Order to appoint Deloitte as the Receiver of Royal Canadian Bedrock Inc ("RCBI"). I understand the Order will be issued by the Court this afternoon.

Would you please contact me as soon as possible to arrange for a site visit to your quarry located at 104 Quarry Rd, Wiarton? We also need to discuss the collection of all RCBI assets/equipment and the books and records of the company.

I am awaiting your response.

Regards

Andrew Whittingham

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 Bay Adelaide East
 8 Adelaide Street West
 Suite 200
 Toronto ON M5H 0A9
 Canada

Tel: +14167757326
 Fax: +14166016690
 www.deloitte.ca

December 7, 2018

Royal Canadian Bedrock Inc.
 100 King Street West
 Suite #5600
 Toronto, ON M5X 1C9

Royal Canadian Bedrock Inc.
 c/o Anthony Guido
 16 Amos Maynard Circle
 Woodbridge, ON L4L 3B8

By email: anthony@royalcanadianbedrock.com

Attn: Mr. Anthony Guido (Director and Officer)

RE: In the Matter of the Receivership of Royal Canadian Bedrock Inc.

By Order of the Superior Court of Justice (Commercial List) of Ontario (the **Court**) granted December 6, 2018 (the **Appointment Order**), Deloitte Restructuring Inc. (**Deloitte**) was appointed as Receiver (the **Receiver**) of all of the assets, undertaking and properties of Royal Canadian Bedrock Inc. (the **Debtor**) acquired for, or used in relation to a business carried on by the Debtor, save and except for certain equipment in respect of which Kooy Brothers Lawn Equipment Limited has a prior-ranking security interest (**Kooy Equipment**). A copy of the Appointment Order including a listing of Kooy Equipment is enclosed for your records.

Pursuant to paragraphs 4, 5 and 6 of the Appointment Order, the Receiver requests that you forthwith provide all relevant books and records associated with the affairs of the Debtor. We would like to make arrangements with you for the collection of these books and records at your earlier convenience. If the Debtor has an internal accounting system, we will require access to take a forensic image of the accounting system.

The Receiver also requests that you provide, or arrange for your entity's legal counsel to provide the following:

- i) meeting minutes and resolutions of the Debtor's Board of Directors;
- ii) any share certificates and share registers relating to the Debtor;
- iii) title papers; and
- iv) insurance policies.

We also ask that you provide the contact information of any other Director, Officer or other person that may have knowledge and details of the business and financial affairs of the Debtor.

The Receiver can also make arrangements for your attendance at a local office of Deloitte (e.g. Toronto, Burlington, Vaughan, etc.) should you prefer to meet with a representative of the Receiver in person to deliver any of this information.

Should you have any questions in this regard, please contact the undersigned or Mr. Whittingham via telephone at 416.604.6421 or via email at andwhittingham@deloitte.ca.

Yours very truly,

DELOITTE RESTRUCTURING INC.
Court-appointed Receiver of
Royal Canadian Bedrock Inc.
and not in its personal capacity

Per:

Hartley Bricks, MBA, CPA, CA, CIRP, LIT
 Senior Vice-President

Receiver's Information Request

#	Category	Description	Notes
1	Accounting/Financial	Provide copies of accounting records (e.g. A/R, A/P, WIP, G/L, Trial Balance) as at date of receivership.	
2	Accounting/Financial	Provide creditors names and addresses and amounts owed (hard copy and electronic); include creditors not on A/P list - lessors, landlord, bank debit payments, unposted A/P.	Addresses of creditors
3	Accounting/Financial	Provide copies of the purported trust agreement between RCBI and RBI. Trust account statement and transaction descriptions will be required.	
4	Accounts Receivable	Provide copies of invoices and supporting documentation for collection of all A/R. Provide mailing addresses and contact info of customers to Receiver. Details of any material advances / deposits is required. Identification of doubtful debts.	Discussion regarding incomplete contracts, charge-backs, and rights to set-off may be required.
5	Banking	Provide list of bank account number, institution, and currency (HSBC and other banks). Identify and provide to the Receiver any credit cards in RCBI's name.	Including bank accounts which are being used to hold funds in trust for RCBI.
6	Banking	Identify any safe and safety deposit boxes, provide access to the Receiver.	
7	Books and Records	Provide accounting records: books of account, past three years tax returns, statutory remittances (payroll, GST, PST, WSIB, FHT, etc.)	Past 3 years tax related records and payroll WSIB related records
8	Books and Records	Provide location and access to all company books and records.	
9	Computers	Advise location of computer equipment and if any equipment in possession of employees, listings if available.	Laptops? Listing of computer equipmen with locations required.
10	Computers	Provide location and access to internal accounting systems for the purposes of taking a forensic image of the accounting system.	
11	Employees	Provide most up-to-date list of employees and their personal information required for WEPP (personal info, Salary, accrued Vacation Pay), CPP/EI, any source deductions outstanding.	Also need employees SIN number, addresses, email addresses, phone number
12	Employees	Advise if any employees are on LTD, maternity leave, leave of absence, or have been laid-off.	Need list of employees on LTD, maternity leave, leave of absence, or laid-off
13	Employees	Advise if company has a group RRSP and benefits plan.	
14	Employees	Advise of key personnel, beyond Anthony Guido, that can assist Receiver.	
15	Environmental	Advise of any environmental charges, any potential environmental issues, correspondence with MOECC.	
16	Inventory & Fixed Assets	Confirm location of all fixed assets, provide listing and appraisal reports if available.	Listing should include locations, book values and future lease obligations where applicable.
17	Inventory & Fixed Assets	Advise location of inventory on-hand, listing (w/ aging and category (FG or WIP)), identify any goods received within 30 days, confirm date received to shipping logs, obsolete inventory.	
18	Inventory & Fixed Assets	Provide copies of leases and financing agreements.	All leased equipment regardless of secured creditor or PPSA registraion status
19	Inventory & Fixed Assets	Advise of 3rd party goods on hand.	
20	Meet with Receiver	Receiver to explain expectations, duties, and responsibilities; obtain information on matters requiring immediate attention; gain input on realization strategy, employees to retain, WIP, etc.	
21	Miscellaneous	Advise of all mailing addresses / PO Boxes	For mail redirection
22	Other Assets	Advise of any prepaid expenses, provide listing	Recovery of any prepaid amounts / deposits, for services not rendered in the future due to Receivership
23	Real Estate / Premises	Provide access for Receiver to the Company's different premises, instruct employees to assist and guide Receiver in locating and taking possession of the fixed assets. Provide an undertaking that the assets will not be moved from their locations without prior written consent of the Receiver.	

APPENDIX “D”

Whittingham, Andrew (CA - Toronto)

From: Bricks, Hartley (CA - Toronto)
Sent: Friday, December 7, 2018 4:57 PM
To: Anthony Guido
Cc: Ellis, Larry; Mario Forte (forte@gsnh.com); Whittingham, Andrew (CA - Toronto); Chu, Jonathan (CA - Toronto)
Subject: Royal Canadian Bedrock Inc.
Attachments: Landlords Waiver.pdf; List of Equipment.pdf

Mr. Guido,

Thank you for taking the time to speak with us this afternoon. As discussed on our call, we have attached a list of equipment that we understand is owned by Royal Canadian Bedrock Inc. ("RCBI") and forms part of the assets over which Deloitte Restructuring Inc. (the "Receiver") has been appointed. As discussed, this list is a first step to identifying all of the assets that are subject to the Order of Justice Hainey made on December 6, 2018 (the "Receivership Order"). We ask that you review the list and provide us with the location of these assets. We further ask that you provide the Receiver with a comprehensive list of RCBI's assets and their location.

Also as discussed on the call, for the purposes of accessing the various properties on which RCBI's assets are located, by Monday morning you or your counsel will provide a form of indemnity requested by the owner(s) of those properties. In that regard, with respect to the location at 104 Quarry Road, Warton, ON, and notwithstanding paragraph 4 of the Receivership Order, please find attached a copy of the Landlord's Waiver and Consent provided to HSBC Bank Canada by QMX8 Warton Inc.

As discussed, we have scheduled Tuesday, December 11 at 10:00 am for a meeting with either yourself or your designated representative at the 104 Quarry Rd. in order to gain access to that location in order to identify and inventory the assets subject to the Receivership Order.

Yours truly,

Hartley Bricks

Senior Vice President

Deloitte Restructuring Inc.

8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9 Canada

Tel/Direct (416) 775-7326 | Main (416) 601-6150 | Fax (416) 601-6690

hbricks@deloitte.ca | www.deloitte.ca

LANDLORD'S WAIVER AND CONSENT

TO: HSBC BANK CANADA, (the "Bank")

The undersigned is advised that certain financing offered to **Royal Canadian Bedrock Inc.**, (the "Company") by the Bank is conditional upon the execution and delivery of these presents by the Landlord of the land herein referred to.

In consideration of the premises and the sum of One (\$1.00) Dollar (receipt whereof is hereby acknowledged) by the undersigned, the undersigned, having some right, title and interest in or to the premises municipally known as 104 Quarry Road, Wiarton, Ontario, (the "Real Property"), now being occupied by the Company as lessee, hereby postpones in favour of the Bank for the purpose of any security held by the Bank each and every right, claim and demand of every kind which the undersigned now has or may hereafter have against any property of the Company which may be placed upon and/or affixed to the Real Property and hereby agrees that the Bank may enter upon the Real Property and remove the said property whenever it is necessary to do so to protect its interest under its security, provided that the Bank shall repair any physical injury to the Real Property caused by its removal of the said property. The undersigned further agrees that any sale, transfer, mortgage or assignment of any right or encumbrance of the undersigned in and to the Real Property shall be made subject to these presents. The undersigned shall be bound by these presents whether or not executed by any other person.

IN WITNESS WHEREOF the undersigned has executed these presents this 10th day of January, 2017.

QMX8 WIARTON INC.

Per:  _____

Name: Anthony Guido

Title: Authorized Signing Officer

I have authority to bind the Corporation.

In the Matter of the Receivership of Royal Canadian Bedrock Inc.	
Equipment Description	Location (RCBI to complete)
One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2250417	
One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2260417	
One (1) new tracked drilling machine, Model no. MPLE4, serial no. 7597	
One (1) diamond wire saw machine, model mini HV	
One (1) Jaguar Pro, serial no. 211862	
One (1) Yukon II Deluxe Diamond saw, serial no. 211860	
One (1) new Fravizel tracked drilling machine, model no. MPLE4, serial no. 7597	
Two (2) 2017 Brand New Chain Saw, model no. QS4000D, serial no. 2250417, 2260517	
New 2016 stone splitter model P2000 S/N# SP463C	
2010 Atlas Copco XATS375-CVEL compressor, S/N # HOP070456	
2000 Park Industries 60-24-300 Hydrasplitter, S/N 4-00-220	
Year: 2015 Make: Chevrolet Trucks Model: Silverado 1500 4WD VIN: 3GCUKRECF0FG142470	
Dazzini chainsaw and wire saw, Atlas Polar Mofat fork lifts, and Caterpillar loaders and fork lifts	

Deloitte Restructuring Inc., in its capacity as Court-appointed receiver (the "**Receiver**") of Royal Canadian Bedrock Inc., reserves the right to further review and amend this equipment listing in its sole discretion.

APPENDIX “E”

Whittingham, Andrew (CA - Toronto)

From: Ellis, Larry <LEllis@casselsbrock.com>
Sent: Monday, December 10, 2018 7:00 PM
To: Bricks, Hartley (CA - Toronto); Anthony Guido
Cc: Ashmeade, Taschina; Whittingham, Andrew (CA - Toronto); Mario Forte (forte@gsnh.com)
Subject: [EXT] RE: RE:Royal Canadian Bedrock Inc.
Attachments: Royal Canadian Bedrock Inc - List of Assets (2) (2).docx

Hartley, Mario,

Attached to this email is a spreadsheet that details RCB's equipment. The spreadsheet is a combination of the equipment you noted in your version (sent to us on Friday and referred to herein as the "**Receiver's Equipment List**") together with other equipment leased to RCB. The spread sheet provides a description of the equipment together with its current location. Please note that this email also sets out comments in connection with the equipment noted in the attached spreadsheet.

If you have any questions in connection with the attached or the notes below we are happy to discuss.

Sincerely,

Larry

Comment 1 – In the Receiver's Equipment List you reflect duplications. Item numbered 7 is the same as item numbered 3. Items numbered in 8 are the same as items numbered 1 and 2. There are also duplications noted in item numbered 13.

Comment 2 – Most of RCB's equipment noted on the attached spreadsheet is subject to a leasing arrangement. We are compiling these leases for your review. Mr. Guido is a guarantor on a number of these leases. We trust that the Receiver will consult with Mr. Guido before taking any steps in connection with these leases as it is the case that Mr. Guido is prepared to assume the terms of the lease and keep the leases in good standing so as to mitigate his personal exposure.

Comment 3 – With respect to the Chevrolet please note that the vehicle will be available for inspection at the Wairton, Ontario site, when the Receiver attends. Please also note that Mr. Guido is a guarantor on this vehicle and that if the Receiver determines that the lease has no equity that Mr. Guido is prepared to take the lease and keep it in good standing.

Comment 4 – Some of the equipment noted in the spreadsheet is the subject of a parallel receivership proceeding.

Comment 5 – With respect to item numbered 13 please note the following i) the Atlas Polar Mofat fork lift was never purchased. RCB did consider making this purchase but ultimately declined to do so; ii) the reference to "Dazinni Wiresaw" has the same story as the Atlas Polar fork lift. It was never purchased as a result of a dispute with this supplier; iii) with reference to "Dazinni Chainsaw" is duplicative of the reference made in items numbered 1, 2 and 8 above; and iv) with respect to the reference to "Caterpillar loaders and forklifts" please note that this specific equipment is identified in the balance of the spreadsheet.

Comment 6 – Part of the business relationship between RCB and QMX8 Wiarion Inc. ("**QMX**") required that QMX [maintain](#) and repair RCB related equipment. During the past two years QMX paid in excess of \$200,000 to contractors, plus the cost of replacement parts, to complete its obligation. RCB agreed to reimburse QMX for these amounts. These amounts have not been reimbursed. RCB is aware of the fact that QMX takes the legal position that QMX is entitled to a repair and storage lien over the equipment that it serviced.

**Larry Ellis**Direct: +1 416 869 5406 • Mobile: +1 416 262 3543 • lellis@casselsbrock.com

2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2

www.casselsbrock.com

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From: Bricks, Hartley (CA - Toronto) [<mailto:hbricks@deloitte.ca>]**Sent:** Monday, December 10, 2018 5:22 PM**To:** Anthony Guido**Cc:** Ellis, Larry; Ashmeade, Taschina; Whittingham, Andrew (CA - Toronto); Mario Forte (forte@gsnh.com)**Subject:** RE:Royal Canadian Bedrock Inc.

Good afternoon Anthony,

I am following up on the status of our information request. Can you please advise when we can expect to receive the information requested?

Regards,

Hartley Bricks

Senior Vice President

Deloitte Restructuring Inc.

8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9 Canada

Tel/Direct (416) 775-7326 | Main (416) 601-6150 | Fax (416) 601-6690

hbricks@deloitte.ca | www.deloitte.ca**From:** Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>**Sent:** Friday, December 7, 2018 10:09 AM**To:** Anthony Guido <anthony@royalcanadianbedrock.com>**Cc:** Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>;tashmeade@casselsbrock.com**Subject:** RE: [EXT] Re: Royal Canadian Bedrock Inc.

Good Morning Anthony

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- The Receivership Order dated December 6, 2018 and signed by Justice Hainey.
- An initial list of information requested by the Receivers (which I believe HSBC's counsel had already provided to you).

In the interest of time and costs, I am sending these to you now so that you have time to consider the requests prior to the 2pm call. I note that several items on the information request listing have been highlighted in yellow. These items represent priority items which we would request you to provide at your earliest convenience.

Thanks in advance

Andrew

Andrew Whittingham

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Subject: RE: [EXT] Re: Royal Canadian Bedrock Inc.

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I noticed you have cc'd your legal counsel. Can you please advise whether your counsel will be attending the call at 2pm?

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Sent: Friday, December 7, 2018 5:18 AM

To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>

Cc: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com

Subject: [EXT] Re: Royal Canadian Bedrock Inc.

Hi Andrew,

Sorry I missed your call.

I'm available for call at 2pm today.

Kindly regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M 416 459 1037



...
[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
T 416 306 5796 F 1 888 217 9377

On Dec 6, 2018, at 1:50 PM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good afternoon Anthony

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Would you please contact me as soon as possible to arrange for a site visit to your quarry located at 104 Quarry Rd, Warton? We also need to discuss the collection of all RCBI assets/equipment and the books and records of the company.

I am awaiting your response.

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RECEIVER'S LIST OF EQUIPMENT

Equipment	Location
1. One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2250417	Warton, Ontario
2. One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2260417	Unknown serial number.
3. One (1) new tracked drilling machine, Model no. MPLE4, serial no. 7597	Warton, Ontario
4. One (1) diamond wire saw machine, model mini HV	Please provide serial number in order to determine location.
5. One (1) Jaguar Pro, serial no. 211862	Warton, Ontario
6. One (1) Yukon II Deluxe Diamond saw, serial no. 211860	Mar, Ontario
7. One (1) new Fravizel tracked drilling machine, model no. MPLE4, serial no. 7597	Duplicate of item # 3
8. Two (2) 2017 Brand New Chain Saw, model no. QS4000D, serial no. 2250417, 2260517	Duplicate of item #1 (Serial no. 2250417) Serial no. 2260517 located in Warton, Ontario
9. New 2016 stone splitter model P2000 S/N# SP463C	Augusta, Ontario
10. 2010 Atlas Copco XATS375-CVEL compressor, S/N # HOP070456	Augusta, Ontario
11. 2000 Park Industries 60-24-300 Hydra splitter, S/N 4-00-220	Augusta, Ontario
12. Year: 2015 Make: Chevrolet Trucks Model: Silverado 1500 4WD VIN: 3GCUKREC0FG142470	Warton, Ontario
13. Dazzini chainsaw and wire saw, Atlas Polar Mofat forklifts, and Caterpillar loaders and fork lifts	See comment 5 of email.

Equipment	Location

ADDITIONAL EQUIPMENT NOT LISTED IN RECEIVER'S LIST

Equipment	Location
14. 2013 CAT 336ELH Excavator Serial No. RZA00861	Warton, Ontario
15. 2014 CAT 950K Loader 16. Serial No. R4A02413	Warton, Ontario
17. 2005 Volvo L220E VIN: EV3530	Augusta, Ontario
18. 2013 Kubota KX057-4GA VIN: 21846	Seized by Receiver in other proceeding.
19. 2014 Kubota SVL90 – 2HFC VIN: 13943	Warton, Ontario
20. 2003 Wilson 11-6 HD30-11630-03149	Kingston, Ontario
21. 1997 CAT 980G 2KR01235	Kingston, Ontario
22. 2013 Kubota !KX057-4GA 21846 Skid steer	Warton, Ontario
23. 2011 JCB 456HT JCB45600H01304170	Seized by Receiver in other proceeding.
24. 2010 Park Industries Python IT 138368	Warton, Ontario
25. 2013 Daewoo Lolar 3000-V 1305	Warton, Ontario
26. 1998 Fiat Allis FR 220	Seized by Receiver in other proceeding.
27. 2005 CAT 908	Warton, Ontario
28. 2000 Ogden 8	Still looking up the location of the equipment.
29. 2008 Park Industries 109542	Warton, Ontario
30. 2008 Park Industries 109543	Warton, Ontario

APPENDIX “F”

Whittingham, Andrew (CA - Toronto)

From: Bricks, Hartley (CA - Toronto)
Sent: Tuesday, December 11, 2018 10:20 AM
To: Ellis, Larry; Anthony Guido
Cc: Ashmeade, Taschina; Whittingham, Andrew (CA - Toronto); Mario Forte (forte@gsnh.com); Chu, Jonathan (CA - Toronto)
Subject: RE: RE:Royal Canadian Bedrock Inc.

Good morning Larry and Anthony and thank you for providing the equipment list and identifying the duplications. A couple of questions concerning the attachment and your comments below:

1. Does this list reflect the totality of the assets owned by RCB, including all equipment, supplies and parts?
2. In the list, the location for a number of pieces of equipment is listed as Warton, Ontario. Does this specifically refer to the location at 104 Quarry Rd., or are certain of these assets located elsewhere in the Warton area, such as the Amsen Quarry? Can you please specify the precise location?
3. With respect to Comment 6 below, can you add to our information request list:
 - i) documentation substantiating the business relationship between RCB and QMX;
 - ii) copies of the invoices and cancelled cheques (or other evidence of payment) paid by QMX for contractors and parts for work performed on RCB equipment;
 - iii) copies of previous invoices for any storage costs paid by RCB to QMX;
 - iv) evidence that QMX is maintaining satisfactory insurance at the location where the RCB assets are purportedly being stored, which includes property and liability coverage.

Also, and of critical importance, is the Receiver's statutory duty to issue its s. 245 Notice of Receiver which must be issued within 10 days of the Receivership. In order to prepare and send the Notice we require a current balance sheet listing all of the Company's assets and a listing of all creditors, both secured and unsecured, with names of the creditor, addresses and amounts owed. Can you please provide this information as soon as possible.

Thanks,

Hartley Bricks

Senior Vice President
 Deloitte Restructuring Inc.
 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9 Canada
 Tel/Direct (416) 775-7326 | Main (416) 601-6150 | Fax (416) 601-6690
 hbricks@deloitte.ca | www.deloitte.ca

From: Ellis, Larry <LEllis@casselsbrock.com>
Sent: Monday, December 10, 2018 7:00 PM
To: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Anthony Guido <anthony@royalcanadianbedrock.com>
Cc: Ashmeade, Taschina <tashmeade@casselsbrock.com>; Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>; Mario Forte (forte@gsnh.com) <forte@gsnh.com>
Subject: [EXT] RE: RE:Royal Canadian Bedrock Inc.

Hartley, Mario,

Attached to this email is a spreadsheet that details RCB's equipment. The spreadsheet is a combination of the equipment you noted in your version (sent to us on Friday and referred to herein as the "Receiver's Equipment List") together with other equipment leased to RCB. The spread sheet provides a description of the equipment together with

its current location. Please note that this email also sets out comments in connection with the equipment noted in the attached spreadsheet.

If you have any questions in connection with the attached or the notes below we are happy to discuss.

Sincerely,

Larry

Comment 1 – In the Receiver’s Equipment List you reflect duplications. Item numbered 7 is the same as item numbered 3. Items numbered in 8 are the same as items numbered 1 and 2. There are also duplications noted in item numbered 13.

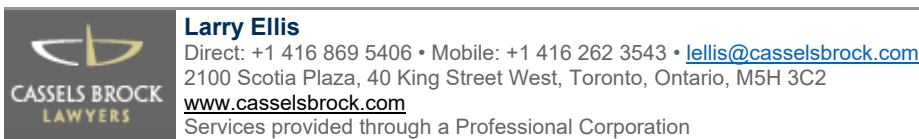
Comment 2 – Most of RCB’s equipment noted on the attached spreadsheet is subject to a leasing arrangement. We are compiling these leases for your review. Mr. Guido is a guarantor on a number of these leases. We trust that the Receiver will consult with Mr. Guido before taking any steps in connection with these leases as it is the case that Mr. Guido is prepared to assume the terms of the lease and keep the leases in good standing so as to mitigate his personal exposure.

Comment 3 – With respect to the Chevrolet please note that the vehicle will be available for inspection at the Wairton, Ontario site, when the Receiver attends. Please also note that Mr. Guido is a guarantor on this vehicle and that if the Receiver determines that the lease has no equity that Mr. Guido is prepared to take the lease and keep it in good standing.

Comment 4 – Some of the equipment noted in the spreadsheet is the subject of a parallel receivership proceeding.

Comment 5 – With respect to item numbered 13 please note the following i) the Atlas Polar Mofat fork lift was never purchased. RCB did consider making this purchase but ultimately declined to do so; ii) the reference to “Dazinni Wiresaw” has the same story as the Atlas Polar fork lift. It was never purchased as a result of a dispute with this supplier; iii) with reference to “Dazinni Chainsaw” is duplicative of the reference made in items numbered 1, 2 and 8 above; and iv) with respect to the reference to “Caterpillar loaders and forklifts” please note that this specific equipment is identified in the balance of the spreadsheet.

Comment 6 – Part of the business relationship between RCB and QMX8 Wiarion Inc. (“**QMX**”) required that QMX maintain and repair RCB related equipment. During the past two years QMX paid in excess of \$200,000 to contractors, plus the cost of replacement parts, to complete its obligation. RCB agreed to reimburse QMX for these amounts. These amounts have not been reimbursed. RCB is aware of the fact that QMX takes the legal position that QMX is entitled to a repair and storage lien over the equipment that it serviced.



From: Bricks, Hartley (CA - Toronto) [<mailto:hbricks@deloitte.ca>]

Sent: Monday, December 10, 2018 5:22 PM

To: Anthony Guido

Cc: Ellis, Larry; Ashmeade, Taschina; Whittingham, Andrew (CA - Toronto); Mario Forte (forte@gsnh.com)

Subject: RE:Royal Canadian Bedrock Inc.

Good afternoon Anthony,

I am following up on the status of our information request. Can you please advise when we can expect to receive the information requested?

Regards,

Hartley Bricks

Senior Vice President

Deloitte Restructuring Inc.

8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9 Canada

Tel/Direct (416) 775-7326 | Main (416) 601-6150 | Fax (416) 601-6690

hbricks@deloitte.ca | www.deloitte.ca

From: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>**Sent:** Friday, December 7, 2018 10:09 AM**To:** Anthony Guido <anthony@royalcanadianbedrock.com>**Cc:** Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com**Subject:** RE: [EXT] Re: Royal Canadian Bedrock Inc.

Good Morning Anthony

Further to my below email, I am attaching the following for your consideration and action:

- A letter from the Receivers requesting the delivery of all of the Debtor's books and records; and
- The Receivership Order dated December 6, 2018 and signed by Justice Hainey.
- An initial list of information requested by the Receivers (which I believe HSBC's counsel had already provided to you).

In the interest of time and costs, I am sending these to you now so that you have time to consider the requests prior to the 2pm call. I note that several items on the information request listing have been highlighted in yellow. These items represent priority items which we would request you to provide at your earliest convenience.

Thanks in advance

Andrew

Andrew Whittingham

Manager | Deloitte Restructuring Inc.

8 Adelaide St. West, Toronto, ON, M5H 0A9

D: +1 (416) 601 6421 | M: +1 (647) 326 3309

andwhittingham@deloitte.ca | deloitte.ca**Deloitte**

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Please consider the environment before printing.

From: Whittingham, Andrew (CA - Toronto)**Sent:** Friday, December 7, 2018 8:43 AM**To:** 'Anthony Guido' <anthony@royalcanadianbedrock.com>**Cc:** Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com**Subject:** RE: [EXT] Re: Royal Canadian Bedrock Inc.

Thanks for getting back to me, Anthony.

Yes, 2pm works for Deloitte. I will be in transit this afternoon, however, my colleague Hartley Bricks will be on the call.

I noticed you have cc'd your legal counsel. Can you please advise whether your counsel will be attending the call at 2pm?

I will send out dial in instructions once attendees are confirmed.

Regards

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
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andwhittingham@deloitte.ca | deloitte.ca



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From: Anthony Guido <anthony@royalcanadianbedrock.com>

Sent: Friday, December 7, 2018 5:18 AM

To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>

Cc: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com

Subject: [EXT] Re: Royal Canadian Bedrock Inc.

Hi Andrew,

Sorry I missed your call.

I'm available for call at 2pm today.

Kindly regards,

ANTHONY GUIDO, CPA, CA

PRESIDENT

anthony@royalcanadianbedrock.com

M [416 459 1037](tel:4164591037)



[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)

T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

On Dec 6, 2018, at 1:50 PM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good afternoon Anthony

I have tried to call you three times this afternoon but was unable to leave a voicemail due to a full voicemail box. HSBC's legal counsel has advised me that Justice Hainey has signed the Court Order to

appoint Deloitte as the Receiver of Royal Canadian Bedrock Inc ("RCBI"). I understand the Order will be issued by the Court this afternoon.

Would you please contact me as soon as possible to arrange for a site visit to your quarry located at 104 Quarry Rd, Warton? We also need to discuss the collection of all RCBI assets/equipment and the books and records of the company.

I am awaiting your response.

Regards

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

<image003.png>

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APPENDIX “G”

Whittingham, Andrew (CA - Toronto)

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Tuesday, December 11, 2018 4:12 PM
To: Bricks, Hartley (CA - Toronto)
Cc: Ellis, Larry; Ashmeade, Taschina; Whittingham, Andrew (CA - Toronto); Mario Forte (forte@gsnh.com); Chu, Jonathan (CA - Toronto)
Subject: [EXT] Re: Royal Canadian Bedrock Inc.

Hartley,

Larry just pointed out to me that I didn't answer your question related to the supplies/inventory. Please note the following:

1. RCB uses the following supplies in its business:
 - a. fuel (including coloured diesel, gas, propane);
 - b. oxygen and acetylene (this is used to flame finish the stone);
 - c. sand (this is used to sand blast finish the stone); and
 - d. dynamite (this is used to blast the stone free from the earth/rock).

RCB ordered these supplies as needed and exhausted its supply as it went into the dormant winter season.

2. RCB orders parts as needed. The long term goal was to build a parts bank but given the early stages of RCB it never achieved that goal. As a result RCB doesn't have a parts bank. For your information parts suppliers were able to turn the delivery of parts around very quickly, which also reduced the need for a parts bank.

3. RCB has inventory. We will be providing this to you in a follow up email in more detail. At a high level, RCB's inventory is as follows:

- a. guillotine stone on pallets (located at Mar);
- b. landscape stone/aggregates (located at Mar);
- c. rockery (located at Mar); and
- d. sand (not sure if any left).

Sincerely,

Anthony

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M 416 459 1037



[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
T 416 306 5796 F 1 888 217 9377

On Dec 11, 2018, at 3:20 PM, Anthony Guido <anthony@royalcanadianbedrock.com> wrote:

Hartley,

My response to your questions are noted in the same order that your put them to me:

1. RCB's pool of equipment is comprised almost entirely of equipment that it leases. RCB does own some non leased equipment. We are working on this list now, which will include location of the equipment.
2. References to "Mar, Ontario" are references to the Amsen quarry. References to "Wiarnton, Ontario" are references to 104 Quarry Rd.
3. We have added these inquiries to our running list and will address them in due course.

Please note that RCB's accounting is maintained manually using an excel spreadsheet. I typically update the spreadsheet a few times a year during slower periods. I have started completing my updates to the spreadsheet to bring it current to today's date and expect to have that available to you Monday. The payables ledger, excluding secured creditors, repair and storage costs and lease payments, involves a few transport companies, fuel companies, insurance, utilities and miscellaneous. I expect that there are approximately 25 creditors. I will have this list to you with the amount they are owed on Monday as well.

Sincerely,

Anthony

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M 416 459 1037



100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9
T 416 306 5796 F 1 888 217 9377

On Dec 11, 2018, at 10:19 AM, Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca> wrote:

Good morning Larry and Anthony and thank you for providing the equipment list and identifying the duplications. A couple of questions concerning the attachment and your comments below:

1. Does this list reflect the totality of the assets owned by RCB, including all equipment, supplies and parts?
2. In the list, the location for a number of pieces of equipment is listed as Wiarton, Ontario. Does this specifically refer to the location at 104 Quarry Rd., or are certain of these assets located elsewhere in the Wiarton area, such as the Amsen Quarry? Can you please specify the precise location?
3. With respect to Comment 6 below, can you add to our information request list:
 - i) documentation substantiating the business relationship between RCB and QMX;
 - ii) copies of the invoices and cancelled cheques (or other evidence of payment) paid by QMX for contractors and parts for work performed on RCB equipment;
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 - iv) evidence that QMX is maintaining satisfactory insurance at the location where the RCB assets are purportedly being stored, which includes property and liability coverage.

Also, and of critical importance, is the Receiver's statutory duty to issue its s. 245 Notice of Receiver which must be issued within 10 days of the Receivership. In order to prepare and send the Notice we require a current balance sheet listing all of the Company's assets and a listing of all creditors, both secured and unsecured, with names of the creditor, addresses and amounts owed. Can you please provide this information as soon as possible.

Thanks,

Hartley Bricks

Senior Vice President
 Deloitte Restructuring Inc.
 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9 Canada
 Tel/Direct (416) 775-7326 | Main (416) 601-6150 | Fax (416) 601-6690
hbricks@deloitte.ca | www.deloitte.ca

From: Ellis, Larry <LEllis@casselsbrock.com>
Sent: Monday, December 10, 2018 7:00 PM
To: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Anthony Guido <anthony@royalcanadianbedrock.com>
Cc: Ashmeade, Taschina <tashmeade@casselsbrock.com>; Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>; Mario Forte (forte@gsnh.com) <forte@gsnh.com>
Subject: [EXT] RE: RE:Royal Canadian Bedrock Inc.

Hartley, Mario,

Attached to this email is a spreadsheet that details RCB's equipment. The spreadsheet is a combination of the equipment you noted in your version (sent to us on Friday and referred to herein as the "**Receiver's Equipment List**") together with other equipment leased to RCB. The spread sheet provides a description of the equipment together with its current location. Please note that this email also sets out comments in connection with the equipment noted in the attached spreadsheet.

If you have any questions in connection with the attached or the notes below we are happy to discuss.

Sincerely,

Larry

Comment 1 – In the Receiver's Equipment List you reflect duplications. Item numbered 7 is the same as item numbered 3. Items numbered in 8 are the same as items numbered 1 and 2. There are also duplications noted in item numbered 13.

Comment 2 – Most of RCB's equipment noted on the attached spreadsheet is subject to a leasing arrangement. We are compiling these leases for your review. Mr. Guido is a guarantor on a number of these leases. We trust that the Receiver will consult with Mr. Guido before taking any steps in connection with these leases as it is the case that Mr. Guido is prepared to assume the terms of the lease and keep the leases in good standing so as to mitigate his personal exposure.

Comment 3 – With respect to the Chevrolet please note that the vehicle will be available for inspection at the Wairton, Ontario site, when the Receiver attends. Please also note that Mr. Guido is a guarantor on this vehicle and that if the Receiver determines that the lease has no equity that Mr. Guido is prepared to take the lease and keep it in good standing.

Comment 4 – Some of the equipment noted in the spreadsheet is the subject of a parallel receivership proceeding.

Comment 5 – With respect to item numbered 13 please note the following i) the Atlas Polar Mofat fork lift was never purchased. RCB did consider making this purchase but ultimately declined to do so; ii) the reference to “Dazinni Wiresaw” has the same story as the Atlas Polar fork lift. It was never purchased as a result of a dispute with this supplier; iii) with reference to “Dazinni Chainsaw” is duplicative of the reference made in items numbered 1, 2 and 8 above; and iv) with respect to the reference to “Caterpillar loaders and forklifts” please note that this specific equipment is identified in the balance of the spreadsheet.

Comment 6 – Part of the business relationship between RCB and QMX8 Wiarnton Inc. (“QMX”) required that QMX maintain and repair RCB related equipment. During the past two years QMX paid in excess of \$200,000 to contractors, plus the cost of replacement parts, to complete its obligation. RCB agreed to reimburse QMX for these amounts. These amounts have not been reimbursed. RCB is aware of the fact that QMX takes the legal position that QMX is entitled to a repair and storage lien over the equipment that it serviced.

<image001.gif>	<p>Larry Ellis Direct: +1 416 869 5406 • Mobile: +1 416 262 3543 • lellis@casselsbrock.com 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 www.casselsbrock.com Services provided through a Professional Corporation</p>
----------------	--

From: Bricks, Hartley (CA - Toronto) [<mailto:hbricks@deloitte.ca>]
Sent: Monday, December 10, 2018 5:22 PM
To: Anthony Guido
Cc: Ellis, Larry; Ashmeade, Taschina; Whittingham, Andrew (CA - Toronto); Mario Forte (forte@gsnh.com)
Subject: RE:Royal Canadian Bedrock Inc.

Good afternoon Anthony,

I am following up on the status of our information request. Can you please advise when we can expect to receive the information requested?

Regards,

Hartley Bricks
Senior Vice President
Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9 Canada
Tel/Direct (416) 775-7326 | Main (416) 601-6150 | Fax (416) 601-6690
hbricks@deloitte.ca | www.deloitte.ca

From: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>
Sent: Friday, December 7, 2018 10:09 AM
To: Anthony Guido <anthony@royalcanadianbedrock.com>
Cc: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com
Subject: RE: [EXT] Re: Royal Canadian Bedrock Inc.

Good Morning Anthony

Further to my below email, I am attaching the following for your consideration and action:

- A letter from the Receivers requesting the delivery of all of the Debtor's books and records; and
- The Receivership Order dated December 6, 2018 and signed by Justice Hailey.
- An initial list of information requested by the Receivers (which I believe HSBC's counsel had already provided to you).

In the interest of time and costs, I am sending these to you now so that you have time to consider the requests prior to the 2pm call. I note that several items on the information request listing have been highlighted in yellow. These items represent priority items which we would request you to provide at your earliest convenience.

Thanks in advance

Andrew

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

<image002.png>

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Please consider the environment before printing.

From: Whittingham, Andrew (CA - Toronto)
Sent: Friday, December 7, 2018 8:43 AM
To: 'Anthony Guido' <anthony@royalcanadianbedrock.com>
Cc: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com
Subject: RE: [EXT] Re: Royal Canadian Bedrock Inc.

Thanks for getting back to me, Anthony.

Yes, 2pm works for Deloitte. I will be in transit this afternoon, however, my colleague Hartley Bricks will be on the call.

I noticed you have cc'd your legal counsel. Can you please advise whether your counsel will be attending the call at 2pm?

I will send out dial in instructions once attendees are confirmed.

Regards

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

<image003.png>

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Please consider the environment before printing.

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Friday, December 7, 2018 5:18 AM
To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>
Cc: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com
Subject: [EXT] Re: Royal Canadian Bedrock Inc.

Hi Andrew,

Sorry I missed your call.

I'm available for call at 2pm today.

Kindly regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)

<[image004.png](#)>
[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
[T 416 306 5796](tel:4163065796) [F 1 888 217 9377](tel:18882179377)

On Dec 6, 2018, at 1:50 PM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good afternoon Anthony

I have tried to call you three times this afternoon but was unable to leave a voicemail due to a full voicemail box. HSBC's legal counsel has advised me that Justice Hainey has signed the Court Order to appoint Deloitte as the Receiver of Royal Canadian Bedrock Inc ("RCBI"). I understand the Order will be issued by the Court this afternoon.

Would you please contact me as soon as possible to arrange for a site visit to your quarry located at 104 Quarry Rd, Warton? We also need to discuss the collection of all RCBI assets/equipment and the books and records of the company.

I am awaiting your response.

Regards

Andrew Whittingham
Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

<[image003.png](#)>

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If you do not wish to receive future commercial electronic messages from Deloitte, forward this email to unsubscribe@deloitte.ca

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ce courriel et supprimez ce message et toutes ses pièces jointes de votre système.
Merci.

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APPENDIX “H”

Whittingham, Andrew (CA - Toronto)

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Monday, December 17, 2018 7:29 PM
To: Whittingham, Andrew (CA - Toronto)
Cc: Larry Ellis; tashmeade@casselsbrock.com
Subject: [EXT] Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)
Attachments: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Andrew,

Please see attached.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



**ROYAL CANADIAN
BEDROCK**

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

Royal Canadian Bedrock Inc. ("RCB Inc.")

Receiver's Information Request

#	Category	Description	Notes	Response	Date Received
1	Accounting/Financial	Provide copies of accounting records (e.g. A/R, A/P, WIP, G/L, Trial Balance) as at date of receivership.		In the process of updating - to be provided to the Receiver by Tuesday, December 18, 2018.	
2	Accounting/Financial	Provide creditors names and addresses and amounts owed (hard copy and electronic); include creditors not on A/P list - lessors, landlord, bank debit payments, unposted A/P.	Addresses of creditors	In the process of creating a list - to be provided to the Receiver by Tuesday, December 18, 2018.	
3	Accounting/Financial	Provide copies of the purported trust agreement between RCBI and RBI. Trust account statement and transaction descriptions will be required.		Please explain "purported trust agreement".	
4	Accounts Receivable	Provide copies of invoices and supporting documentation for collection of all A/R. Provide mailing addresses and contact info of customers to Receiver. Details of any material advances / deposits is required. <u>Identification of doubtful debts</u>	Discussion regarding incomplete contracts, charge-backs, and rights to set-off may be required.	To be provided to the Receiver by Tuesday, December 18, 2018.	
5	Accounting/Financial	Provide a current balance sheet listing all of the Company's assets and a listing of all creditors, both secured and unsecured, with the names of the creditor, addresses and amounts owed.	Receiver has a statutory duty to issue its s. 245 Notice of Receiver within 10 days of the Receivership.	To be provided to the Receiver by Tuesday, December 18, 2018.	
6	Accounting/Financial	Provide documentation substantiating the business relationship between RCB Inc. and QMX.		To be provided early January 2019.	
7	Accounting/Financial	Provide copies of the invoices and cancelled cheques (or other evidence of payment) paid by QMX for contractors and parts for work performed on RCB Inc. equipment.		To be provided early January 2019.	
8	Accounting/Financial	Provide copies of previous invoices for any storage costs paid by RCB Inc. to QMX.		To be provided early January 2019.	
9	Banking	Provide list of bank account number, institution, and currency (HSBC and other banks). Identify and provide to the Receiver any credit cards in RCBI's name.	Including bank accounts which are being used to hold funds in trust for RCBI.	As of the date of the Receivership, HSBC solely maintains the bank accounts in connection to RCB Inc. The following three accounts with HSBC are in the name of RCB Inc.: (1) Canadian Account - 002-798492-001, (2) USD Account - 002-798492-070 and (3) EUR Account - 002-798492-270. There are no company credit cards.	
10	Banking	Identify any safe and safety deposit boxes, provide access to the Receiver.		RCB Inc. does not own any safe or safety deposit boxes.	
11	Books and Records	Provide accounting records: books of account, past three years tax returns, statutory remittances (payroll, GST, PST, WSIB, EHT, etc.).	Past 3 years tax related records and payroll WSIB related records	HST has not been filed for RCB Inc. in the past three years. Tax returns for RCB Inc. were completed by KPMG and provided on December 12, 2018.	December 12, 2018
12	Books and Records	Provide location and access to all company books and records.		There is no central location that contains company books and records.	
13	Computers	Advise location of computer equipment and if any equipment in possession of employees, listings if available.	Laptops? Listing of computer equipment with locations required.	RCB Inc. does not own any computer equipment.	
14	Computers	Provide location and access to internal accounting systems for the purposes of taking a forensic image of the accounting system.		RCB Inc. does not own a server.	
15	Employees	Provide most up-to-date list of employees and their personal information required for WEPP (personal info, Salary, accrued Vacation Pay), CPP/EI, any source deductions outstanding	Also need employees SIN number, addresses, email addresses, phone number	No employees. Terminated in March 2018.	
16	Employees	Advise if any employees are on LTD, maternity leave, leave of absence, or have been laid-off.	Need list of employees on LTD, maternity leave, leave of absence, or laid-off	None.	
17	Employees	Advise if company has a group RRSP and benefits plan.		None.	
18	Employees	Advise of key personnel, beyond Anthony Guido, that can assist Receiver		Matteo Caratozzolo.	
19	Environmental	Advise of any environmental charges, any potential environmental issues, correspondence with MOECC		None.	

Receiver's Information Request

#	Category	Description	Notes	Response	Date Received
20	Inventory & Fixed Assets	Confirm location of all fixed assets, provide listing and appraisal reports if available	Listing should include locations, book values and future lease obligations where applicable.	List of assets provided to the Receiver on Monday, December 10, 2018. There are no appraisal reports. Updated list of assets provided to the Receiver on Monday, December 17, 2018.	December 10, 2018 and December 17, 2018
21	Inventory & Fixed Assets	Advise location of inventory on-hand, listing (w/ aging and category (FG or WIP)), identify any goods received within 30 days, confirm date received to shipping logs, obsolete inventory		Provided to the Receiver. Please refer to emails sent by A. Guido dated December 11, 2018 at 3:21pm and 4:12pm.	December 11, 2018
22	Inventory & Fixed Assets	Provide copies of leases and financing agreements.	All leased equipment regardless of secured creditor or PPSA registraion status	To be provided early January 2019.	
23	Inventory & Fixed Assets	Advise of 3rd party goods on hand.		RCB Inc. does not have a facility - no goods held by RCB Inc.	
24	Meet with Receiver	Receiver to explain expectations, duties, and responsibilities; obtain information on matters requiring immediate attention; gain input on realization strategy, employees to retain, WIP, etc		Meeting scheduled for Thursday, December 20, 2018.	
25	Miscellaneous	Advise of all mailing addresses / PO Boxes	For mail redirection	100 King Street West, Suite 5600, Toronto, ON M5X 1C9	
26	Other Assets	Advise of any prepaid expenses, provide listing	Recovery of any prepaid amounts / deposits, for services not rendered in the future due to Receivership	None.	
27	Other	Provide evidence that QMX is maintaining satisfactory insurance at the location where the RCB Inc. assets are purportedly being stored, which include property and liability coverage.		Insurance has expired.	
28	Real Estate / Premises	Provide access for Receiver to the Company's different premises, instruct employees to assist and guide Receiver in locating and taking possession of the fixed assets. Provide an undertaking that the assets will not be moved from their locations without prior written consent of the Receiver.		Please provide a copy of the undertaking.	
29	Taxation	Provide CRA documents, identify tax issues, GST/HST records. Provide detailed explanation of current status of CRA Requirement to Pay including the extent of any collection of A/R by CRA.		Tax returns provided by Cassels.	December 12, 2018

APPENDIX “I”

Whittingham, Andrew (CA - Toronto)

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Monday, December 17, 2018 9:18 PM
To: Whittingham, Andrew (CA - Toronto)
Cc: Larry Ellis; tashmeade@casselsbrock.com
Subject: [EXT] Equipment List.pdf
Attachments: Equipment List.pdf

Hi Andrew,

Please see attached.

Note that in preparing this list that I have not physically inspected equipment at various locations, and this list is a conjecture and locations may change.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



ROYAL CANADIAN
BEDROCK

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

Updated: December 17, 2018

RECEIVER'S LIST OF EQUIPMENT

Equipment	Location
1. One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2250417	Warton, Ontario
2. One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2260417	Unknown serial number.
3. One (1) new tracked drilling machine, Model no. MPLE4, serial no. 7597	Warton, Ontario
4. One (1) diamond wire saw machine, model mini HV	Please provide serial number in order to determine location.
5. One (1) Jaguar Pro, serial no. 211862	Warton, Ontario
6. One (1) Yukon II Deluxe Diamond saw, serial no. 211860	Mar, Ontario (Amsen)
7. One (1) new Fravizel tracked drilling machine, model no. MPLE4, serial no. 7597	Duplicate of item # 3
8. Two (2) 2017 Brand New Chain Saw, model no. QS4000D, serial no. 2250417, 2260517	Duplicate of item #1 (Serial no. 2250417) Serial no. 2260517 located in Warton, Ontario
9. New 2016 stone splitter model P2000 S/N# SP463C	Augusta, Ontario
10. 2010 Atlas Copco XATS375-CVEL compressor, S/N # HOP070456	Augusta, Ontario
11. 2000 Park Industries 60-24-300 Hydrasplitter, S/N 4-00-220	Augusta, Ontario
12. Year: 2015 Make: Chevrolet Trucks Model: Silverado 1500 4WD VIN: 3GCUKREC0FG142470	Warton, Ontario

- 2 -

Equipment	Location
13. Dazzini chainsaw and wire saw, Atlas Polar Mofat forklifts, and Caterpillar loaders and fork lifts	See comment 5 of email.

ADDITIONAL EQUIPMENT NOT LISTED IN RECEIVER'S LIST

Equipment	Location
14. 2013 CAT 336ELH Excavator Serial No. RZA00861	Warton, Ontario
15. 2014 CAT 950K Loader Serial No. R4A02413	Warton, Ontario
16. 2005 Volvo L220E VIN: EV3530	Augusta, Ontario
17. 2013 Kubota KX057-4GA VIN: 21846	Seized by Receiver in other proceeding.
18. 2014 Kubota SVL90 – 2HFC VIN: 13943	Warton, Ontario
19. 2003 Wilson 11-6 HD30-11630-03149	Kingston, Ontario
20. 1997 CAT 980G 2KR01235	Kingston, Ontario
21. 2011 JCB 456HT JCB45600H01304170	Augusta, Ontario
22. 2010 Park Industries Python IT 138368	Warton, Ontario
23. 2013 Daewoo Lolar 3000-V 1305	Warton, Ontario
24. 1998 Fiat Allis FR 220 DGM4065MOEST010M	Seized by Receiver in other proceeding
25. 2005 CAT 908	Seized by Receiver in other proceeding
26. BLANK	
27. 2008 Park Industries 36-16-150- 109542	Warton, Ontario

Equipment	Location
28. 2008 Park Industries PDC-30-120-109543	Warton, Ontario
29. BLANK	
30. Park Industries Yukon Stone cutter with slate table, 12 feet long Serial: 3-02-986	Mar, Ontario
31. Park Industries Yukon 2 Stone cutter with slate table, 12 feet long Serial: 211859	Mar, Ontario
32. 2002 Barsanti Testa Stone Cutter, with Conveyor FRESAFB4 Serial: 2205301	Mar, Ontario
33. Husky VT631502AJ Serial: L6-17-2004-01694 Air Compressor	Mar, Ontario
34. MEC TRS 4000X800 Serial: 08TRS4080614 Conveyor	Mar, Ontario
35. 2014 MEC Impianto Serial: O3D10723 Stone Splitter	Mar, Ontario
36. 1995 REXON RDM-170F 16-1/2" Drill Press Serial: 37914	Mar, Ontario
37. 1991 F.LLI Zambion Schio Italia Pionnier - Press Serial: T46	Mar, Ontario
38. EMACO Model 1 Hydraulic Power Unit Serial: 305042	Mar, Ontario
39. Fork Attachment for Loader	Mar, Ontario
40. 584818E+13 Bucket Loader Serial: 9068134	Mar, Ontario
41. Toyota 7FGU25 – Fork Lift Serial: 71289	Mar, Ontario

- 4 -

Equipment	Location
42. Clean Power 40 Power Washer	Mar, Ontario
43. Entry Conveyor 2000x800 Serial: 02TRDE2080614	Mar, Ontario
44. Split machine C550 Lama 600 Serial: P02601600614	Mar, Ontario
45. Hydraulic Tank Serial: 02M160M20R1640614	Mar, Ontario
46. Exit Conveyor 2000X600 Serial: 03TRUS2080614	Mar, Ontario
47. Blade Length 400 C400 – 90 ton	Mar, Ontario
48. Split Machine Serial: P0140900614	Mar, Ontario
49. Canadian VLP 10550 Electronic Floor Scale	Mar, Ontario
50. Western M2000 Slim Line Indicator	Mar, Ontario
51. BLANK	
52. 2014 Make: Kooy Bros Model: KB10SPS VIN: KB10S-7004-10	Mar, Ontario

APPENDIX “J”

PRELIMINARY DRAFT AND SUBJECT TO CHANGE**In the Matter of the Receivership of Royal Canadian Bedrock Inc.
Receiver's Asset Listing with Locations - as at Jan 4, 2019**

#	Equipment Description	First ranking security in favour of	Location (As advised by Mr. Guido)	Location as confirmed by Deloitte and/or Fuller Landau
1	One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2250417	HSBC Bank Canada (specific PPSA)	Warton, Ontario	Unknown
2	One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2260517	HSBC Bank Canada (specific PPSA)	Warton, Ontario	Unknown
3	One (1) new Fravizel tracked drilling machine, Model no. MPLE4, serial no. 7597	HSBC Bank Canada (specific PPSA)	Warton, Ontario	Unknown
4	One (1) diamond wire saw machine, model mini HV	HSBC Bank Canada (specific PPSA)	N/A	Unknown
5	One (1) Jaguar Pro, serial no. 211862	HSBC Bank Canada (specific PPSA)	Warton, Ontario	Warton, Ontario
6	One (1) Yukon II Deluxe Diamond saw, serial no. 211860	HSBC Bank Canada (specific PPSA)	Mar, Ontario	Unknown
7	New 2016 stone splitter model P2000 S/N# SP463C	HSBC Bank Canada (specific PPSA)	Augusta, Ontario	Unknown
8	2010 Atlas Copco XATS375-CVEL compressor, S/N # HOP070456	Equirex Vehicle Listing 2007 Inc. ("Bennington Financial")	Augusta, Ontario	Unknown
9	2000 Park Industries 60-24-300 Hydrasplitter, S/N 4-00-220	Bodkin Capital Corporation ("Bennington Financial")	Augusta, Ontario	Unknown
10	Year: 2015 Make: Chevrolet Trucks Model: Silverado 1500 4WD VIN: 3GCUKRECOFG142470	GM Financial Canada Leasing Ltd	Warton, Ontario	Unknown
11	2013 Toromount CAT Excavator Model: 336ELH S/N#: RZA00861	TD Equipment Finance	Warton, Ontario	Unknown
12	2014 Toromount CAT Loader Model: 950k S/N#: R4A02413	TD Equipment Finance	Warton, Ontario	Unknown
13	2012 Toromount CAT Integrated Tool Carrier Model: IT14G S/N#: KZN01093	Unknown - the Receivers understand this was an attachment to #11 or #12	N/A	Unknown
14	2015 Dazzini Chainsaw	HSBC (GSA)	Does not exist	Unknown
15	2015 MEC Splitter	HSBC (GSA)	Does not exist	Unknown
16	2015 Miltiquip Generator	HSBC (GSA)	Does not exist	Unknown
17	2005 Yukon Saw	HSBC (GSA)	Does not exist	Unknown
18	2010 Multiquip Generator	HSBC (GSA)	Does not exist	Unknown
19	2015 Jag Pro Saw	HSBC (GSA)	Does not exist	Unknown
20	2015 Yukon Saw II	HSBC (GSA)	Does not exist	Unknown
21	2016 Python Saw	HSBC (GSA)	Does not exist	Unknown
22	One (1) Park Industries stone cutter with slate table, 12 feet long Model: Yukon 2 S/N#: 211859	HSBC Bank Canada (GSA)	Mar, Ontario	Mar, Ontario
23	One (1) MEC Conveyor Model: TRS 4000x800 S/N#: 08TRS4080614	HSBC Bank Canada (GSA)	Mar, Ontario	Mar, Ontario
24	One (1) 2014 MEC Stone Splitter Model: Impianto S/N#: Q3D10723	HSBC Bank Canada (GSA)	Mar, Ontario	Mar, Ontario
25	One (1) 191 F.LLI Zambon Schio Italia Press Model: Pionnier S/N#: T46	HSBC Bank Canada (GSA)	Mar, Ontario	Mar, Ontario
26	One (1) Toyota Fork Lift Model: 7FGU25 S/N#: 71289	HSBC Bank Canada (GSA)	Mar, Ontario	Mar, Ontario
27	2005 Volvo L220E VIN: EV3530	Kooy Brothers Lawn Equipment Limited	N/A	N/A
28	2013 Kubota KX057-4GA VIN: 21846	Kooy Brothers Lawn Equipment Limited	N/A	N/A
29	2014 Kubota SVL90 – 2HFC VIN: 13943	Kooy Brothers Lawn Equipment Limited	N/A	N/A
30	2003 Wilson 11-6 HD30-11630-03149	Kooy Brothers Lawn Equipment Limited	N/A	N/A
31	1997 CAT 980G 2KR01235	Kooy Brothers Lawn Equipment Limited	N/A	N/A
32	2013 Kubota !KX057-4GA 21846 Skid steer	Kooy Brothers Lawn Equipment Limited	N/A	N/A

Receiver's Asset Listing with Locations - as at Jan 4, 2019				
#	Equipment Description	First ranking security in favour of	Location (As advised by Mr. Guido)	Location as confirmed by Deloitte and/or Fuller Landau
33	2011 JCB 456HT JCB45600H01304170	Kooy Brothers Lawn Equipment Limited	N/A	N/A
34	2010 Park Industries Python IT 138368	Kooy Brothers Lawn Equipment Limited	N/A	N/A
35	2013 Daewoo Lolar 3000-V 1305	Kooy Brothers Lawn Equipment Limited	N/A	N/A
36	1998 Fiat Allis FR 220	Kooy Brothers Lawn Equipment Limited	N/A	N/A
37	2005 CAT 908	Kooy Brothers Lawn Equipment Limited	N/A	N/A
38	2000 Ogden 8	Kooy Brothers Lawn Equipment Limited	N/A	N/A
39	2008 Park Industries 36-16-150-109542	HSBC (GSA)	Warton, Ontario	Unknown
40	2008 Park Industries PDC-30-120-109543	HSBC (GSA)	Warton, Ontario	Unknown
41	Park Industries Yukon Stone cutter with slate table, 12 feet long S/N: 3-02-986	HSBC (GSA)	Mar, Ontario	Mar, Ontario
42	2002 Barsanti Testa Stone Cutter, with Conveyor FRESAFB4 S/N: 2205301	HSBC (GSA)	Mar, Ontario	Mar, Ontario
43	Husky VT631502AJ Air Compressor S/N: L6-17-2004-01694	HSBC (GSA)	Mar, Ontario	Mar, Ontario
44	1995 Rexon RDM-170F 16-1/2" Drill Press S/N: 37914	HSBC (GSA)	Mar, Ontario	Mar, Ontario
45	EMACO Model 1 Hydraulic Power Unit S/N: 305042	HSBC (GSA)	Mar, Ontario	Mar, Ontario
46	Fork Attachment for Loader	HSBC (GSA)	Mar, Ontario	Mar, Ontario
47	584818E+13 Bucket Loader S/N: 9068134	HSBC (GSA)	Mar, Ontario	Mar, Ontario
48	Clean Power 40 Power Washer	HSBC (GSA)	Mar, Ontario	Mar, Ontario
49	Entry Conveyor 2000x800 S/N: 02TRDE2080614	HSBC (GSA)	Mar, Ontario	Unknown
50	Split Machine C550 Lama 600 S/N: P02601600614	HSBC (GSA)	Mar, Ontario	Unknown
51	Hydraulic Tank S/N: 02M160M20R1640614	HSBC (GSA)	Mar, Ontario	Unknown
52	Exit Conveyor 2000x600S/N: 03TRUS2080614	HSBC (GSA)	Mar, Ontario	Unknown
53	Blade Length 400 C400 - 90 ton	HSBC (GSA)	Mar, Ontario	Unknown
54	Split Machine S/N: P014900614	HSBC (GSA)	Mar, Ontario	Unknown
55	Canadian VLP 10550 Electronic Floor Scale	HSBC (GSA)	Mar, Ontario	Mar, Ontario
56	Western M2000 Slim Line Indicator	HSBC (GSA)	Mar, Ontario	Unknown
57	2014 Kooy Bros Model: KB10SPS VIN: KB10S-7004-10	Kooy Brothers Lawn Equipment Limited	N/A	N/A
58	CAT 330L Excavator Serial Number: 8FK0012 (year unknown)	Unknown	N/A	Warton, Ontario

Notes:

- 1 - Deloitte Restructuring Inc., in its capacity as Court-appointed receiver (the "Receiver") of Royal Canadian Bedrock Inc., reserves the right to further review and amend this equipment listing in its sole discretion.
- 2 - The Receiver has not completed a security review in respect of the validity and perfection of PPSA registrations against Royal Canadian Bedrock Inc.
- 3 - The Receiver has not attempted to locate and identify assets financed by Kooy Brothers Lawn Equipment Limited nor TD Equipment Finance, as these assets are not part of the Receiver's mandate.

APPENDIX “K”

Whittingham, Andrew (CA - Toronto)

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Tuesday, December 18, 2018 6:53 PM
To: Bricks, Hartley (CA - Toronto)
Cc: Chu, Jonathan (CA - Toronto); Whittingham, Andrew (CA - Toronto); Larry Ellis; tashmeade@casselsbrock.com
Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Harvey,

I was tied up longer than expected today ... I send further follow up information tomorrow, accordingly.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



ROYAL CANADIAN
BEDROCK

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

On Dec 18, 2018, at 10:35 AM, Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca> wrote:

Anthony,

Thank you for an update on the information request list. As previously advised, it is critical that we be provided with the list of creditors along with names and address and amounts owed as soon as possible. While we expect that this will be provided in the information you have promised to deliver by the end of today, we want to reiterate that this is of prime importance.

Regards,

Hartley

From: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>
Sent: Monday, December 17, 2018 8:05 PM
To: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>

Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>

Subject: Fwd: [EXT] Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx

Sent from my iPhone

Begin forwarded message:

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Date: December 17, 2018 at 7:28:51 PM EST
To: "Whittingham, Andrew (CA - Toronto)" <andwhittingham@deloitte.ca>
Cc: Larry Ellis <lellis@casselsbrock.com>, "tashmeade@casselsbrock.com" <tashmeade@casselsbrock.com>
Subject: [EXT] Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx

Hi Andrew,

Please see attached.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](https://www.royalcanadianbedrock.com)
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APPENDIX “L”

DRAFT AND SUBJECT TO CHANGE

In the Matter of the Receivership of Royal Canadian Bedrock Inc.					
#	Equipment Description	First ranking security in favour of	Location (As advised by RCBI)	Asset exists per Matteo?	Location as confirmed by Deloitte
1	One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2250417	HSBC (specific PPSA)	Warton, Ontario	Yes	Unknown
2	One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2260517	HSBC (specific PPSA)	Warton, Ontario	Yes	Unknown
3	One (1) new Fravizel tracked drilling machine, Model no. MPL4, serial no. 7597	HSBC (specific PPSA)	Warton, Ontario	Yes	Unknown
4	One (1) diamond wire saw machine, model mini HV	HSBC (specific PPSA)		Unknown	Unknown
5	One (1) Jaguar Pro, serial no. 211862	HSBC (specific PPSA)	Warton, Ontario	Unknown	Warton, Ontario
6	One (1) Yukon II Deluxe Diamond saw, serial no. 211860	HSBC (specific PPSA)	Mar, Ontario	Yes	Unknown
7	New 2016 stone splitter model P2000 S/N# SP463C	HSBC (specific PPSA)	Augusta, Ontario	Unknown	Unknown
8	2010 Atlas Copco XATS375-CVEL compressor, S/N # HOP070456	Equirex Vehicle Listing 2007 Inc. ("Bennington Financial")	Augusta, Ontario	Yes	Unknown
9	2000 Park Industries 60-24-300 Hydrasplitter, S/N 4-00-220	Bodkin Capital Corporation ("Bennington Financial")	Augusta, Ontario	Yes	Unknown
10	Year: 2015 Make: Chevrolet Trucks Model: Silverado 1500 4WD VIN: 3GCUKRECOFG142470	GM Financial Canada Leasing Ltd	Warton, Ontario	Yes	Unknown
11	2013 Toromount CAT Excavator Model: 336ELH S/N#: RZA00861	TD Equipment Finance	Warton, Ontario	Yes	Unknown
12	2014 Toromount CAT Loader Model: 950k S/N#: R4A02413	TD Equipment Finance	Warton, Ontario	Yes	Unknown
13	2012 Toromount CAT Integrated Tool Carrier Model: IT14G S/N#: KZN01093	Unknown - we believe this was an attachment to the TD Equipment		Yes	Unknown
14	2015 Dazzini Chainsaw	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
15	2015 MEC Splitter	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
16	2015 Miltiquip Generator	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
17	2005 Yukon Saw	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
18	2010 Miltiquip Generator	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
19	2015 Jag Pro Saw	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
20	2015 Yukon Saw II	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
21	2016 Python Saw	HSBC (GSA)	Matteo advised these assets are duplicates of the specific PPSA registrations	Unknown	Unknown
22	One (1) Park Industries stone cutter with slate table, 12 feet long Model: Yukon 2 S/N#: 211859	HSBC (GSA)	Mar, Ontario	Yes	Mar, Ontario
23	One (1) MEC Conveyor Model: TRS 4000x800 S/N#: 08TRS4080614	HSBC (GSA)	Mar, Ontario	Yes	Mar, Ontario
24	One (1) 2014 MEC Stone Splitter Model: Impianto S/N#: 03D10723	HSBC (GSA)	Mar, Ontario	Yes	Mar, Ontario
25	One (1) 191 F.LLI Zambon Schio Italia Press Model: Pionnier S/N#: T46	HSBC (GSA)	Mar, Ontario	Yes	Mar, Ontario
26	One (1) Toyota Fork Lift Model: 7FGU25 S/N#: 71289	HSBC (GSA)	Mar, Ontario	Yes	Mar, Ontario
27	2005 Volvo L220E VIN: EV3530	Kooy Brothers	Augusta, Ontario	Yes	Unknown
28	2013 Kubota KX057-4GA VIN: 21846	Kooy Brothers	Seized by Receiver in other proceeding.	Yes	Unknown
29	2014 Kubota SVL90 – 2HFC VIN: 13943	Kooy Brothers	Warton, Ontario	Yes	Warton, Ontario
30	2003 Wilson 11-6 HD30-11630-03149	Kooy Brothers	Kingston, Ontario	Yes	Unknown
31	1997 CAT 980G 2KR01235	Kooy Brothers	Kingston, Ontario	Yes	Unknown
32	2013 Kubota IKX057-4GA 21846 Skid steer	Kooy Brothers	Warton, Ontario	Yes	Unknown
33	2011 JCB 456HT JCB45600H01304170	Kooy Brothers	Seized by Receiver in other proceeding.	Yes	Unknown
34	2010 Park Industries Python IT 138368	Kooy Brothers	Warton, Ontario	Yes	Warton, Ontario
35	2013 Daewoo Lolar 3000-V 1305	Kooy Brothers	Warton, Ontario	Yes	Warton, Ontario

In the Matter of the Receivership of Royal Canadian Bedrock Inc.					
#	Equipment Description	First ranking security in favour of	Location (As advised by RCBI)	Asset exists per Matteo?	Location as confirmed by Deloitte
36	1998 Fiat Allis FR 220	Kooy Brothers	Seized by Receiver in other proceeding.	Yes	Unknown
37	2005 CAT 908	Kooy Brothers	Wlarton, Ontario	Yes	Unknown
38	2000 Ogden 8	Kooy Brothers	Still looking up the location of the equipment.	Unknown	Unknown
39	2008 Park Industries 36-16-150-109542	HSBC (GSA) (RCBI ownership may need to be proved)	Wlarton, Ontario	Unknown	Unknown
40	2008 Park Industries PDC-30-120-109543	HSBC (GSA) (RCBI ownership may need to be proved)	Wlarton, Ontario	Unknown	Unknown
41	Park Industries Yukon Stone cutter with slate table, 12 feet long S/N: 3-02-986	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Mar, Ontario
42	2002 Barsanti Testa Stone Cutter, with Conveyor FRESAFB4 S/N: 2205301	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Mar, Ontario
43	Husky VT631502AJ Air Compressor S/N: L6-17-2004-01694	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Mar, Ontario
44	1995 Rexon RDM-170F 16-1/2" Drill Press S/N: 37914	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
45	EMACO Model 1 Hydraulic Power Unit S/N: 305042	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
46	Fork Attachment for Loader	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
47	584818E+13 Bucket Loader S/N: 9068134	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
48	Clean Power 40 Power Washer	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
49	Entry Conveyor 2000x800 S/N: 02TRDE2080614	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
50	Split Machine C550 Lama 600 S/N: P02601600614	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
51	Hydraulic Tank S/N: 02M160M20R1640614	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
52	Exit Conveyor 2000x600S/N: 03TRUS2080614	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
53	Blade Length 400 C400 - 90 ton	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
54	Split Machine S/N: P014900614	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
55	Canadian VLP 10550 Electronic Floor Scale	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
56	Western M2000 Slim Line Indicator	HSBC (GSA) (RCBI ownership may need to be proved)	Mar, Ontario	Unknown	Unknown
57	2014 Kooy Bros Model: KB10SPS VIN: KB10S-7004-10	Kooy Brothers	Mar, Ontario	Unknown	Unknown
58	CAT 330L Excavator Serial Number:8FK0012 (year unknown)	Unknown		Unknown	Wlarton, Ontario

Deloitte Restructuring Inc., in its capacity as Court-appointed receiver (the "Receiver") of Royal Canadian Bedrock Inc., reserves the right to further review and amend this equipment listing in its sole discretion.

APPENDIX “M”

Whittingham, Andrew (CA - Toronto)

From: Whittingham, Andrew (CA - Toronto)
Sent: Friday, December 21, 2018 11:03 AM
To: 'Anthony Guido'
Cc: Larry Ellis; tashmeade@casselsbrock.com; Bricks, Hartley (CA - Toronto); Chu, Jonathan (CA - Toronto)
Subject: RE: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Good Morning Anthony

Thank you for your time yesterday afternoon.

We are writing to confirm your undertaking to; a) provide the books and records, b) provide the location of RCBI's equipment as discussed, and c) assist in completing the outstanding CRA filings as required.

Books and Records

As previously discussed on a call with Hartley, yourself and your counsel on December 7, you are required to provide to the Receiver all books and records of RCBI immediately upon request. You had previously advised that the books and records would be delivered by end of day on December 16, which you then revised to December 17, then December 18. As of our meeting yesterday, all you have provided is a list of creditors with your estimate of amounts owing. As discussed yesterday, these delays are unacceptable. You advised that you be out of town starting mid-next week and would not be returning until on or about January 7. The Receiver simply cannot wait until then to receive the books and records. So, we are confirming that as discussed yesterday you will deliver the books and records to the Receiver by no later than the **end of day on Monday, December 24, 2018**, which will include the following:

- Hard copy documents which are in storage;
- Excel spreadsheets that relate to RCBI's financial reporting and accounting system (in this regard, if there are other books and records on a computer hard drive, we will need to take a forensic image of that machine);
- Lease agreements, invoices and other documents which evidence the relationship between RCBI and other entities you control (namely QMX Warton Inc.);
- Communications from the CRA related to the Requirement to Pay and other outstanding tax filings;
- Communications with the Ontario Ministry of Labour related to the workplace safety breaches at the quarry being operated by RCBI;
- Any other electronic files that relate to the business (including emails).

Location of Equipment

As discussed, we are now over two weeks into the receivership and the Receiver still has not been provided with a definitive list of the Company's assets and their location. Again, this is unacceptable. You advised that the insurance has lapsed on the assets as of December 17, 2018. As advised yesterday, in order for the receiver to be in a position to place insurance on the assets, it needs to take possession of them and confirm that they are secure. You mentioned at the meeting yesterday that some of the equipment may have been moved to other quarries. You undertook to visit those quarries, or have the some of your employees (which we understand do not work for RCBI) visit those quarries to determine where the assets have been moved. Of particular interest to the Receiver is:

- The location of the GM truck, which we understand is in the control of "Jeremy" and is not being used to conduct RCBI's business;
- Confirmation and evidence of ownership of the CAT 330L Excavator which was located at Warton and not on any of the Receiver's asset listings;
- The equipment which was financed by HSBC and secured by way of specific PPSA registrations (i.e. the Dazzini chain saws, tracked drilling machines etc); and
- The control panels which are required to operate the two Park Industries stone splitters at the Amsen Quarry.

We require that you also provide this information by **end of day on Monday, December 24, 2018**.

CRA Tax Filings

We have been in contact with the CRA, who advised the following tax filings remain outstanding:

Filing Description	Period
GST/HST Return	July 1, 2014 – January 31, 2015
GST/HST Return	February 1, 2015 – January 31, 2016
GST/HST Return	February 1, 2016 – January 31, 2017
GST/HST Return	February 1, 2017 – January 31, 2018
GST/HST Return	February 1, 2018 – September 12, 2018
Income Tax	May 1, 2017 – April 30, 2018
Income Tax	May 1, 2018 – April 30, 2019
Source Deductions	No filing required – CRA has determined a \$450,000 liability which was estimated using your individual employees' filed T4s

We require you to provide the Receiver with the relevant information so that these filings may be made by no later than **end of day Wednesday, January 12, 2019**.

Please contact myself or Hartley directly if you have any queries or concerns.

Regards

Andrew

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca



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Please consider the environment before printing.

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Thursday, December 20, 2018 2:01 PM
To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>
Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com; Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>
Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Andrew,

Just about to park ... be there in 10 mins.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



ROYAL CANADIAN
BEDROCK

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)

[T 416 306 5796](#) [F 1 888 217 9377](#)

On Dec 19, 2018, at 1:29 PM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Thank you, Anthony.

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

<image002.png>

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From: Anthony Guido <anthony@royalcanadianbedrock.com>

Sent: Wednesday, December 19, 2018 12:47 PM

To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>

Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>;
tashmeade@casselsbrock.com; Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>

Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Andrew,

I confirm that I'll be at your office tomorrow at 2pm and will send further information later today.

Kind regards,

ANTHONY GUIDO, CPA, CA

PRESIDENT

anthony@royalcanadianbedrock.com

M [416 459 1037](tel:4164591037)



[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](https://www.royalcanadianbedrock.com)

[T 416 306 5796](tel:4163065796) [F 1 888 217 9377](tel:18882179377)

On Dec 19, 2018, at 10:33 AM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good Morning Anthony

We are expecting delivery of the agreed information items today.

Please confirm you will be attending our offices for a meeting tomorrow at 2pm. You will need to proceed to Level 2 Reception (address in my signature below) and give your name and who you are meeting with (i.e. Andrew Whittingham and Hartley Bricks). We will then come down to meet you on Level 2.

Regards

Andrew

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | [deloitte.ca](https://www.deloitte.ca)

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Sent: Tuesday, December 18, 2018 6:53 PM

To: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>

Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>; Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com

Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Harvey,

I was tied up longer than expected today ... I send further follow up information tomorrow, accordingly.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M 416 459 1037



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100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9
T 416 306 5796 F 1 888 217 9377

On Dec 18, 2018, at 10:35 AM, Bricks, Hartley (CA - Toronto)
 <hbricks@deloitte.ca> wrote:

Anthony,

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Regards,

Hartley

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 <andwhittingham@deloitte.ca>
Sent: Monday, December 17, 2018 8:05 PM
To: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>
Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>
Subject: Fwd: [EXT] Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Sent from my iPhone

Begin forwarded message:

From: Anthony Guido
 <anthony@royalcanadianbedrock.com>
Date: December 17, 2018 at 7:28:51 PM EST
To: "Whittingham, Andrew (CA - Toronto)"
 <andwhittingham@deloitte.ca>
Cc: Larry Ellis <lellis@casselsbrock.com>,
 "tashmeade@casselsbrock.com"
 <tashmeade@casselsbrock.com>

**Subject: [EXT] Royal Canadian Bedrock Inc. -
Receiver_s Request for Information
(Respon....xlsx**

Hi Andrew,

Please see attached.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



**ROYAL CANADIAN
BEDROCK**

[100 King Street West, Suite 5600 Toronto, Ontario
Canada M5X 1C9](#)
T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

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APPENDIX “N”

Whittingham, Andrew (CA - Toronto)

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Wednesday, December 26, 2018 11:54 AM
To: Whittingham, Andrew (CA - Toronto)
Cc: Larry Ellis; tashmeade@casselsbrock.com; Bricks, Hartley (CA - Toronto); Chu, Jonathan (CA - Toronto)
Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Andrew,

Hope all is well.

Further to our recent three hour meeting at your office, as mentioned, I'm on holidays returning to work January 7th, 2019.

As explained, I have no management or assistant support to gather information.

I have provided you with most information requested to dated.

I have provided further answers / clarifications below to your questions/comments.

I'll follow up with you upon my return from holidays.

Best wishes for Happy, Healthy, and Prosperous New Year!

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M 416 459 1037



ROYAL CANADIAN
BEDROCK

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
[T 416 306 5796 F 1 888 217 9377](#)

On Dec 21, 2018, at 11:02 AM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good Morning Anthony

Thank you for your time yesterday afternoon.

We are writing to confirm your undertaking to;

a) provide the books and records,

Only excel spread sheets done for year end. No spreadsheet done for 2018 year end.

b) provide the location of RCBI's equipment as discussed, and

Locations of equipment provided, I'll check for further clarifications when I return after January 7th, 2019.

c) assist in completing the outstanding CRA filings as required.

No HST returns filed

Income Tax Returns for YE 2015, 2016, 2017 provided already

No year end tax return done to file for 2018

Books and Records

As previously discussed on a call with Hartley, yourself and your counsel on December 7, you are required to provide to the Receiver all books and records of RCBI immediately upon request. You had previously advised that the books and records would be delivered by end of day on December 16, which you then revised to December 17, then December 18. As of our meeting yesterday, all you have provided is a list of creditors with your estimate of amounts owing. As discussed yesterday, these delays are unacceptable. You advised that you be out of town starting mid-next week and would not be returning until on or about January 7. The Receiver simply cannot wait until then to receive the books and records. So, we are confirming that as discussed yesterday you will deliver the books and records to the Receiver by no later than the **end of day on Monday, December 24, 2018**, which will include the following:

- Hard copy documents which are in storage;
- NONE
- Excel spreadsheets that relate to RCBI's financial reporting and accounting system (in this regard, if there are other books and records on a computer hard drive, we will need to take a forensic image of that machine);

ONLY DONE UP TO YE 2017

- Lease agreements, invoices and other documents which evidence the relationship between RCBI and other entities you control (namely QMX Warton Inc.);

TO BE PROVIDED

- Communications from the CRA related to the Requirement to Pay and other outstanding tax filings;

HSBC BANK SERVED WITH REQUIREMENT TO PAY

- Communications with the Ontario Ministry of Labour related to the workplace safety breaches at the quarry being operated by RCBI;

TO BE PROVIDED

- Any other electronic files that relate to the business (including emails).

Location of Equipment

As discussed, we are now over two weeks into the receivership and the Receiver still has not been provided with a definitive list of the Company's assets and their location. Again, this is unacceptable. You advised that the insurance has lapsed on the assets as of December 17, 2018. As advised yesterday, in order for the receiver to be in a position to place insurance on the assets, it needs to take possession of them and confirm that they are secure. You mentioned at the meeting yesterday that some of the equipment may have been moved to other quarries. You undertook to visit those quarries, or have the some of your employees (which we understand do not work for RCBI) visit those quarries to determine where the assets have been moved. Of particular interest to the Receiver is:

- The location of the GM truck, which we understand is in the control of "Jeremy" and is not being used to conduct RCBI's business;

IN WIARTON AREA, WILL BE MADE AVAILABLE TO VIEW AFTER MY RETURN JANUARY 7th, 2018 THIS IS LEASE THAT EXPIRES JUNE 2018; NO EXPECTED EQUITY ... APPROXIMATELY 190,000KMs

- Confirmation and evidence of ownership of the CAT 330L Excavator which was located at Wiarton and not on any of the Receiver's asset listings;

TO BE PROVIDED

- The equipment which was financed by HSBC and secured by way of specific PPSA registrations (i.e. the Dazzini chain saws, tracked drilling machines etc); and

LIST PROVIDED ALREADY

- The control panels which are required to operate the two Park Industries stone splitters at the Amsen Quarry.

UNKNOWN

We require that you also provide this information by **end of day on Monday, December 24, 2018**.

CRA Tax Filings

We have been in contact with the CRA, who advised the following tax filings remain outstanding:

Filing Description	Period
GST/HST Return	July 1, 2014 – January 31, 2015
GST/HST Return	February 1, 2015 – January 31, 2016
GST/HST Return	February 1, 2016 – January 31, 2017
GST/HST Return	February 1, 2017 – January 31, 2018
GST/HST Return	February 1, 2018 – September 12, 2018
Income Tax	May 1, 2017 – April 30, 2018
Income Tax	May 1, 2018 – April 30, 2019
Source Deductions	No filing required – CRA has determined a \$450,000 liability which was estimated using your individual employees' filed T4s

We require you to provide the Receiver with the relevant information so that these filings may be made by no later than **end of day Wednesday, January 12, 2019**.

Please contact myself or Hartley directly if you have any queries or concerns.

Regards

Andrew

Andrew Whittingham

Manager | Deloitte Restructuring Inc.
8 Adelaide St. West, Toronto, ON, M5H 0A9
D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

<image002.png>

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Please consider the environment before printing.

From: Anthony Guido <anthony@royalcanadianbedrock.com>

Sent: Thursday, December 20, 2018 2:01 PM

To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>

Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com; Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>

Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Andrew,

Just about to park ... be there in 10 mins.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](https://www.royalcanadianbedrock.com)
T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

On Dec 19, 2018, at 1:29 PM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Thank you, Anthony.

Andrew Whittingham
 Manager | Deloitte Restructuring Inc.
 8 Adelaide St. West, Toronto, ON, M5H 0A9
 D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | [deloitte.ca](https://www.deloitte.ca)

<image002.png>

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Please consider the environment before printing.

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Wednesday, December 19, 2018 12:47 PM
To: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>
Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com; Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>
Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Andrew,

I confirm that I'll be at your office tomorrow at 2pm and will send further information later today.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT

anthony@royalcanadianbedrock.com
 M [416 459 1037](tel:4164591037)



ROYAL CANADIAN
BEDROCK

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](#)
 T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

On Dec 19, 2018, at 10:33 AM, Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca> wrote:

Good Morning Anthony

We are expecting delivery of the agreed information items today.

Please confirm you will be attending our offices for a meeting tomorrow at 2pm. You will need to proceed to Level 2 Reception (address in my signature below) and give your name and who you are meeting with (i.e. Andrew Whittingham and Hartley Bricks). We will then come down to meet you on Level 2.

Regards

Andrew

Andrew Whittingham
 Manager | Deloitte Restructuring Inc.
 8 Adelaide St. West, Toronto, ON, M5H 0A9
 D: +1 (416) 601 6421 | M: +1 (647) 326 3309
andwhittingham@deloitte.ca | deloitte.ca

<image002.png>

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Please consider the environment before printing.

From: Anthony Guido <anthony@royalcanadianbedrock.com>
Sent: Tuesday, December 18, 2018 6:53 PM
To: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>
Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>; Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>; Larry Ellis <lellis@casselsbrock.com>; tashmeade@casselsbrock.com
Subject: [EXT] Re: Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Hi Harvey,

I was tied up longer than expected today ... I send further follow up information tomorrow, accordingly.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M [416 459 1037](tel:4164591037)



ROYAL CANADIAN
BEDROCK

[100 King Street West, Suite 5600 Toronto, Ontario Canada M5X 1C9](https://www.royalcanadianbedrock.com)
T [416 306 5796](tel:4163065796) F [1 888 217 9377](tel:18882179377)

On Dec 18, 2018, at 10:35 AM, Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca> wrote:

Anthony,

Thank you for an update on the information request list. As previously advised, it is critical that we be provided with the list of creditors along with names and address and amounts owed as soon as possible. While we expect that this will be provided in the information you have promised to deliver by the end of today, we want to reiterate that this is of prime importance.

Regards,

Hartley

From: Whittingham, Andrew (CA - Toronto) <andwhittingham@deloitte.ca>
Sent: Monday, December 17, 2018 8:05 PM
To: Bricks, Hartley (CA - Toronto) <hbricks@deloitte.ca>
Cc: Chu, Jonathan (CA - Toronto) <jochu@deloitte.ca>
Subject: Fwd: [EXT] Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx)

Sent from my iPhone

Begin forwarded message:

From: Anthony Guido
<anthony@royalcanadianbedrock.com>
Date: December 17, 2018 at 7:28:51 PM EST
To: "Whittingham, Andrew (CA - Toronto)"
<andwhittingham@deloitte.ca>
Cc: Larry Ellis
<lellis@casselsbrock.com>, "tashmeade@casselsbrock.com"
<tashmeade@casselsbrock.com>
Subject: [EXT] Royal Canadian Bedrock Inc. - Receiver_s Request for Information (Respon....xlsx

Hi Andrew,

Please see attached.

Kind regards,

ANTHONY GUIDO, CPA, CA
PRESIDENT
anthony@royalcanadianbedrock.com
M 416 459 1037


**ROYAL CANADIAN
BEDROCK**
[100 King Street West, Suite 5600](#)
[Toronto, Ontario Canada M5X 1C9](#)
[T 416 306 5796](#) [F 1 888 217 9377](#)

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APPENDIX “O”



Canada Revenue Agency
Agence du revenu
du Canada

Tax Centre
Kitchener ON N2H 0A9

December 19, 2018

ATTENTION: ANDREW WHITTINGHAM
ROYAL CANADIAN BEDROCK INC.
C/O DELOITTE RESTUCTURING INC
8 ADELAIDE STREET WEST, SUITE 200
TORONTO ON M5H 0A9

Account Number
82708 4575 RP0001

Dear Mr. Whittingham:

Re: ROYAL CANADIAN BEDROCK INC.
Account number: 82708 4575 RP0001

We have been advised that you have been appointed as receiver for the above-named. At present, there is indebtedness to Canada Revenue Agency (CRA) for source deductions amounting to \$449,609.77.

Particulars of this liability are as follows:

Date of assessment (DD/MM/YYYY)	08/06/2016
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$1,216.73
Total:	\$1,216.73
Date of assessment (DD/MM/YYYY)	30/11/2016
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$115.75
Total:	\$115.75
Date of assessment (DD/MM/YYYY)	26/01/2017
Tax deductions:	\$13,197.77
CPP:	\$ 8,834.78
EI:	\$ 4,055.20
Penalties and interest:	\$ 7,122.71
Total:	\$33,210.68

.../2

Canada

National Insolvency Office
166 Frederick Street
Kitchener ON N2H 0A9

Local: 519-570-5438
Toll Free: 1-844-496-9342
Fax: 519-570-5424
Web site: canada.ca/taxes

Date of assessment (DD/MM/YYYY)	26/01/2017
Tax deductions:	\$ 49,051.54
CPP:	\$ 31,590.18
EI:	\$ 16,025.93
Penalties and interest:	\$ 32,307.57
Total:	\$128,975.22

Date of assessment (DD/MM/YYYY)	24/02/2017
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$462.91
Total:	\$462.91

Date of assessment (DD/MM/YYYY)	27/02/2017
Tax deductions:	\$3,280.47
CPP:	\$2,394.24
EI:	\$1,222.87
Penalties and interest:	\$1,446.75
Total:	\$8,344.33

Date of assessment (DD/MM/YYYY)	02/11/2017
Tax deductions:	\$23,298.73
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 7,651.50
Total:	\$30,793.80

Date of assessment (DD/MM/YYYY)	02/11/2017
Tax deductions:	\$2,561.54
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 640.64
Total:	\$3,202.18

Date of assessment (DD/MM/YYYY)	02/11/2017
Tax deductions:	\$43,200.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 9,729.57
Total:	\$52,929.57

Date of assessment (DD/MM/YYYY)	02/11/2017
Tax deductions:	\$25,920.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 4,819.80
Total:	\$30,739.80

Date of assessment (DD/MM/YYYY) 19/12/2017
Tax deductions: \$ 8,960.10
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$ 2,422.22
Total: \$11,382.32

Date of assessment (DD/MM/YYYY) 19/12/2017
Tax deductions: \$21,600.00
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$ 3,732.32
Total: \$25,332.32

Date of assessment (DD/MM/YYYY) 19/01/2018
Tax deductions: \$ 0.00
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$578.64
Total: \$578.64

Date of assessment (DD/MM/YYYY) 25/01/2018
Tax deductions: \$10,320.79
CPP: \$ 5,184.72
EI: \$ 2,368.78
Penalties and interest: \$ 4,768.84
Total: \$22,643.13

Date of assessment (DD/MM/YYYY) 09/03/2018
Tax deductions: \$18,286.75
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$ 4,869.38
Total: \$23,156.13

Date of assessment (DD/MM/YYYY) 08/06/2018
Tax deductions: \$ 0.00
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$110.09
Total: \$110.09

Date of assessment (DD/MM/YYYY) 04/08/2018
Tax deductions: \$ 0.00
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$440.39
Total: \$440.39

Date of assessment (DD/MM/YYYY) 09/08/2018
Tax deductions: \$2,321.42
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$ 706.43
Total: \$3,027.85

Date of assessment (DD/MM/YYYY) 09/08/2018
Tax deductions: \$33,424.24
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$ 6,955.28
Total: \$40,379.52

Date of assessment (DD/MM/YYYY) 09/08/2018
Tax deductions: \$17,280.00
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$ 2,122.06
Total: \$19,402.06

Date of assessment (DD/MM/YYYY) 12/09/2018
Tax deductions: \$4,320.00
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$ 523.77
Total: \$4,843.77

Date of assessment (DD/MM/YYYY) 19/10/2018
Tax deductions: \$ 0.00
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$550.49
Total: \$550.49

Date of assessment (DD/MM/YYYY) 12/12/2018
Tax deductions: \$6,347.77
CPP: \$ 0.00
EI: \$ 0.00
Penalties and interest: \$1,267.90
Total: \$7,615.67

Grand total: \$449,609.77

Pursuant to the provisions of subsection 227(4) of the Income Tax Act (ITA), subsection 23(3) of the Canada Pension Plan (CPP), subsection 57(2) of the Unemployment Insurance Act (UIA), subsection 86(2) of the Employment Insurance Act (EIA), the following amounts, which are included in the above totals, are

trust funds and form no part of the property, business, or estate of ROYAL CANADIAN BEDROCK INC. in receivership.

Federal income tax:	\$ 9,849.27
Provincial income tax:	\$ 3,348.72
CPP employee portion:	\$ 4,417.39
EI employee portion:	\$ 1,689.67
Total:	\$19,305.05

Federal income tax:	\$36,605.70
Provincial income tax:	\$12,445.84
CPP employee portion:	\$15,795.09
EI employee portion:	\$ 6,677.47
Total:	\$71,524.10

Federal income tax:	\$2,448.12
Provincial income tax:	\$ 832.35
CPP employee portion:	\$1,197.12
EI employee portion:	\$ 509.53
Total:	\$4,987.12

Federal income tax:	\$23,298.73
Provincial income tax:	\$ 0.00
CPP employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$23,298.73

Federal income tax:	\$2,561.54
Provincial income tax:	\$ 0.00
CPP employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$2,561.54

Federal income tax:	\$ 7,702.10
Provincial income tax:	\$ 2,618.69
CPP employee portion:	\$ 2,592.36
EI employee portion:	\$ 986.66
Total:	\$13,900.14

Federal income tax:	\$24,943.51
Provincial income tax:	\$ 8,480.73
CPP employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$33,424.24

Grand total: \$169,000.92

Payment for the total amount of this trust, namely \$169,000.92 should be made to the Receiver General out of the realization of

any property that is subject to these statutory trusts in priority to all other creditors. Please forward payment by return mail. In the event this is not possible, please indicate when payment will be forthcoming.

Please advise when payment of the remaining balance of \$280,608.85 will be forthcoming. Your attention is drawn to section 159 of the ITA, subsection 23(5) of the CPP, subsection 57(4.1) of the UIA and subsection 86(4) of the EIA.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the ITA for periods prior or subsequent to your appointment, tax deductions must be withheld and remitted in accordance with this subsection and Income Tax Regulations 101 and 108. Your attention is also directed to section 3 of the Unemployment Insurance (Collection of Premiums) Regulations, section 5 of the EIA and section 8 of the Canada Pension Plan Regulations.

If you require further information, please contact the undersigned at 519-570-5438.

Yours truly,

W. Rueger 1215
Revenue Collections



Canada Revenue Agency
Agence du revenu du Canada

Tax Centre
Kitchener ON N2H 0A9

December 19, 2018

ATTENTION: ANDREW WHITTINGHAM
ROYAL CANADIAN BEDROCK INC.
C/O DELOITTE RESTRUCTURING INC
8 ADELAIDE ST W
TORONTO ON M5H 0A9

Account Number
82708 4575 RT0001

Dear Mr. Whittingham:

Re: ROYAL CANADIAN BEDROCK INC.

We understand that you have been appointed Receiver for the above GST/HST registrant. Currently, the registrant owes us goods and services tax / harmonized sales tax (GST/HST) of \$48,811.41.

Period outstanding -----	GST/HST payable -----	Penalty & Interest -----	Total payable -----
2015-01-31	\$7,588.97	\$1,950.00	\$ 9,538.97
2016-01-31	\$15,600.00	\$3,452.04	\$19,052.04
2017-01-31	\$17,628.00	\$2,592.40	\$20,220.40

Under subsection 222(3) of the "Excise Tax Act," nil which is included in the above totals, is held in trust and forms no part of the property, business, or estate of ROYAL CANADIAN BEDROCK INC. in receivership. This is the case whether or not those funds have in fact, been kept separate and apart from the person's own money or from the assets of the estate.

The Receiver General should be paid the total amount of this trust, namely \$nil, out of the realization of any property subject to these statutory trusts. This should take priority over all other creditors. Please forward your payment by return mail as soon as possible. If this is not possible, please indicate when payment will be forthcoming.

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Canada

National Insolvency Office
166 Frederick Street
Kitchener ON N2H 0A9

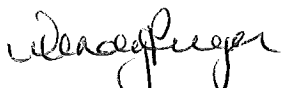
Local : 519-570-5438
Toll Free : 1-844-496-9342
Fax : 519-570-5424
Web site : canada.ca/taxes

Please advise when payment of the remaining balance of \$48,811.41, will be forthcoming. We draw your attention to sections 266 and 270 of the "Excise Tax Act."

This letter will also serve to notify you that as a Receiver you are required to collect and remit GST/HST according to paragraph 266(2)(d) and to file any applicable returns as provided in paragraphs 266(2)(f) and (g) of the "Excise Tax Act."

If you have any questions, please contact W. Rueger of the Revenue Collection Division at one of the telephone numbers provided in this letter.

Yours truly,



W. Rueger 1215
Revenue Collections

HSBC BANK CANADA and ROYAL CANADIAN BEDROCK
INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO**

**MOTION RECORD
(Seeking Advice and Direction with respect the Debtor's
Books and Records and Location of Property)
(returnable January 16, 2019)**

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Lawyers for the Receiver