

COURT FILE NUMBER 1603 09140  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
PLAINTIFF ROYAL BANK OF CANADA  
DEFENDANT GRAHAM BROTHERS CONSTRUCTION  
GROUP LTD.  
DOCUMENT **SIXTH REPORT OF THE RECEIVER,  
DELOITTE RESTRUCTURING INC.,  
DATED OCTOBER 3, 2016**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

Ogilvie LLP  
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**Service will be accepted by delivery or fax. No  
other form of service will be accepted.**

1. On March 18, 2016, the Defendant, Graham Brothers Construction Group Ltd. ("Graham Brothers") filed a Notice of Intention to Make a Proposal, at which time Deloitte Restructuring Inc. ("Deloitte") was named as Proposal Trustee. Graham Brothers subsequently failed to file a proposal, and was deemed bankrupt on May 17, 2016, at which time Deloitte became the Trustee in Bankruptcy of Graham Brothers.
2. By way of Order granted on May 25, 2016, Deloitte (the "Receiver") was appointed Receiver over the property of Graham Brothers in this Action. A second Order was granted at that time which provided that the rights and obligations of Deloitte as Trustee are transitioned to this Action and become the rights and obligations of Deloitte as Receiver.
3. This is the sixth report of the Receiver, the purpose of which is to seek approval to distribute funds to Business Development Bank of Canada and 1615056 Alberta Ltd.


4. The Amended Supplemental Third Report and Fourth Report of the Receiver provides further background regarding the Receiver's appointment and activities to date. Future activities include the continued collection of accounts receivable, disposal of assets currently on a short term rental contract in Northern Manitoba and the sale of two steam locomotives.
5. On July 6, 2016 Thomas William Graham of 1615046 Alberta Ltd. ("1615046") filed an Affidavit (the "Graham Affidavit") in the Proposal Proceedings (as defined in paragraph 2 of the Receiver's Supplemental Third Report) claiming Graham Brothers is indebted to 1615046 for \$2,867,309.33 plus legal fees of \$21,534.34 plus estimated additional legal fees of \$40,000.00. 1615046 is a related party to Graham Brothers.
6. The Receiver has been informed by the Receiver's Counsel that, in their opinion, 1615046 has a valid secured charge against the assets of Graham Brothers.
7. The Receiver has been informed by the Receiver's Counsel that, in their opinion, Business Development Bank of Canada ("BDC") has a charge on the assets of Graham Brothers that is in priority to 1615046. Graham Brothers has no direct debt owing to BDC however Graham Brothers has guaranteed 1615046's indebtedness owing to BDC for the approximate current amount of \$2,800,000.00. Thus absent any agreement to the contrary, any amounts the Receiver would pay to 1615046 would have to be directed BDC.
8. 1615046 and BDC are the only known remaining secured creditors that have an indebtedness owing to them by Graham Brothers.
9. The Receiver has sufficient funds on hand to satisfy the full indebtedness owing to 1615046. The Receiver anticipates that in the future there will be significant funds available for unsecured creditors, however at this time it is premature to speculate the amount of funds that will be available for these creditors.
10. The agreement between 1615046 and BDC enables the Receiver to pay the total indebtedness owing by Graham Brothers to 1615046 wherein BDC will release the guarantee owing by Graham Brothers to BDC. To do so, the Receiver will pay BDC \$1,200,000 of the amount owing by Graham Brothers to 1615046.
11. The Receiver seeks approval to pay the total indebtedness owing to 1615056 of \$2,867,309.33 (as at July 6, 2016), plus legal fees of \$21,534.34 plus estimated additional legal fees of \$40,000.00 plus interest accruing since July 6, 2016.

12. Payment of the estimated legal fees and post July 6, 2016 interest charges will be subject to receipt of an accounting provided by 1615046, which will be reviewed by the Receiver for reasonableness. The first \$1,200,000.00 of this payment will be made to BDC and the balance will be paid to 1615056.

All of which is respectfully submitted.

**DELOITTE RESTRUCTURING INC.,**

In its capacity as Court appointed Receiver of  
Graham Brothers Construction Group Ltd.  
and not in its personal capacity.

  
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Gordon Smith, CPA, CA, LIT, CBV, CFE