

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 **THIRD REPORT OF THE RECEIVER,
DELOITTE RESTRUCTURING INC.,
DATED JUNE 16, 2016**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Ogilvie LLP
1400, 10303 Jasper Avenue
Edmonton AB T5J 3N6
Attention: Kentigern A. Rowan, Q.C.
Phone: 780.429.6236
Fax: 780.429.4453
File No.: 3089.57

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

Introduction and Purpose of this Report

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. (the "Receiver") was named as Proposal Trustee. Graham Brothers subsequently failed to file a proposal, and was deemed bankrupt on May 16, 2016, at which time the Receiver became the Trustee in Bankruptcy of Graham Brothers.
2. By way of Order granted on May 25, 2016, Deloitte 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 third report of the Receiver, the purpose of which is to seek approval to disburse \$2,635,789.00 funds (the "Funds") to creditors.
4. Attached is a schedule detailing the source of the Funds and Graham Brother's estimate of the debt owing to those creditors that have priority security on the Funds. Actual indebtedness owing to each creditor will differ due to collection and continuing interest costs.

5. The Receiver's legal counsel has reviewed the security documents provided by CIT Financial. Based on this review, the Receiver seeks approval to pay CIT Financial Ltd. \$60,079.90 plus \$13.58 per diem subsequent to May 31, 2016 as indicated in their Affidavit. This is less than the \$115,500.00 net realizations received from assets secured by them as per the attached schedule.
6. The Receiver has not yet received security documents from National Leasing Group Inc. Subject to a review of the security documents from National Leasing Group Inc., the Receiver seeks approval to pay National Leasing Group Inc. the indebtedness owing to them to the extent that they have a first security charge on assets disposed of by the Receiver as to be agreed to by the Receiver's legal counsel, legal counsel for the Royal Bank of Canada and legal counsel for 1615046 Alberta Ltd. (the only other known secured creditors of these assets) but in no event shall the payment exceed \$155,354.00 (the net amount realized by the Receiver on assets that the Receiver understands National Leasing Group Inc. has a first security interest on as per the attached schedule). The Receiver proposes to holdback \$155,354.00 until the agreed upon amount is paid to National Leasing Group Inc.
7. The Receiver has not yet received security documents from Roynat Inc. Subject to a review of the security documents from Roynat Inc., the Receiver seeks approval to pay Roynat Inc. the indebtedness owing to them to the extent that they have a first security charge on assets disposed of by the Receiver as to be agreed to by the Receiver's legal counsel, legal counsel for the Royal Bank of Canada and legal counsel for 1615046 Alberta Ltd. (the only other known secured creditors of these assets) but in no event shall the payment exceed \$21,183.00 (the net amount realized by the Receiver on assets that the Receiver understands Roynat Inc. has a first security interest on as per the attached schedule). The Receiver proposes to holdback \$21,183.00 until the agreed upon amount is paid to Roynat Inc.
8. The Receiver's legal counsel has reviewed the security documents provided by Caterpillar Financial Services Limited which claims debt owing of \$2,371,669.11 to April 1, 2016. Based on this review, the Receiver seeks approval to pay Caterpillar Financial Services Limited \$132,908.00 which equates to the net realizations from the sale of assets secured by Caterpillar Financial Services Limited as per the attached schedule.
9. The Receiver's legal counsel has reviewed the security documents provided by Coast Capital Equipment Finance which claims debt owing of \$83,660.26 to June 1, 2016 plus \$12.18 per diem thereafter. Based on this review, the Receiver seeks approval to pay Coast Capital Equipment Finance \$76,259.00 which equates to the net realizations from the sale of assets secured by Coast Capital Equipment Finance as per the attached schedule.
10. The Receiver has not yet received security documents from Lease Plus Financial Services Inc. Subject to a review of the security documents from Lease Plus Financial Services Inc., the Receiver seeks approval to pay Lease Plus Financial Services Inc. the

indebtedness owing to them to the extent that they have a first security charge on assets disposed of by the Receiver as to be agreed to by the Receiver's legal counsel, legal counsel for the Royal Bank of Canada and legal counsel for 1615046 Alberta Ltd. (the only other known secured creditors of these assets) but in no event shall the payment exceed \$57,521.00 (the net amount realized by the Receiver on assets that the Receiver understands Lease Plus Financial Services Inc. has a first security interest on as per the attached schedule). The Receiver proposes to holdback \$57,521.00 until the agreed upon amount is paid to Lease Plus Financial Services Inc.

11. The Receiver's legal counsel has reviewed the security documents provided by the Royal Bank of Canada which claims indebtedness owing to them of approximately \$4,700,000.00. Based on this review the Receiver seeks permission to pay the Royal Bank of Canada \$2,635,789.00 minus all amounts disbursed or held back as per paragraphs 5, 6, 7, 8, 9 and 10 above. Once actual payments are made per paragraphs 6, 7 and 10, the remaining balance will be paid to the Royal Bank of Canada, to the extent there remains indebtedness owing by Graham Brothers to this creditor.

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.



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

SCHEDULE "A" TO THE THIRD REPORT OF THE RECEIVER

Asset Unit #	Manufacturer	Model	Year	Sale Proceeds	Schedule	RBC Leasing Est. Debt	CIT Financial Est. Debt	National Leasing Est. Debt	Roynat Est. Debt	Caterpillar Finance Est. Debt	Coast Capital Est. Debt	Lease Plus Est. Debt	Proceeds in Excess of Debt
AT-167	John Deere	Smooth Bucket For HL760K Loader		3,780	1								3,780
HT-115	International	Workstar Tandem Dump Truck	2013	57,750	1		31,000						26,750
HT-116	International	Workstar Tandem Dump Truck	2012	57,750	-		31,000						26,750
HT-244	Ford	F-550 Crew Flat Deck 4x4	2013	28,350	1	28,350							0
LT-179	Ford	F-550 Service Truck	2001	5,250	1	5,250							0
LT-250	Ford	F-150	2013	19,425	1	19,425							0
LT-254	Ford	F-150	2013	17,850	1	17,850							0
LT-260	Ford	F-150	2013	17,850	1	17,850							0
LT-261	Ford	F-150	2013	17,850	1	17,850							0
LT-262	Ford	F-150	2013	18,375	1	18,375							0
LT-266	Ford	F-150	2013	17,850	1	17,850							0
LT-267	Ford	F-150	2013	17,850	1	17,850							0
LT-269	Ford	F-150	2013	17,850	1	17,850							0
LT-277	Chevrolet	3500HD Silverado Service Truck	2008	15,750	1	15,750							0
LT-278	Chevrolet	3500HD Silverado Service Truck	2009	16,800	1	16,800							0
LT-308	Dodge	Ram 3500 Reg Cab Flat Deck	2014	(1,337)	-								(1,337)
LT-328	Ford	F-250	2015	1,105	-								1,105
LT-330	Ford	F-250	2015	1,341	-								1,341
LT-331	Ford	F-250	2015	974	-								974
LT-336	Ford	F-150	2014	1,277	-								1,277
LT-337	Ford	F-150	2014	1,722	-								1,722
LT-338	Ford	F-150	2014	1,402	-								1,402
HT-109	Western Star	Conventional Tandem Axle Winch Tractor Day Cab	1994	12,600	1								12,600
MT-001	Suzuki	Carry 4x4 Mini Truck Offroad Use Only	1992	3,675	1								3,675
SE-225	Wacker	BS60-4S Vibratory Rammer	2014	950	1								950
SS-102	Case	440CT Skid Steer	2010	18,900	1								18,900
TR-261	Double A	14000lb Tandem Low Profile Dump Trailer	2013	4,463	1								4,463
TR-283	CJAY	CJ820 Cargo 20ftx8ftx4in T/A Insula Enclosed Trailer	2006	3,150	1								3,150
LT-177	Dodge	Ram 3500 Crew Flat Deck 4x4	2012	16,275	1								16,275
BH-148	Caterpillar	336E Hydraulic Excavator For Piling Head	2014	282,500	-	244,100							18,400
				659,327		455,150	62,000	0	0	0	0	0	142,177

SCHEDULE "A" TO THE THIRD REPORT OF THE RECEIVER

Asset Unit #	Manufacturer	Model	Year	Sale Proceeds	Schedule	RBC Leasing Est. Debt	CIT Financial Est. Debt	National Leasing Est. Debt	Roynat Est. Debt	Caterpillar Finance Est. Debt	Coast Capital Est. Debt	Lease Plus Est. Debt	Proceeds in Excess of Debt
AT-017	Welco Beales	Wrist Blade 150 Series Adapter		2,615	1								2,615
AT-023	CAT	BA18 Angle Brush/Sweeper For CAT299D		2,615	1								2,615
AT-030	VRNIG	Bucket Sweeper For CAT299D		1,307	1								1,307
AT-031	AMI	Mat Grapple For Hyundai 757 Q		2,397	1								2,397
AT-042	Tysea	HYS-20MAL12-10 Mat Grapple For CAT299D		3,704	1								3,704
AT-109	Tysea	HYS-20MAL12-10 Mat Grapple For CAT299D	2013	3,486	1								3,486
AT-124	CAT	10' Hydraulic Sweeper For Solid Kawasaki Loader PN: 2014	2014	2,179	1								2,179
AT-142	Weldco Beales	84" Wrist Bucket 300 Series For Excavator		7,190	1								7,190
AT-148	Sweepster	10' Manual Angle Broom PN:21321MH2-BLANK For HL7		414	1								414
AT-157	SEC	Excavator Ripper to fit 300 Series		784	1								784
AT-163	Brandt	Jlb Boom For HL760K Loader		2,397	1								2,397
AT-175	EFI	Excavator Mat Grapple 250 Series		15,688	1								15,688
HT-128	Western star	4964FX Water Truck	2001	39,219	1								39,219
MG-110	Caterpillar	163-H Motor Grader, 14' Blade w/2' ext. Imac Snow W/	2006	65,365	1								65,365
PD-049	JCB	VM75D SMOOTH Drum Packer	2007	31,375	1								31,375
SE-219	Florens	20ft SeaCan Jobshack Mounted on 30ft Skid		2,397	1								2,397
SE-224	Rapid Camp	Office Trailer 50ft Offices/Kitchen	2000	14,816	1								14,816
SE-228	Buhler Farmking	Post Pounder 2400 Trailer Mounted PN:EZ92400HE	2014	5,883	1								5,883
SE-251	AT&S	AT&S 13717L Fuel Tank 120VAC Pump Hose Reel	2015	13,944	1								13,944
SE-252	Northern Steel	Northern Steel 15000 Liter Fuel Tank	2003	13,509	1								13,509
SS-101	Case	440CT Skid Steer	2006	19,174	1								19,174
TR-211	Trailking	Trailking Tridem Lowbed	1998	26,146	1								26,146
TR-237	Midland	Midland	2005	20,917	1								20,917
TR-245	Double A	Excel Series 3500 lb Utility Trailer	2013	872	1								872
TR-246	Double A	Excel Series 3500 lb Utility Trailer	2013	872	1								872
TR-248	Neville	53DD Step Deck Trailer with Manual Ramps	2013	27,017	1								27,017
TR-250	Double A	14000 lb Tandem Low Profile Dump Trailer	2013	7,408	1								7,408
TR-254	Double A	EUT36-12 Single Utility Trailer	2014	1,089	1								1,089
TR-262	Double A	Single Axle Utility Trailer	2014	1,089	1								1,089
TR-280	Diamond C	Road Clipper Utility Trailer 26SSAL12X77	2014	1,089	1								1,089
TR-281	Diamond C	Road Clipper Utility Trailer 2PASAL12X77	2014	1,089	1								1,089
TR-282	Diamond C	Road Clipper Utility Trailer 2PASAL12X77	2014	1,525	1								1,525
TR-284	Stoughton	53FT T/A Parts Van Trailer	1997	4,576	1								4,576
TR-285	Load Trail	Tri Axle 16' Gooseneck Dump Trailer	2014	10,458	1								10,458
TR-286	Load Trail	Tri Axle 16' Gooseneck Dump Trailer	2015	9,587	1								9,587
TR-288	Load Trail	Tri Axle 16' Gooseneck Dump Trailer	2015	9,587	1								9,587
TR-289	Load Trail	Tri Axle 16' Gooseneck Dump Trailer	2015	8,715	1								8,715
TR-290	Knight	16 Wheeler Low Bed	1981	25,274	1								25,274
TR-291	Scona	8 Wheeler T/A Jeep	1985	8,715	1								8,715
TR-292	Fuehauf	S/A Dolly	1986	784	1								784
zzAT-106 (A-71)	CAT	BR378	2013	3,050	1								3,050
zzAT-110	Tysea	Tysea	2013	3,704	1								3,704
zzAT-114	Virrig	Virrig		1,220	1								1,220
zzBH-123B chg to at	Craig	200 Series	2012	1,220	1								1,220
zzBH-126 Mat Grapple		250 Weldco Beales		18,738	1								18,738
zzBH-137 Mat Grapple		250 WBMQ		11,766	1								11,766
zzBH-142 Mat Grapple	AMI	Mat Grapple		16,123	1								16,123

SCHEDULE 'A' TO THE THIRD REPORT OF THE RECEIVER

Asset Unit #	Manufacturer	Model	Year	Sale Proceeds	Schedule	RBC Leasing Est. Debt	CIT Financial Est. Debt	National Leasing Est. Debt	Roymat Est. Debt	Caterpillar Finance Est. Debt	Coast Capital Est. Debt	Lease Plus Est. Debt	Proceeds in Excess of Debt
zzBH-150 Mat Grapple	EFI	250S	2013	12,201	1								12,201
zzSS-103B	Virrig	NULL	2013	1,482	1								1,482
zzSS-105B	Virrig	NULL	2014	3,486	1					3,500			(14)
zzWL-124 Mat Grapple	TYSEAMFGS		2014	741	1								741
zzWL-164 Mat Grapple	AMI	WL40S	2012	741	1								741
BH-146	Caterpillar	305E Mini Excavator	2014	2,397	1								2,397
HT-117	International	Workstar Tandem Dump Truck	2014	61,879	-					63,100			(1,221)
HT-119	Peterbilt	378 T/A Tractor With Sleeper	2012	57,521	1							10,000	47,521
HT-131	Mack	GU713 Tilt Deck	2006	32,682	2	17,000							15,682
HT-132	Kenworth	T800 Tractor With Sleeper Wet Kit Installed	2012	89,332	-	60,800							28,532
HT-136	Kenworth	T800 Tractor Day Cab Wet Kit Installed	2012	81,924	-	80,600							1,324
MG-127	Caterpillar	143-H Motor Grader, CAT Ripper w/2 shanks, 14' Blade	2011	76,259	-	54,000							22,259
SS-104	Caterpillar	299DXHP CAT Tracked Skid Steer	2006	76,259	2					66,600	65,000		11,259
TR-240	BWS	48' Tri Axle Ezy 2 Load Air Ramps 48ET3X114	2014	67,544	-			14,500					944
TR-243	DoubleA	10' x 44' skid mtd office trailer	2001	36,604	2				1,400				22,104
Uninventoried	ATCO	Tri Axle Gooseneck Trailer		7,408	2								6,008
Uninventoried	Murray Latta	Cat IT28 Q/C 132 In. Dozer		3,486	-								3,486
Uninventoried	Tyseamag	70" skid steer grapple		2,615	-								2,615
Uninventoried	Caterpillar	84" skid steer dozer / 40004014763		3,704	-								3,704
Uninventoried	EFI	250 Q/C 108 in. mat excavator grapple		6,972	-								6,972
Uninventoried	WBM	Q/C 66 in. Wrist-O-Twist Excavator Bucket		16,123	-								16,123
Uninventoried	Miscellaneous smalls			5,011	-								5,011
				42,884	-								42,884
				1,162,342	-	212,400	0	14,500	1,400	133,200	65,000	10,000	725,842

SCHEDULE 'A' TO THE THIRD REPORT OF THE RECEIVER

Asset Unit #	Manufacturer	Model	Year	Sale Proceeds	Schedule	RBC Leasing Est. Debt	CIT Financial Est. Debt	National Leasing Est. Debt	Roynat Est. Debt	Caterpillar Finance Est. Debt	Coast Capital Est. Debt	Lease Plus Est. Debt	Proceeds in Excess of Debt
OSMAN													
BH-126	Hyundai	Hyundai 260LC-9A Excavator	2012	128,250	2	122,700							5,550
BH-142	Hyundai	Hyundai 220LC-9A Excavator	2014	109,250	-	109,250							0
CT-149	Caterpillar	D8T Dozer With Winch	2007	104,500	-			103,400					1,100
HT-118	Peterbilt	378 T/A Tractor With Sleeper	2006	22,800	2	17,000							5,800
TR-238	Felling	FT-30-2 30' Tandem Gooseneck Trailer	2014	7,363	2			5,200					2,163
TR-239	Felling	FT-30-2 30' Tandem Gooseneck Trailer	2014	6,888	2			5,200					1,688
TR-241	Felling	FT-30 LP 30' Tandem Gooseneck Trailer	2014	6,888	2				4,300				2,588
TR-242	Felling	FT-30 LP 30' Tandem Gooseneck Trailer	2014	6,888	2				4,300				2,588
WL-141	Hyundai	HL760-9A Wheel Loader	2014	113,958	2	110,200							3,758
WL-142	Hyundai	HL760-9A Wheel Loader	2014	123,500	2	110,200							13,300
WL-143	Hyundai	HL760-9A Wheel Loader	2014	118,750	2	110,200							8,550
WL-156	Hyundai	HL760-9A Wheel Loader With ISO Quick Attach Coupler	2014	133,000	2	105,200							27,800
AT-053	AMI	Mat Grapple For Hyundai HL760 with Quick Attach	2014	2,850	1								2,850
BH-119	Case	Case CX160B Excavator	2012	95,950	1								95,950
TR-269	Double A	Excel Series Tandem Gooseneck Dump	2014	7,980	1								7,980
TR-270	Diamond C	Tri Axle Gooseneck Dump Trailer	2013	9,405	1								9,405
TR-272	Double A	Tri Axle Gooseneck Dump Trailer	2014	9,120	1								9,120
zzWL-141 Mat Grapple	-	HL760-9	-	2,185	1								2,185
zzWL-143 Mat Grapple	-	WL400	-	2,280	1								2,280
Uninventoried	Accurate	Accurate 36" Digging Bucket	-	1,615	-								1,615
Uninventoried	CWS	CWS Grapple Mat PT WL400 Forks	-	2,138	-								2,138
Uninventoried	-	Miscellaneous smalls	-	9,615	-								9,615
				1,025,171		684,750	0	113,800	8,600	0	0	0	218,021
		TOTAL		2,846,839		1,352,300	62,000	128,300	10,000	133,200	65,000	10,000	1,086,039
		Total Net Proceeds		2,846,839									
		Prior payment to RBC for trucks		(211,050)		(211,050)							
		Remaining Funds on Hand		2,635,789		1,141,250							
				Estimated									
				Debt By									
				Graham Bros.		Maximum Payout							
						n/a							
		Royal Bank Lease Financing		1,141,250									
		CIT Financial		62,000		115,500							
		National Leasing		128,300		155,354							
		Roynat		10,000		21,183							
		Caterpillar Finance		133,200		132,908							
		Coast Capital		65,000		76,259							
		Lease Plus		10,000		57,521							
		Excess - GSA Secured Creditor(s)		1,086,039		n/a							
		Total		2,635,789									