

In the Matter of the Receivership of

GRABHER'S LAST STAND BISON RANCH LTD.

**(hereinafter referred to as "the Company")
of the Province of British Columbia**

**First Interim Report of the Receiver and Manager
(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)**

INTRODUCTION

1. Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") dated February 3, 2020 (the "**Date of Receivership**"), Deloitte Restructuring Inc. was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and property of the Company, in addition to the property listed on Schedule "A" of the Receivership Order of Dwayne Grabher ("**Mr. Grabher**") and Chelsea Grabher, also known as Chelsea Fouillard, acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof (the "**Property**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
2. A copy of the Receivership Order and other documents relating to the Receivership Proceedings can be accessed on the Receiver's website at:

<http://www.insolvencies.deloitte.ca/en-ca/Pages/Grabhers-Last-Stand-Bison-Ranch-Ltd.aspx>
3. This is the first interim report pertaining to the Receivership Proceedings, issued pursuant to subsection 246(2) of the *Bankruptcy and Insolvency Act*.
4. On the Date of Receivership, the Receiver took possession of the Property as described below:

Description	Book Values
Land, Building, and Furniture and Fixtures ⁽¹⁾	\$4,300,000
Bison Livestock ⁽²⁾	675,000
Accounts Receivable ⁽³⁾	416,759
Equipment and Machinery ⁽⁴⁾	535,600
TD Canada Trust Account ⁽⁵⁾	11,914
North Peace Savings & Credit Union Account ⁽⁶⁾	nil
Total	\$5,939,273

- (1) As disclosed in the Agriculture and Agri-Food Canada Farm Financial Statement dated January 1, 2020.
- (2) As disclosed in the Agriculture and Agri-Food Canada Farm Financial Statement dated January 1, 2020.
- (3) Outstanding receivable owed from 1231863 B.C. Ltd. for the purchase of 430 bison as disclosed on an invoice dated December 1, 2019.
- (4) As disclosed in the Agriculture and Agri-Food Canada Farm Financial Statement dated January 1, 2020.
- (5) As disclosed on the deposit account history received from TD Canada Trust on February 4, 2020.
- (6) As disclosed on the statement of account received from North Peace Savings & Credit Union on February 5, 2020. Balance recorded was in an overdraft position.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

5. The Receiver's interim statement of receipts and disbursements for the period from the Date of Receivership to July 24, 2020 is attached hereto as Appendix 1. During this period the Receiver has realized a total of \$1,183,690 comprised of:
 - a. \$541,831 from the sale of bison;
 - b. \$418,760 from the collection of accounts receivable;
 - c. \$201,850 from the sale of machinery and equipment;
 - d. \$11,864 from the transfer of funds held at TD Canada Trust; and
 - e. \$9,385 from the sale of pipe inventory, GST refunds and interest on deposits.
6. During this same period, the Receiver has made disbursements totaling \$202,187 including, among other items, appraisal fees, sales commissions, insurance costs, legal fees and the Receiver's fees.
7. As at July 24, 2020, the Receiver had an excess of receipts over disbursements held in the Receiver's trust account amounting to \$981,502.

STATEMENT OF UNREALIZED PROPERTY

8. As at the date of this report, the following property remains to be realized by the Receiver:
 - a. A ranch property comprising of nine parcels of agricultural land located at 5088 230 Road, Taylor, British Columbia (the "**Ranch Property**"). The Receiver has entered into a purchase and sale agreement in respect of the Ranch Property (the "**Ranch Property PSA**"). Pursuant to the Ranch Property PSA, the proposed purchaser has agreed to purchase the Ranch Property for cash consideration of \$1,850,000 plus applicable taxes. The Receiver expects the transaction to close in early September 2020, subject to Court approval of the transaction;
 - b. Proceeds of \$167,497 from two transactions involving the sale of bison owned by the Company by a related company, GWG Trucking, where no apparent consideration was paid to the Company. The Receiver is continuing to investigate these transactions and pursue GWG Trucking for the proceeds; and
 - c. Missing bison and equipment, or the proceeds related to the sale of these assets. Based on a review of the Company's asset registers and the Receiver's inventory of assets taken upon its appointment, it appears that there are a large number of bison and several pieces of equipment that are unaccounted for. Mr. Grabher was the sole shareholder of the Company and operator of the ranch. Mr. Grabher has failed to provide the Receiver with any substantive information in relation to the sale/movement of the missing bison and assets.
9. The timing for completion of the Receivership Proceedings is unknown at this time and will depend on the closing of the Ranch Property PSA and progress on the realizations of the remaining assets.
10. Further details regarding the Receiver's activities and administration of the Receivership Proceedings are detailed in the Receiver's First Report to Court dated July 28, 2020, which is available for viewing on the Receiver's website noted in paragraph 2 above.
11. Any queries in relation to this report may be directed to Paul Chambers on 604-640-3368.

Dated at Vancouver, British Columbia this 31st day of July, 2020.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-appointed Receiver and Manager of
of Grabher's Last Stand Bison Ranch Ltd.,
and not in its personal capacity



Per: Melinda McKie, CPA, CMA, CIRP, LIT
Senior Vice-President



Paul Chambers, FCA(UK), CIRP, LIT
Senior Vice-President

APPENDIX 1

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

**In the Matter of the Receivership of
Grabbers Last Stand Bison Ranch Ltd.**

**Receiver's Interim Statement of Receipts and Disbursements
For the period from February 3, 2020 to July 24, 2020**

Description	Total
Receipts	
Cash in bank	\$ 11,864
Livestock sale proceeds	541,831
Plant and equipment sale proceeds	201,850
Accounts receivable	418,760
GST/Tax refunds	2,708
Interest	2,520
Misc. pipe sale proceeds	4,157
Total receipts	<u>1,183,690</u>
Disbursements	
Bank charges	153
Outside services/consulting:	
Appraisal fees	8,656
Accounting services	619
Transport services	3,000
Other	1,000
Receiver's fees and disbursements	111,524
Legal fees and disbursements	10,467
GST/PST paid	7,613
Sales commission	10,035
Insurance	18,464
Utilities	2,255
Misc. disbursements	28,401
Total disbursements	<u>202,187</u>
Excess of receipts over disbursements	<u>\$ 981,502</u>