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

THIRD REPORT OF THE COURT-APPOINTED RECEIVER

JUNE 30, 2021

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December 6, 2018 to May 31, 2021

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INTRODUCTION AND PURPOSE

- 1. Pursuant to the Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued December 6, 2018 (the "Appointment Order"), which was made on the application of HSBC Bank Canada ("HSBC" or the "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, Deloitte Restructuring Inc. ("Deloitte") was appointed receiver (in such capacity, the "Receiver"), without security, of all of the assets, undertakings and properties of Royal Canadian Bedrock Inc. ("RCBI" or the "Company") acquired for, or used in a business carried on by RCBI, including all proceeds thereof (the "Property"), save and except for:
 - a) certain equipment in respect of which Kooy Brothers Lawn Equipment Limited ("Kooy") 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
 - b) 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"**.
- 2. The Receiver has filed two previous reports in these proceedings. The First Report of the Court-Appointed Receiver dated January 11, 2019 (the "First Report") advised the Court of the Receiver's actions to date, and in particular the lack of cooperation from Anthony Guido ("Guido"), the President and sole officer and director 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 and providing access to the Property. On January 16, 2019, Justice Hainey issued an Endorsement (the "January 16 Endorsement") in which he cautioned Mr. Guido that he must comply with the Appointment Order or face a contempt hearing. A copy of the First Report (without appendices) and the January 16 Endorsement are attached hereto as Appendices "B" and "C", respectively.
- 3. The Second Report of the Court-Appointed Receiver dated April 23, 2019 (the "Second Report"), among other things, advised the Court on the status of Guido's compliance with the Appointment Order, the activities of the Receiver to date and sought the Court's approval for the Receiver to enter into an Auction Services Agreement dated as of April 1, 2019 (the "Auction Agreement") with Platinum Asset Services Inc. ("Platinum") for the auction of the Identified Equipment (as defined below). On April 26, 2019, Justice Hainey granted an Approval and Vesting Order (the "AVO") that approved the Auction Agreement and vested the title and interest in and to the Purchased Assets (as defined in the AVO) to their respective Prospective Purchasers (also as defined in the AVO) free and clear of any

and all security interests. A copy of the Second Report (without appendices) is attached hereto as **Appendix "D"**. Copies of Justice Hainey's Endorsement dated April 26, 2019 and the AVO are attached hereto as **Appendices "E"** and "**F"**", respectively.

- 4. The purpose of this Third Report of the Court-Appointed Receiver (the "**Third Report**") is to:
 - a) update the Court on Guido's compliance with the Appointment Order and the conclusion of the Storage Agreement;
 - b) update the Court on the results of the auction of certain of RCBI's equipment, and the distribution of the proceeds therefrom;
 - c) seek the Court's approval of the activities of the Receiver since April 23, 2019 with respect to its receivership administration, including its activities in dealing with inventory and accounts receivable;
 - d) update the court on the assignment of RCBI into bankruptcy and the naming of
 Deloitte as Trustee in Bankruptcy (the "Trustee");
 - e) seek the Court's approval of the Receiver's Statement of Receipts and Disbursements to May 31, 2021;
 - f) seek the Court's approval of the Receiver's fees and those of its legal counsel; and
 - g) seek an order discharging the Receiver upon the completion of its Remaining

 Duties (defined below) and the filing of a certificate with the Court.

TERMS OF REFERENCE AND DISCLAIMER

- 5. Unless otherwise provided, all other capitalized items not otherwise defined in this Third Report are as defined in the First Report or Second Report. Unless otherwise stated, all amounts referred to in this Third Report are reported in Canadian Dollars.
- 6. The Receiver has prepared this Third Report in its capacity as a court-appointed officer solely for the purposes outlined herein. Parties using the Third Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
- In preparing this Third Report, the Receiver has relied on the Information, the Additional Information, as well as the documentation provided, and discussions and correspondence with Guido since April 23, 2019 (the "Third Report Information"). Deloitte has reviewed the Information, Additional Information, and Third Report 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, the Additional Information or the Third Report Information in a manner that would wholly or partially comply with Canadian Accounting Standards ("CAS") pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information, and the Additional Information and the Third Report Information.

STORAGE AGREEMENT

- 8. Notwithstanding paragraph 4 of the Appointment Order which orders, among other things, the Debtor and all other individuals, firms and corporations to provide immediate and continued access to the Property, Guido insisted that the Receiver enter into an agreement for the storage of the Property on the premises of two companies controlled by Guido: (a) QMX8 Wiarton Inc. ("QMX8"), a company that owned the property at 104 Quarry Road, Wiarton (the "Wiarton Quarry") where 12 pieces of equipment were located, and (b) 1549 Blue Church Inc. ("Blue Church", and together with QMX8, the "Premises Owners"), a company that owned the property at 1549 Blue Church Road, Augusta (the "Augusta Quarry") where 3 pieces of equipment were located. Rather than incur the costs of returning to Court to further compel Guido's compliance with the terms of the Appointment Order, the Receiver resolved that it would be more pragmatic to enter into discussions to arrive at the terms for maintaining the Property on the premises pending completion of the auction sale process. Discussion on the terms of the storage agreement began in January 2019; however, it wasn't until May 6, 2019 when the Receiver was in a position to agree to the terms and conditions. A copy of the storage agreement (the "Storage Agreement") is attached hereto as Appendix "G". The key terms of the Storage Agreement were:
 - There would be no fees, costs or expenses paid by the Receiver to the Premises

 Owners unless the Property remained on the premises after August 31, 2019, in

 which case fees may be charged for the period after August 31, 2019;

- The Receiver or its authorized representatives may remove Property from Premises
 an any time provided reasonable advance notice is given to the Premises Owners;
 and
- The Premises Owners shall incur no liability or obligation to the Receiver in respect
 of the Property except for gross negligence or wilful misconduct.
- 9. Neither the Receiver nor Platinum experienced any issues with access or storage of the Property except for, as discussed further below, the removal by Guido and/or his associate(s) of two blades from certain sawing equipment, which blades were subsequently returned.

IDENTIFICATION AND DISPOSITION OF MACHINERY & EQUIPMENT

10. Identifying, locating and securing RCBI's assets has proved a challenge from the commencement of the receivership. While RCBI's principle place of business was the Wiarton Quarry, RCBI also operated from other quarries owned by Guido, including the quarry owned by Amsen Quarry Limited ("AQL") (a company controlled by Guido and subject to the Parallel Proceeding) located at 134 The Bury Road, South Bruce Peninsula, Ontario (the "Amsen Quarry", also referred to in certain documentation as "Mar"), As set out in paragraph 32 and Appendix "L" of the First Report, as of January 11, 2019, the Receiver was only able to definitively locate 13 of the purported 58 pieces of equipment owned by RCBI as identified from PPSA registrations, equipment leases and HSBC's security documents, five of which were located at the Wiarton Quarry, and eight of which were located at the Amsen Quarry.

The Parallel Proceeding

- 11. The Parallel Proceeding resulted from an application made by Kooy for the appointment of The Fuller Landau Group Inc. ("Fuller") as receiver of the AQL, Amsen Quarry and certain equipment of RCBI. Kooy leased the Kooy Equipment to AQL and RCBI and held security over that equipment, as well as a collateral mortgage over the Amsen Quarry. On September 12, 2018, the Court issued an Order (the "Amsen Receivership Order") appointed Fuller as receiver over AQL, the Amsen Quarry and the Kooy Equipment.
- 12. Fuller experienced similar issues with Guido regarding cooperation in providing books and records and identifying and locating assets such that they obtained an Endorsement from Justice Chiapetta dated October 11, 2018 directing Guido to comply with the Amsen Receivership Order.
- 13. Once the Receiver was appointed, it worked with Fuller to identify the equipment on Guido's properties, including providing for the storage of that equipment until it could be prepared and sold at auction.

Location and Ownership of Equipment

- 14. In paragraph 27 and Appendix "B" of the Second Report, the Receiver provided an update on its work to locate RCBI equipment and reported that as of April 23, 2019, it was able to establish the following concerning the 58 pieces of equipment:
 - a) HSBC held priority security over seventeen (17) pieces of equipment;

- b) Twenty-seven (27) pieces of equipment were subject to the Parallel Proceeding, and the Receiver was in discussion with Fuller concerning the priority over nine (9) of those pieces;
- c) Other parties held security over five (5) of the pieces of equipment which ranked in priority to HSBC;
- d) Seven (7) pieces of equipment were duplicates of other assets on the listing;
- e) Guido was able to establish that one (1) piece of equipment was not owned by RCBI (Cat 330L Excavator) which was released to him; and
- f) One (1) piece of equipment still could not be accounted for.
- 15. The list of equipment in Appendix "B" of the Second Report was compiled from PPSA listings, HSBC's security documents and lists provided by Guido and its legal counsel, which accounted for the duplicates on the listing and equipment that was eventually determined to be subject to other prior ranking security.
- 16. An update of the equipment listing since the Second Report, including a discussion of how the equipment was disposed of as of April 20, 2021, is set out in the attached **Appendix** "**T"**. The Receiver determined that of the 58 original pieces of equipment (references below to equipment numbers refer to the numbering in Appendix "I"):
 - a) HSBC held priority to twenty (20) pieces of equipment which were provided to Platinum for auction;

- b) Kooy held priority to twenty-four (24) pieces of equipment such that the Receiver's interest in that equipment was released to Fuller;
- c) Five (5) pieces of equipment were subject to prior ranking security held by GM Financial Canada Leasing Ltd. (#10), TD Equipment Finance Canada (#11 & #12) and Add Capital Corp. (#59 & #60, which were identified at the Wiarton Quarry after the date of the Second Report) to whom the equipment was released;
- d) Two (2) pieces of equipment (#8 and #9) (the "Bennington Equipment") were subject to separate leases with Equirex Vehicle Leasing 2007 Inc. and Bodkin Capital Corporation, who amalgamated with Bennington Financial Corp. ("Bennington") on or around January 1, 2019. Since Bennington could not definitively establish a delivery date of Bennington Equipment such that they could rely on their PMSI priority in the face of HSBC's existing PPSA security, HSBC and Bennington agreed to a 50/50 split of the proceeds from the Bennington Equipment. Bennington elected to conduct its own realization process. While the Bennington Equipment had initially been located at the Wiarton Quarry (#8) and the Augusta Quarry (#9), when Bennington attempted to take possession of each piece, neither could be located. As such, there were no realizations from the Bennington Equipment. Platinum had initially assigned high liquidation values of \$8,000 to #8 and \$50,000 to #9; however, Platinum advised that the value assigned to #9 was based on a description of the asset and that it had not personally inspected

- it, but having been told it was not operational, advised that the initial valuation assigned was overstated;
- e) 6 pieces were listed twice on the original schedule;
- f) One item, #54, a "Split Machine, s/n PO140900614", could not be located;
- g) One item, #58, a "CAT 330L Excavator", was determined not to be owned by RBCI and was released to Guido; and
- h) One item, #18, a "2010 Multiquip Generator", was believed to have been stolen from a building at the Amsen Quarry where it was being stored. Attached hereto as **Appendix "H"** is an email from Platinum dated August 20, 2019 that discusses the circumstances of its disappearance. Platinum estimated the value of this piece of equipment at between \$15,000 and \$20,000.

Auction of machinery and equipment

- 17. Shortly after the issuance of the AVO, the Receiver executed the Auction Agreement with Platinum. Platinum set the date for the auction as August 13, 2019 in order to give it sufficient time to properly prepare for and advertise the auction.
- 18. Platinum incurred \$42,408 in costs to prepare the equipment for the auction, which included:
 - a) \$10,910 in costs for technicians to power up (including the costs of rental generators and air compressors), test machines and provide quotes on repairs;

- b) \$23,848 in parts and labour costs to repair certain of the equipment in order to make it saleable; and
- c) \$7,650 in costs to transport equipment from the Augusta Quarry and the Amsen Quarry to the Wiarton Quarry, the site of the auction.
- 19. Platinum arranged the equipment into sixteen (16) auction lots by combining six pieces of equipment into two lots while splitting on piece of equipment into two lots. Platinum also supplemented the auction with other equipment not from the RCBI estate.
- 20. On August 12, 2019, the day before the auction, Platinum advised the Receiver that the blades to two saws had been removed, severely impacting the value of that equipment as it had been advertised for sale with blades, and the cost to replace the blades was estimated at \$25,000. Apparently, Guido had removed the blades as he claimed they were "leased", although no documentation was provided to indicate which entity had leased the blades. However, after discussion between legal counsel, Guido returned the blades the next day just prior to the auction but indicated that he was reserving his right to make a claim to the proceeds from the equipment allocable to the blade components, The Receiver did not subsequently receive any claim from Guido with respect to the proceeds from the blade components.
- 21. The 16 lots yielded gross auction proceeds of \$534,925 (not including the 18% buyer's premium charged and retained by Platinum). These proceeds compared to Platinum's pre-

- auction high liquidation value estimate of \$526,500 as set out in its Appraisal Report dated February 19, 2019 (the "Appraisal Report").
- After deducting Platinum's sharing of the proceeds above the amount of the Net Minimum Guarantee of \$15,392.50 (90% to the Receiver/10% to Platinum), reimbursement of repair and testing costs of \$42,408.00 as set out above, expense reimbursement and commissions of \$68,000.00 payable to Platinum pursuant to the Auction Agreement, and costs of the Appraisal Report of \$11,881.72, the net proceeds remitted to the Receiver was \$397,242.78. A copy of Platinum's Sale Summary Report is attached hereto as **Appendix** "J" (the "Auction Summary").
- 23. Prior to the auction, Platinum advised the Receiver that Guido had approached Platinum about purchasing certain pieces of equipment prior to the auction and wanted to know the Receiver's position on this matter. The Receiver advised Platinum that as long as Platinum was of the view that Guido was paying an amount consistent with the appraised liquidation value for the equipment, it had no objections to Guido purchasing RCBI assets. On June 11, 2019, Platinum negotiated for the sale of three pieces of equipment, which are identified as lots #20, 21 and 22 in the Auction Summary, to Canadian Bedrock Transport Inc. ("CBTT"), a company controlled by Guido, at prices which Platinum advised the Receiver were in line with what it believed would have been realized at auction. The total sale prices for those three lots, before HST, was \$65,000. Copies of the invoices for the sale of these three pieces of equipment are attached hereto as Appendix "K". The corresponding appraised liquidation value at auction for those three items ranged between \$60,000 and

\$77,500. The actual price paid by CBTI for those three items was \$77,500 plus HST, which amount included an 18% buyer's premium (retained by Platinum as per the Auction Agreement).

ACCOUNTS RECEIVABLE

- 24. Upon its appointment, as part of its initial information request provided to Guido on December 7, 2018, the Receiver requested copies of invoices and supporting documents, including mailing addresses and contact information, of the Company's customers so that it could attempt to collect the outstanding accounts receivable (the "A/R Records"). By email dated December 17, 2018, attached as Appendix "H" to the First Report, Guido advised that he would be providing the Receiver with the requested information on December 18, 2018. As set out in paragraph 24 of the First Report, on December 19, 2018, Guido sent to the Receiver a file entitled "RCB Receiver Information" which included an accounts receivable listing which did not list any receivables. A copy of that listing is attached hereto as Appendix "L".
- 25. On December 21, 2018, the Receiver sent to Guido a further email request for the books and records, a copy of which is attached as Appendix "M" to the First Report. Given Guido's failure to cooperate and provide the information requested, the Receiver was forced to schedule an appearance in front of Justice Hainey on January 16, 2019 which resulted in Justice Hainey issuing the January 16 Endorsement.

- 26. On January 16, 2019, the Receiver again wrote to Guido again requesting the accounting records including the A/R Records. On January 17, 2019, the Receiver met with Guido at his counsel's offices at which meeting he failed to provide any information pertaining to the A/R Records. Guido again committed to updating his accounting records and providing supporting documentation. On January 22, 2019, the Receiver again wrote to Guido requesting the A/R Records. On that date, Guido provided a balance sheet for RCBI as at June 30, 2018 which indicated accounts receivable of \$1.828 million. However, Guido again failed to provide any documents that supported the quantum of accounts receivable or assisted in any collection efforts.
- On January 25, 2019, Guido provided the Receiver with eight bankers boxes of information for RCBI which he advised included the A/R Records. On January 29, 2019, Guido provided an accounts receivable subledger dated as at June 30, 2018, the total of which agreed to the amount reported in the June 30, 2018 balance sheet, but again with no supporting documentation. The Receiver reviewed the contents of the eight bankers boxes, and while one of the boxes contained certain sales order for 2014 to 2016, they did not contain documentation to support balances in the June 30, 2018 accounts receivable subledger.
- 28. As set out in paragraph 16 of the Second Report, RCBI reported an accounts receivable balance of approximately \$1.9 million as at June 30, 2018 (the "A/R Balance"). The Receiver was able to identify collections of \$146,000 which had been deposited subsequent to June 30, 2018 into a bank account at CIBC under the name Royal Bedrock Inc. ("RBI")

(an account that Guido was using to conduct RCBI business since RCBI's bank account at HSBC had been frozen in March 2018 as a result of the Canada Revenue Agency serving HSBC with a Requirement to Pay with respect to unremitted HST). After accounting for these collections, the A/R Balance remained at approximately \$1.73 million, all of which would have been over 150 days overdue as of the date of the receivership.

- 29. By letter to Guido dated July 31, 2019, a copy of which is attached hereto as **Appendix** "M", the Receiver again requested, among other things, the A/R Records and explanations and documentation to support the A/R Balance.
- 30. On August 9, 2019, Guido sent an email to the Receiver, a copy of which is attached hereto as **Appendix "N"**, which provided certain T4 slips but did not address the Receiver's request concerning the A/R Balance. By email dated August 14, 2019, the Receiver again requested invoices and support for the A/R Balance.
- On August 19, 2019, Guido advised the Receiver by email that he would endeavour to respond the following week. On August 26, 2019, the Receiver again wrote to Guido asking for the information and documentation on the A/R Balance. On August 29, 2019, over eight months after the Receiver's initial request, Guido responded by email and attached various documents which purported to support the A/R Balance, a copy of which is attached hereto as **Appendix "O"**. The Receiver review the contents of Appendix "O" and prepared a schedule attached hereto as **Appendix "P"** detailing each account receivable and the nature of the supporting document provided. As set out in Appendix

"P", with respect to the 35 accounts listed on the accounts receivable subledger, Guido provided the following:

- invoices for only four (4) accounts totalling \$104,000;
- two (2) accounts totalling \$46,000 for which Guido purported to have a "verbal order agreement", for which no written purchase orders, evidence of delivery or invoices were provided;
- supporting documentation for six (6) accounts totalling \$215,000 consisted entirely of photographs of text messages on Guido's cell phone purporting to represent purchase orders, with no written evidence of delivery or invoices provided;
- six (6) accounts for which Guido contended were subject to a verbal agreement, but for which no written evidence of delivery or invoices had been provided;
- three (3) accounts totalling \$141,000 for which Guido could not locate any supporting documentation; and
- a hodgepodge of emails, supply agreements and schedules for the remaining accounts, but with no evidence that the product had been delivered or that an invoice had been issued.
- 32. Suffice it to say that the Receiver considered the documents provided by Guido as some of the worst financial reporting it had come across which made it essentially impossible to

collect on the alleged accounts receivable, notwithstanding the fact that all of the accounts were at this point over one year old.

33. Nevertheless, the Receiver attempted to contact the outstanding accounts and determine if the amounts on the subledger existed and remained owing. The Receiver received limited responses from those accounts, and when requested by the party, was unable to provide documentation to support the amounts purported owed. As a result, the Receiver was unable to collect any of the purported accounts receivable.

INVENTORY

- 34. The borrowing base certificate dated June 30, 2018 and signed by Guido indicated that RCBI possessed inventory with a book value of \$3.452 million. The same amount appeared in RCBI's balance sheet dated June 30, 2018 and provided by Guido on January 22, 2019. On January 29, 2019, Guido provided a one-page inventory listing as at June 30, 2018 with five categories indicating a book value of \$3.452 million, a copy of which is attached hereto as **Appendix "Q"**. Other than this one-page listing, Guido has provided no documentation to substantiate the existence or location of any of the inventory or assist in identifying it.
- 35. During its visits to the Amsen Quarry and Wiarton Quarry, the Receiver did observe certain piles of stone at the site. However, there were no markings on the stone to substantiate its nature and ownership. The Receiver inquired of Fuller about the existence of RCBI inventory at the Amsen Quarry. Fuller's position was that unless the Receiver could

substantiate ownership through appropriate documentation, all of the stone at the Amsen Quarry belonged to AQL.

36. As set-out in paragraph 20 of the Second Report, given the absence of documentation evidencing RCBI's ownership over the inventory, the Receiver determined it was not worth incurring fees to pursue an ownership interest in inventory at the Amsen Quarry. As a result, there were no recoveries from inventory.

SUPPLIERS, CUSTOMERS AND EMPLOYEES

37. Since the date of the Second Report, the Receiver continued to receive and respond to inquiries from former RCBI employees and claims from former RCBI suppliers regarding the non-payment of invoices by RCBI, as well as claims by former customers regarding claims for damages arising from arrangements agreed upon prior to the date of the Appointment Order, including incomplete order delivery and poor product quality.

CRA CLAIMS

- 38. As reported in paragraph 25 of the First Report, RCBI had failed to remit any source deductions since operations commenced in 2016. RCBI also failed to file any HST returns since its inception.
- 39. As described in paragraph 34 of the First Report, CRA filed a claim for \$449,609.77 for source deductions for the period June 8, 2016 to December 12, 2018, \$169,001 of which CRA claimed as a deemed trust pursuant to 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*. It further filed a claim of \$48,811.41 for unremitted HST for the period January 31, 2015 through January 31, 2017.

- 40. As set out in paragraph 23 of the Second Report, CRA made a further claim of \$994,704.97 for unpaid HST owing for the period February 1, 2017 to December 6, 2018. CRA advised that this amount was an estimate as it was not in possession of sufficient documentation to determine the exact amount of HST owing for that period.
- 41. Since the date of the Second Report, CRA submitted additional deemed trust claims of \$22,588 based on T4 submissions received from former employees of the Debtor after the date of the Second Report. The Receiver reviewed supporting documents provided by CRA and determined the additional claims to be valid. As a result, CRA's deemed trust claim totaled \$191,589.
- 42. Since Fuller had taken possession and had liquidated certain RCBI-owned equipment, the Receiver approached Fuller to discuss a sharing of the deemed trust obligation. The Receiver proposed a proportionate sharing based on gross proceeds realized from RCBI assets in each proceeding. That sharing methodology resulted in an allocation of \$33,384 to the Parallel Proceeding. However, Kooy asserted a position that the assets they leased to RCBI that were liquidated were subject to true leases, not financing leases, such that they were of the view that those assets did not form assets of RCBI and should not be subject to the deemed trust claim. The Receiver's position was that this was not an accurate

characterization of the Kooy leases and that it would oppose such treatment. However, given the costs that would need to be incurred to adjudicate Kooy's position, the Receiver believed it would be prudent to enter into negotiations for an acceptable contribution by Kooy. The Receiver, after consulting with HSBC in its position as first secured creditor, eventually agreed to accept a payment of 50% of the Parallel Proceedings proportionate share, which was \$16,691.92.

43. The Receiver has made payment to CRA to settle the deemed trust claim of \$191,588.67 and is not aware of any further deemed trust amounts owing based on its correspondence and telephone calls with CRA representatives.

ASSIGNMENT IN BANKRUPTCY OF RCBI

- 44. On October 1, 2019, as provided for under paragraph 3(s) of the Appointment Order, the Receiver filed an Assignment in Bankruptcy on behalf of RCBI, and the Office of the Superintendent of Bankruptcy issued a Certificate of Appointment to Deloitte as trustee (the "Trustee") of the Debtor's bankruptcy estate, a copy of which is attached hereto as Appendix "R".
- 45. The first meeting of creditors ("**FMOC**") in the bankruptcy of RCBI was held on October 16, 2019 at which meeting the appointment of Deloitte as Trustee was confirmed.
- 46. The Trustee reviewed and admitted proofs of claim prior to and after the FMOC, with admitted secured claims totaling \$1.35 million and admitted unsecured claims totalling \$3.28 million, for total admitted claims of \$4.63 million.

In the matter of the Bankruptcy of Royal Canadian Bedrock Inc. Admitted Proof of Claims (C\$, 000's)						
as at May 3, 2021						
Creditor	Secured	Unsecured	Total	Comments		
CRA	192	1,285	1,477	Secured portion is deemed trust claim.		
HSBC	228	1,811	2,039	Secured portion in priority to Kooy.		
Kooy Brothers	851	-	851			
Bennington Financial	80	-	80			
Deco-Tile	-	16	16			
Eastway Group	-	16	16			
Ford Credit Canada	-	3	3			
GM Financial	-	33	33			
Hydro One	-	29	29			
I.T.S Logistics	-	6	6			
Izart Architectural Design	-	44	44			
Middlebro' and Stevens	-	5	5			
St. Lawrence & Inspection	-	11	11			
WSIB	-	23	23			
Total	\$ 1,351	\$ 3,282	\$ 4,633			

- 47. Two representatives from HSBC and one representative from Hydro One were appointed as inspectors of the bankruptcy estate. Due to the unavailability of certain inspectors immediately following the FMOC, a first meeting of inspectors was held via teleconference on November 7, 2019, which confirmed the appointment of Goldman Sloan Nash & Happer LLP ("GSNH") as the Trustee's counsel and approval of the Trustee's fees and disbursements up to October 18, 2019.
- 48. The Receiver transferred \$13,157 to the Trustee's accounts for the settlement of required bankruptcy expenses.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

49. The receipts and disbursements of the Receiver up to and including May 31, 2021 are summarized in the Receiver's Statement of Receipts and Disbursements attached to this Third Report as **Appendix "S"** (the "**R&D**"). As at May 31, 2021, there is a surplus of receipts over disbursements of \$54,051.

- 50. Pursuant to Paragraph 21 of the Appointment Order, the Receiver has borrowed \$108,707 from HSBC to settle the fees and disbursements of the Receiver and its independent legal counsel. To date, the Receiver has repaid HSBC \$80,000 of the borrowed amount, leaving \$28,707 outstanding.
- 51. After payment of the current and future professional fees, the Receiver will remit the balance in its trust account to HSBC as a further repayment of its borrowings. As a result, there will not be any funds available for a distribution to HSBC against the RCBI's indebtedness, which was reported in the application materials to be \$2,043,501.

RECEIVER'S REMAINING DUTIES AND DISCHARGE

- 52. As the Receiver's administration of this estate is substantially complete, the Receiver is seeking an order discharging Deloitte from the powers, duties and obligations attendant to its appointment as Receiver.
- 53. The Receiver's remaining duties (the "Remaining Duties") including the following:
 - a) distributing any surplus remaining in the Receiver's after the completion of the Remaining Duties to HSBC as a further partial repayment against amounts borrowed by the Receiver; and
 - b) filing of statutory reports under the BIA.
- 54. The Receiver proposes that its duties and obligations be restricted to the Remaining Duties.

 Once the Receiver has completed its Remaining Duties, the Receiver intends to file a

certificate with the Court indicating that the Receiver has completed the Remaining Duties and that the Receiver's discharge be final.

FEES OF THE RECEIVER AND ITS LEGAL COUNSEL

- 55. The Receiver and its independent legal counsel, GSNH, have maintained detailed records of their professional time and costs since the date of the Second Report.
- The total fees of the Receiver during the period from February 28, 2019 to May 14, 2021 amount to \$74,450.00, together with disbursements of \$25,491.35 and harmonized sales tax ("HST") in the amount of \$12,833.92, totalling \$112,775.27 (the "Receiver Fees"). Of the Receiver's disbursements, \$24,177.75 represents two invoices of GSNH for the period November 27, 2018 to April 16, 2019. The time spent by the Receiver is more particularly described in the Affidavit of Hartley Bricks sworn June 28, 2021 (the "Bricks Affidavit") in support hereof and attached hereto as Appendix "T".
- 57. The total legal fees incurred by the Receiver during the period November 27, 2018 to April 30, 2021 for services provided by GSNH as the Receiver's independent legal counsel amount to \$34,855.00, together with disbursements in the amount of \$1,635.71 and HST in the amount of \$4,681.40, totalling \$41,172.11 (the "GSNH Fees"). The time spent by GSNH personnel is more particularly described in the Affidavit of Mario Forte (the "Forte Affidavit"), counsel to GSNH, sworn on June 30, 2021 in support hereof and attached hereto as Appendix "U".

- As set out in the Bricks Affidavit, the Receiver estimates fees of the Receiver to the conclusion of the administration to be in the amount of \$5,000.00 plus disbursements and HST. The Receiver estimates fees of its counsel to the conclusion of the administration to be in the amount of \$3,000.00 plus disbursements and HST (collectively with the Receiver's estimate, the "Estimated Fees"). The Estimated Fees for the fees of the Receiver and GSNH are in addition to the fees outlined in paragraphs 56 and 57.
- 59. The Receiver is of the view that the fees and disbursements set out in the Bricks Affidavit and Forte Affidavit, including the Estimated Fees (collectively, the "**Professional Fees**") are reasonable in the circumstances of this case. Accordingly, the form of Discharge Order sought by the Receiver approves the Professional Fees.

RECEIVER'S RECOMMENDATIONS TO THE COURT

- 60. The Receiver recommends that the Court make an order:
 - a) approving the Receiver's activities from April 23, 2019 to the date of this Third
 Report;
 - b) approving the R&D;
 - c) approving the Professional Fees;
 - d) restricting the duties and obligations of the Receiver to the Remaining Duties until such time as the Receiver is discharged; and

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e) terminating these proceedings and discharging Deloitte from the powers, duties,

and obligations attendant to its appointment as Receiver effective upon the filing of

a certificate with the Court indicating that the Receiver has completed the

Remaining Duties.

All of which is respectfully submitted this 30th day of June, 2021.

DELOITTE RESTRUCTURING INC.,

solely in its capacity as Court-appointed Receiver of Royal Canadian Bedrock Inc. and not in its

personal or corporate capacity

Per

Hartley Bricks, MBA, CPA, CA, CIRP, LIT

Hatty Bribs

Senior Vice-President

Appendix "A"

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

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONO	URABLE)	THURSDAY, THE 6TH
JUSTICE	HAINEY)	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

 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:

- 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;
- 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;
- 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;

- 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;

- 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.

ENTERED AT / INSCRIT A TORONTO

ON / BOOK NO: LE / DANS LE REGISTRE NO:

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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

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

Page 053

-4-

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.

		rtake, and it is not under any personal liability, to pay any sum tificates under the terms of the Order.
DATED the	day of	
		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 - B

Applicant

ROYAL CANADIAN BEDROCK INC.

Respondent

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

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)

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Email: pfesharaki@tgf.ca Tel.: (416) 304-7979 Lawyers for the Applicant, HSBC Bank Canada

Appendix "B"

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

APPENDICIES

APPENDIX	DESCRIPTION	
A	Appointment Order dated December 6, 2018	
В	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	
${f E}$	Email from Debtor's Counsel dated December 10, 2018 (with	
	attachments)	
\mathbf{F}	Fourth Information Request dated December 11, 2018	
G	Anthony Guido's emails dated December 11, 2018	
Н	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	
\mathbf{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	
0	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".

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

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 "Wiarton 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

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:
 - 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;
 - The Debtor Counsel's insistence that the Receiver provide an indemnity to QMX8 Wiarton Inc. ("QMX8"), a company controlled by Guido and the registered owner of the Wiarton Quarry, prior to any visits to the Wiarton Quarry by the Receiver. Guido indicated that due to the winter weather, there were hazards at the Wiarton Quarry for which he required an indemnity prior to anybody accessing the site; and
 - iii) Confirmation of a site visit to the Wiarton Quarry on December 11, 2018, subject to coming to an agreement on the terms of an indemnity.

- 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 Wiarton 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".

- 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 Wiarton Quarry on December 11, 2018 had to be postponed.
- 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

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 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

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 Wiarton Quarry and was provided access by Caratozzolo. Caratozzolo advised that the main structure on the Wiarton Quarry was where RCBI's equipment was being stored. Upon arrival at the main structure of the Wiarton 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 Wiarton 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 Wiarton 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

confirmed locations per the Receiver's site visits to the Wiarton 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 articled 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;

- 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

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.
- 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 Wiarton 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:

- 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".

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

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

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;

- 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.

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

Deloitte Kestreuturing Inc.

Per:

Hartley M. Bricks, MBA, CPA, CA, CIRP, LIT

Senior Vice-President

Appendix "C"

COUNSEL SLIP

COURT FILE NO CV-18-609417-00CL

DATE JAN 16 2019.

NO ON LIST 4 A

HSBC BANK CANADA.

TITLE OF

V ROYAL CANADIAN BEDROCK I AC. PROCEEDING

COUNSEL FOR:

PLATIO Forte for Banin Deloi He Pritanting [AC. PHONE & FAX NO.

PLAINTIFF(S)

APPLICANT(S) PETITIONER(S)

D.J. Miller for the Applicand HSBC Bank.

T:416-304-0559

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COUNSEL FOR:

Jessica L. Kuredjian / Taschina Ashmeade

PHONE & FAX NOS

DEFENDANT(S) RESPONDENT(S)

for RCB Inc.

T 416 - S60-6599.

January 16/19.

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Order of December 6/18

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Appendix "D"

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

SECOND REPORT OF THE COURT-APPOINTED RECEIVER

APRIL 23, 2019

APPENDICIES

APPENDIX	DESCRIPTION	
A	Appointment Order dated December 6, 2018	
В	First Report of the Receiver dated January 11, 2019	
C	Endorsement of Justice Hainey dated January 16, 2019	
D	Update of location and status of RCBI's equipment since the	
	date of the First Report	
E	Financial statements for the fiscal years ended April 30, 2016	
	and April 30, 2017	
F	RCBI's unaudited balance sheet as at June 30, 2018	
G	A/R subledger as at June 30, 2018 and estimate of A/R	
	collections	
H	CRA letter dated February 4, 2019	
I	Listing of the equipment that relate to specific PPSA	
	registrations and potentially subject to prior-ranking security to	
	that of HSBC	
J	Summary of amounts claimed by former vendors and customers	
	of RCBI	
K	Auction Agreement with Platinum dated April 1, 2019	
	[Redacted]	
L	Fee affidavit of Hartley M. Bricks sworn April 17, 2019	
M	Fee affidavit of Mario J. Forte sworn April 17, 2019	

APPENDICES TO BE HELD UNDER COURT SEAL

N Auction Agreement with Platinum dated April 1, 2019

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") issued December 6, 2018 (the "Appointment Order"), which was made on the application of HSBC Bank Canada ("HSBC" or the "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" or the "Company") acquired for, or used in a business carried on by RCBI, including all proceeds thereof (the "Property"), save and except for:
 - a) 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
 - b) 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".

- 2. As a result of Anthony Guido's ("Guido"), the President and sole director and officer of RCBI, failure to comply with his duties to provide access and co-operation to the Receiver pursuant to paragraphs 4 through 6 of the Appointment Order, the Receiver filed its First Report of the Receiver dated January 11, 2019 (the "First Report") which detailed the activities of the Receiver to date and sought advice and direction from the Court. As detailed in the First Report, Guido is a former practicing Chartered Accountant. On January 16, 2019, Justice Hainey issued an Endorsement (the "January 16 Endorsement") cautioning Guido that he must comply with the Appointment Order or face a contempt hearing. A copy of the First Report (without appendices) and a copy of the January 16 Endorsement are attached hereto as Appendices "B" and "C", respectively.
- 3. The Receiver files this Second Report of the Receiver (the "Second Report") to report to the Court on the following matters:
 - a) Guido's compliance with the Appointment Order;
 - the delivery of certain books and records and the identification of the location of certain of RCBI's equipment;
 - c) the financial position of RCBI;
 - the activities of the Receiver since January 11, 2019 with respect to its receivership administration;
 - e) the proposed method of sale for the Identified Equipment (as defined below) and seeking the Court's approval for the proposed method of sale;

- f) the Receiver's proposed future activities with respect to the remaining receivership administration;
- g) the Receiver's fees and those of its independent legal counsel and to seek approval of those fees; and
- h) the Receiver's recommendations to the Court.

TERMS OF REFERENCE AND DISCLAIMER

- 4. Unless otherwise provided, all other capitalized items not otherwise defined in this Second Report are as defined in the First Report. Unless otherwise stated, all amounts referred to in this Second Report are reported in Canadian Dollars.
- 5. The Receiver has prepared this Second Report in its capacity as a court-appointed officer solely for the purposes outlined herein. Parties using the Second Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
- 6. In preparing this Second Report, the Receiver has relied on the Information, as well as the documentation provided, and discussions and correspondence with Guido since January 11, 2019 (the "Additional Information"). Deloitte has reviewed the Information and Additional 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 or Additional Information in a manner that

would wholly or partially comply with Canadian Accounting Standards ("CAS") pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information and Additional Information.

GUIDO'S COMPLIANCE WITH THE APPOINTMENT ORDER

- 7. As of the date of the First Report, Guido had failed to substantively comply with his duties under the Appointment Order to co-operate with the Receiver, to provide to the Receiver the books and records of the Company, and to advise the Receiver of the locations of various pieces of RCBI's equipment and grant immediate and continued access to those assets.
- Since the "In Chambers" appearance before Justice Hainey on January 16, 2019, Guido 8. has significantly improved his level of cooperation. He has provided certain books and records as identified below, provided access to locations he controlled where RCBI's equipment was being stored and delivered two missing control panels related to RCBI's equipment. As a result, based on the information of which the Receiver is aware, the Receiver is of the view that Guido is currently in satisfactory compliance of the Appointment Order.

BOOKS AND RECORDS AND THE LOCATION OF RCBI'S ASSETS

9. Of the books and records outstanding as of the date of the First Report, the following information/documentation has since been provided to the Receiver by Guido:

- 7 -

- a) certain accounting records including profit and loss statements and balance sheets;
- b) certain employee-related documentation;
- c) bank statements for the bank account held in the name of Royal Bedrock Inc.

 ("RBI"), a separate company controlled solely by Guido with a similar name to

 RCBI, at the Canadian Imperial Bank of Commerce ("CIBC");
- d) copies of certain sales orders and invoices;
- e) certain purchase receipts; and
- f) certain production reports.
- 10. An update of the location and status of RCBI's equipment is attached hereto as **Appendix**"D". Of particular concern to the Receiver as of the date of the First Report was the locations of assets numbered 1, 2, 3, 4, 6, and 7 in Appendix "D", which were financed directly by the Applicant. The Receiver has located these assets save and except for asset number 6, which has been removed from the listing as it was determined to be a duplicate of asset number 22.

15

11. The Receiver is currently in the process of negotiating an agreement with Guido to continue to store RCBI's equipment at various properties controlled by Guido in advance of the proposed sale process as discussed below.

FINANCIAL POSITION OF RCBI

For the fiscal years ended April 30, 2016 and April 30, 2017

- 12. The financial statements for the fiscal years ended April 30, 2016 and April 30, 2017 (the "Historical Financial Statements") are attached hereto as Appendix "E". In summary, RCBI reported a surplus of total assets to total liabilities of approximately \$826,000 and \$1.6 million for the fiscal years ended April 30, 2016 and April 30, 2017, respectively.
- 13. The Receiver understands that RCBI engaged the Vaughan, Ontario office of KPMG LLP ("KPMG") to, among other things, undertake a review engagement of the Historical Financial Statements. Accordingly, the Receiver understands that the Historical Financial Statements are unaudited.

As at June 30, 2018

14. RCBI's unaudited balance sheet as of June 30, 2018, attached as **Appendix "F"**, reported a working capital surplus of approximately \$4.0 million and a surplus of total assets to total liabilities of \$2.9 million. The largest reported asset of the Company was the plant and equipment which was valued at \$5.8 million (net of accumulated depreciation). Guido did

not keep more current financial statements for RCBI. The following is a variance analysis between the balance sheet accounts as at April 30, 2017 and June 30, 2018.

Royal Canadian Bedrock Inc. Balance Sheet Variance Analysis as at (CAD 000's)	30-Apr-17	30-Jun-18	Variance
Current Assets	3,254	4,496	1,242
Net Plant and Equipment	6,012	5,767	(245)
Total Assets	9,266	10,263	997
Current Liabilities	1,112	490	(622)
Long Term Liabilities	6,604	6,923	319
Total Liabilities	7,716	7,413	(303)
Owner's Equity	1,550	2,850	1,300
Total Liabilities and Owner's Equity	9,266	10,263	997

15. The Receiver notes that the unaudited June 30, 2018 balance sheet indicates a negative balance of approximately \$784,000 in cash and cash equivalents. As detailed in the First Report, the Company's HSBC bank account was frozen in March 2018 after HSBC was served with a Requirement to Pay by CRA. The balance in the HSBC bank account at that time was a debit balance (overdrawn) of approximately \$808,000. After the HSBC account was frozen, Guido began transacting RCBI's business through a bank account held at CIBC in the name of RBI, the similarly named company controlled by Guido (the "RBI Bank Account"). The Receiver obtained copies of the bank statements for the RBI Bank Account from CIBC which indicated a debit balance (overdrawn) of \$79,823 on June 30, 2018.



- 16. Further, RCBI reported approximately \$1.9 million in trade A/R as of June 30, 2018, of which the Receiver estimates that \$146,000 was collected by the Company and deposited in the RBI Bank Account. A copy of the June 30, 2018 A/R subledger and the estimated collections of the outstanding amounts is attached hereto as **Appendix "G"**.
- 17. It is the Receiver's opinion that the June 30, 2018 balance sheet is materially misstated.
 The Receiver continues to investigate this matter and will report back to the Court as it deems necessary.

Realizable assets as of the date of the Appointment Order

- 18. As of the date of the Appointment Order, RCBI had no funds in its bank accounts held with HSBC. The Receiver is not aware of any other bank accounts held in the Company's name.

 The balances as of the date of the Appointment Order for each of its HSBC bank accounts are as follows;
 - g) A debit balance of \$809,955 in the Canadian Dollar account;
 - h) A balance of US \$18 in the US Dollar account; and
 - i) A nil balance in the Euro account.
- 19. As of the date of the Appointment Order, RCBI did not have any outstanding A/R. Guido advised that this was due to the seasonal closure of RCBI during the winter months. Guido further advised that there had not been any RCBI operations since September 2018.

- 20. The June 30, 2018 balance sheet reported inventory valued at \$3.5 million and Guido confirmed to the Receiver that the inventory on hand at the time of the Appointment Order is owned by RCBI. However, this inventory is located at the Amsen Quarry, which is part of the Parallel Proceeding. Guido could not provide the Receiver with evidence to substantiate that the inventory situated at the quarries was owned by RCBI. Furthermore, the Receiver's counsel has advised that in the absence of documentation evidencing RCBI's ownership over the inventory, any attempt by the Receiver to take possession of the inventory would likely be unsuccessful without further information being brought to light.
- 21. As a result, the only assets of value owned by RCBI as of the date of the Appointment Order are the machinery and equipment. The Receiver describes the value of the machinery and equipment in detail later in this Second Report.

RCBI's tax obligations

- 22. As detailed in the First Report, the CRA advised the Receiver that RCBI owes:
 - i. \$48,811.41 for GST/HST for the 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 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*.

- 23. By letter dated February 4, 2019, a copy of which is attached hereto as **Appendix "H"**, CRA assessed RCBI for \$944,704.97 in GST/HST owing for the period February 1, 2017 to December 6, 2018. CRA advised that this amount was an estimate only as it was not in possession of sufficient documentation to determine the exact amount of GST/HST owing for that period.
- 24. An audit of the Respondent's books and records at the Receiver's premises to confirm the taxes owing, if any by RCBI took place on April 17, 2019 (the "Trust Account Audit").
 The CRA remains in the process of assessing the taxes owing, if any by RCBI.

ACTIVITIES OF THE RECEIVER SINCE JANUARY 11, 2019

Machinery and equipment

25. The Receiver has been appointed to, among other things, locate, secure and realize upon various pieces of equipment subject to the Appointment Order. As described in greater detail in the First Report, the Receiver attended at the Wiarton Quarry and Amsen Quarry in December 2018. The Receiver observed that the RCBI equipment identified at both locations was generally in a poor state of repair, and that of the 58 pieces of equipment which the Receiver wished to account for, only 16 had been located. One piece of equipment remains unaccounted for as of the date of this Second Report (the "Missing Equipment").

- 26. The Receiver identified the Missing Equipment based on a listing of equipment purported to be located at the Amsen Quarry by Fuller, and the recent appraisal provided to the Receiver by Platinum Asset Services Inc. Based on the description and potential realizable value of the Missing Equipment, the Receiver believes that it would not be economically beneficial to incur additional professional time to locate and realize on this asset, given that the Missing Equipment could not be located during two visits to the Amsen Quarry already.
- 27. An update of the location and status of RCBI's equipment is attached hereto as **Appendix**"B". Of those 58 pieces of equipment reported in the First Report, the Receiver was able to determine the following:
 - a) 17 pieces of equipment have been located, photographed and appraised and are not subject to the Parallel Proceeding (the "Identified Equipment");
 - b) 27 pieces of equipment are subject to the Parallel Proceeding, of which;
 - i. the Receiver is currently in discussions with Fuller regarding the ownership of four pieces of equipment, which have not been included in the Auction Agreement (defined below); and
 - ii. five pieces of equipment have been included the Auction Agreement in respect of which the Receiver has not been able to prove ownership to Fuller;
 - c) Five pieces of equipment are listed on the PPSA which rank in priority to the Applicant's interest in same;
 - d) Seven pieces of equipment were duplicates of other assets and removed from the asset listing;

- e) One piece of equipment remains unaccounted for at this time (the Missing Equipment, as defined above); and
- f) One piece of equipment did not belong to RCBI and the Receiver has reviewed the supporting documentation to satisfy itself as such.
- 28. Based solely on the information available to the Receiver at this time, the Receiver has satisfied itself that of the 58 total pieces of RCBI equipment reported in the First Report, 26 pieces were subject to the Parallel Proceeding.
- 29. On January 21, 2019, the Receiver again attended at the Wiarton Quarry and Amsen Quarry and was provided access by Guido.
- 30. On January 24, 2019, the Receiver attended at the quarry located at 1549 Blue Church Road, Augusta, Ontario (the "Augusta Quarry") owned by 1549 Blue Church Inc., a company owned by Guido, and was provided access by both Guido and Matteo Caratozzolo.
- 31. Equipment located at the Augusta Quarry was either stored indoors in a storage shed or outdoors adjacent to the storage shed and the quarry floor. The equipment appeared to be in a good state of repair, with the exception being a large loader with a deflated tire which was propped up with a large stone. Equipment stored on the quarry floor did not appear to be adequately protected. Guido advised that the protective tarp appeared to have been removed by the wind.

- 32. Notwithstanding the provisions in paragraph 4 of the Appointment Order that require that the Receiver be provided with immediate and continued access to the assets, for the sake of cost effectiveness, the Receiver discussed with Guido an arrangement (the "Proposed Storage Agreement") to, among other things:
 - a) store the Identified Equipment located at the Wiarton Quarry and Augusta Quarry at their respective locations for the duration of the remarketing process without any fees, costs, or expenses being levied to the Receiver; and
 - b) grant the Receiver or its authorized representatives access to the Wiarton Quarry and Augusta Quarry at any time and from time to time to remove the Identified Equipment, provided that reasonable advance written notice of its intention to do so would be provided by the Receiver.
- As of the date of this Second Report, the terms and conditions of the Proposed Storage

 Agreement have not been finalized between the Receiver and Guido.

Return of machinery and equipment to parties with prior-ranking security to the Applicant

- 34. Attached as **Appendix "I"** is a listing of the equipment that relate to specific PPSA registrations and potentially subject to prior-ranking security to that of HSBC (the "**Third-Party Equipment**").
- 35. For identified Third-Party Equipment, the Receiver sought an opinion from its independent legal counsel to confirm the validity of the security holder's security. In the case of leased equipment, the Receiver also compared the amount of funds required to buy out the lease

with the liquidation value provided in the Auction Agreement (defined below) to ensure there was no equity value which might accrue to the receivership from purchasing the equipment from the lessor and subsequently selling it as part of these receivership proceedings.

36. A potential priority dispute has been identified in respect of certain equipment with security in favour of Bodkin Financial Corporation ("Bodkin"). HSBC and its counsel are engaging directly with counsel for Bodkin to come to a timely and cost effective resolution on this matter. This may contemplate the inclusion of the equipment in the proposed auction, although that has not been determined at the time of the writing of the Second Report.

RBI Bank Account

- 37. At the request of the Receiver, CIBC provided copies of cancelled cheques for the RBI Bank Account for the period January 1, 2018 to December 31, 2018.
- 38. From January 1 to December 31, 2018, cheques deposited into the RBI Bank Account but made payable to "Royal Canadian Bedrock Inc." totalled approximately \$280,000 while cheques made payable to "Royal Canadian Bedrock" totalled approximately \$220,000.

Third Party Matters – Vendors, Customers, and Employees

39. On its notice and statement of receiver dated December 21, 2018 (the "Form 87"), the Receiver identified unsecured creditors with amounts owed by the Company as of the date of the Receivership.



- 40. The Receiver has received correspondence from several of RCBI's former vendors not identified on the Form 87 regarding non-payment of issued invoices.
- 41. The Receiver has also received correspondence from former customers not identified on the Form 87 regarding claims for damages arising from arrangements agreed upon prior to the date of the Appointment Order, including incomplete order delivery and poor product quality.
- 42. The combined amount claimed by former vendors and customers not included on the Form 87 is approximately \$139,000, a summary of which is attached hereto as **Appendix "J"**.
- 43. Guido advised the Receiver that the Company did not have any employees after the Applicant froze its bank accounts in March 2018. Based on the books and records available to the Receiver, there does not appear to be any timesheets or other employee documentation after February 2018 before the freezing of the bank accounts.
- 44. Several individuals purporting to be or on behalf of former employees of the Company have contacted the Receiver regarding unpaid wages. The claims for unpaid wages did not pertain to wages earned in the six-month period immediately prior to the date of the Appointment Order, and as such, have been treated as unsecured claims.



PROPOSED REALIZATION PROCESS

Appraisal of the Machinery and Equipment

- 45. The Receiver has engaged Platinum Asset Services Inc. ("Platinum") to, among other things, appraise the machinery and equipment of RCBI. Platinum was engaged by the Receiver on the basis that:
 - a) Platinum had previously inspected certain of RCBI's equipment included in the Parallel Proceeding and, as such, Platinum possesses a familiarity of the type of assets in these receivership proceedings; and
 - b) The Receiver and Applicant have worked with Platinum previously on other restructuring mandates. As such, the Receiver understood that, in addition to appraising the machinery and equipment of RCBI, Platinum had the capability to plan and conduct an auction of the equipment.
- 46. Platinum provided a confidential appraisal report to the Receiver on February 19, 2019, which indicated the low and high gross-realizable estimates of the Identified Equipment.
- 47. To determine the appraisal values, Platinum inspected the Identified Equipment located at the Wiarton Quarry and the Amsen Quarry, but did not inspect the Identified Equipment located at the Augusta Quarry. Platinum relied on information provided by the Receiver for the Identified Equipment located at the Augusta Quarry.

Auction of the Machinery and Equipment

- 48. Given that (i) RCBI's operations had effectively ceased as of September 2018, (ii) that there is a Parallel Proceeding impacting certain of RCBI's assets, and (iii) TD Equipment Finance Canada, a division of The Toronto-Dominion Bank, had made arrangements for their own enforcement proceedings in respect of the TD Equipment, a going concern sale of RCBI was not a viable option. As a result, the Receiver solicited and received on April 1, 2019 an auction proposal from Platinum (the "Auction Agreement").
- 49. Material elements of the auction process contemplated in the Auction Agreement are summarized as follows:
 - a) The sale process is estimated to take between 60 to 90 days from the date that the Identified Equipment is operational;
 - b) Certain of the Identified Equipment will be cleaned, put under power, tested, and videoed in operation, and repairs will be made to cosmetic defects. Where identified, Platinum will undertake to make itself or coordinate repairs to certain of the Identified Equipment to enhance their respective realizable values;
 - c) Platinum intends to conduct the marketing of the Identified Equipment at their current and respective locations. As described in the Auction Agreement, Platinum estimates that additional costs in the range of \$50,000 to \$70,000 will be incurred if the Identified Equipment cannot be sold at their current locations and need to be removed;



- d) The sale will be advertised using industry trade journals, newspaper, and email marketing campaigns. Interested third parties will be allowed to inspect the equipment under the supervision of Platinum prior to the auction date; and
- e) The auction will be held online.
- 50. The Receiver notes that the fees requested by Platinum, which are contingent on the successful sale of the Identified Equipment, are reasonable and comparable for mandates of this nature.
- The success of the auction process is dependent on the Receiver and by extension, Platinum and prospective purchasers having satisfactory access to the Identified Equipment which in part is what the Proposed Storage Agreement is intended to address. The Appointment Order itself provides a mandatory direction to the Company, its officers, directors, employees and similar persons, as well as third parties having notice of the Appointment Order to not interfere with the Receiver's mandate as set forth in such order. The order now sought by the Receiver is intended to allow Platinum to conduct the sales process without incurring storage fees that may reduce the realizable value of the Identified Equipment, and without fear of liens or other additional charges being incurred by the Receiver in doing so. Further, the order now being sought has been agreed to by Guido.
- 52. A copy of the Auction Agreement is attached as **Appendix "K"**. Unless otherwise ordered by the Court, the Receiver will redact the key terms from the Auction Agreement, such as the net minimum guarantee, to avoid any negative impact that could result from the



- dissemination of that information. The Receiver believes that the public disclosure of the net minimum guarantee will prejudice the auction process.
- 53. The Receiver will provide an un-redacted copy of the Auction Agreement to the Court in advance of the hearing for, among other things, the approval of the Auction Agreement.
- The Receiver has discussed the Auction Agreement with the Applicant who approves the Receiver proceeding with the engagement of Platinum for the auction of the assets. The Receiver recommends that the Court approve the auction process contemplated in the Auction Agreement and that the Receiver do all such further acts and things and execute such further documents as may be reasonably requested to facilitate the auction process contemplated in the Auction Agreement.

FUTURE RECEIVERSHIP ACTIVITIES

- 55. The Receiver's future activities required in respect of administering these receivership proceedings include the following:
 - a) The Receiver will complete the filing of outstanding corporate and HST tax returns, and other statutory requirements pursuant to the *Bankruptcy and Insolvency Act*;
 - b) The Receiver will continue to facilitate the return of machinery and equipment to security holders ranking in priority to the Applicant, where applicable;

- c) The Receiver will, in collaboration with counsel and the Applicant, determine any next steps as appropriate regarding the potential recovery of funds from cheques deposited into the RBI Bank Account but made payable to RCBI; and
- d) If approved by the Court, the Receiver will do all such further acts and things and execute such further documents as may be reasonably requested to facilitate the auction process contemplated in the Auction Agreement.

FEES OF THE RECEIVER AND ITS LEGAL COUNSEL

- 56. The Receiver and its independent legal counsel, Goldman Sloan Nash & Haber LLP ("GSNH"), have maintained detailed records of their professional time and costs since the issuance of the Appointment Order.
- 57. The total fees of the Receiver during the period from December 3, 2018 to February 27, 2019 amount to \$95,055.50, together with disbursements of \$1,145.03 and harmonized sales tax ("HST") in the amount of \$12,506.07, totalling \$108,706.60 (the "Receiver Fees"). The time spent by the Receiver is more particularly described in the Affidavit of of Hartley Bricks sworn April 17, 2019 in support hereof and attached hereto as Appendix "L".
- 58. The total legal fees incurred by the Receiver during the period November 27, 2018 to April 16, 2019 for services provided by GSNH as the Receiver's independent legal counsel amount to \$23,770.50, together with disbursements in the amount of \$887.25 and HST in

the amount of \$3,143.11, totalling \$27,800.86. The time spent by GSNH personnel is more particularly described in the Affidavit of Mario Forte, counsel to GSNH, sworn on April 17, 2019 in support hereof and attached hereto as **Appendix "M"**.

59. The Receiver is seeking approval of its fees and those of its legal counsel.

RECEIVER'S RECOMMENDATIONS TO THE COURT

- 60. The Receiver recommends that the Court make an order:
 - a) approving the Receiver's activities from January 11, 2019 to the date of this Second
 Report;
 - b) approving the Receiver's execution of the Auction Agreement with Platinum and the sealing of the Auction Agreement with Platinum; and
 - c) approving the fees and disbursements of the Receiver and those of its counsel.

All of which is respectfully submitted this 23rd day of April, 2019.

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

Per:

Paul M Casey, CPA,CA, FCIRP, LIT Senior Vice-President

Appendix "E"

COUNSEL SLIP

COURT FILE NO	<u> CV-18-0</u>	0609417-	- 00¢L	D <i>A</i>	ATE	APR 2 6 2019	
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COUNSEL FOR: PLAINTIFF(S) APPLICANT(S) PETITIONER(S)	MARIO	Forte	fer Deli.	The Contract	- Tuc, 12ec	PHONE & F.	AX NOS 7 - 6477 -3379
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COUNSEL FOR: DEFENDANT(S)		,		•		PHONE & F.	AX NOS

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RESPONDENT(S)

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April 26, 2019

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Appendix "F"

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

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE MR.)	FRIDAY, THE 26th
JUSTICE HAINEY)	DAY OF APRIL, 2019



HSBC BANK CANADA

Applicant

-and-

ROYAL CANADIAN BEDROCK INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. ("Deloitte"), in its capacity as Court-appointed receiver (in such capacity, the "Receiver") of certain property, assets and undertaking (the "Property") of Royal Canadian Bedrock Inc. (the "Debtor"), for an order, inter alia, i) approving an auction proposal between the Receiver and Platinum Asset Appraisals, dated as of April 1, 2019 (the "Auction Agreement"); and ii) vesting in the prospective purchaser(s) ("Prospective Purchaser(s)"), all the Receiver's and the Debtors' right, title and interest in and to the property described as the "Assets" in the Auction Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated April 23, 2019 (the "Second Report") and appendices thereto, and on hearing the submissions of counsel for the Receiver,

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the Applicant and the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Katie Parent sworn April 23, 2019, filed,

- THIS COURT ORDERS that the time for service of the Motion Record in respect of this motion and the Second Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with. All terms not otherwise defined herein shall have the meanings ascribed to them in the Second Report.
- 2. THIS COURT ORDERS AND DECLARES that the Auction Agreement is hereby approved, and the execution of the Auction Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation and administration of the sale process contemplated in the Auction Agreement, and such further agreements which may be necessary or desirable for the completion of any transaction contemplated by the Auction Agreement and for the conveyance of the Purchased Assets to such Purchaser or Purchasers as the case may be.
- 3. THIS COURT FURTHER ORDERS AND DECLARES that upon the completion of a sale pursuant to the terms of the Auction Agreement all the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets subject to such sale, shall vest absolutely in the Prospective Purchaser(s), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute

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or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of Justice Hainey dated December 6, 2018 (the "Appointment Order"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

- 4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the completion of sales pursuant to the Auction Agreement all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
- 5. THIS COURT ORDERS AND DIRECTS that (i) the Debtor, (ii) all of its current and former directors, officers, authorized signing officers, employees, agents, accountants, legal counsel (subject to the solicitor and client privilege) and shareholders, and all other persons acting on its instructions or behalf, and (iii) 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 not interfere with (i) the implementation of the sale process contemplated in the Auction Agreement, (ii) access to the Purchased Assets for the purposes of permitting Prospective Purchaser to collect such assets

pertaining to their respective sale, and (iii) shall not purport to exert any liens, charges or encumbrances against the Purchased Assets in violation of this Order and the Receivership Order.

6. THIS COURT ORDERS that, notwithstanding:

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- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Prospective Purchaser(s), pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 7. **THIS COURT ORDERS** that the unredacted Auction Agreement, attached to the Second Report as Confidential Appendix "N", be and is hereby sealed pending the closing of the completion of the auction process.
- 8. 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.

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PER/PAR: RW

SUPERIOR COURT OF JUSTICE COMMERCIAL LIST ONTARIO

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

Proceeding commenced TORONTO

APPROVAL AND VESTING ORDER

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600 Toronto ON M5G 1V2 Fax: 416-597-3370

 Mario Forte (LSUC #27293F)

 Tel:
 416-597-6477

 Email:
 forte@gsnh.com

Lawyers for the Receiver

Appendix "G"

STORAGE AGREEMENT

THIS STORAGE AGREEMENT ("**Agreement**") is made as of this 6th day of May, 2019 (the "**Effective Date**").

AMONG:

Deloitte Restructuring Inc., solely in its capacity as receiver of certain property of Royal Canadian Bedrock Inc. ("**RCBI**")

(the "Receiver")

- and -

OMX8 Wiarton Inc.

- and -

1549 Blue Church Inc.

(individually, "Owner" or together "Owners")

WHEREAS, pursuant to the order of Mr. Justice Hainey made December 6, 2018, in the Superior Court of Justice for Ontario (the" **Court**"), the Receiver was appointed receiver over certain of the property of RCBI as more particularly set out in such order (the "**Receivership Order**"),

AND WHEREAS pursuant to the Receivership Order, the Receiver has identified Property (as defined below) which is subject to the Receivership Order and located on the Premises (as defined below),

AND WHEREAS the Receiver wishes to store the Property on the Premises controlled by the Owners pursuant to the terms of this Agreement, pending, among other things, the completion of an auction sale process for the Property which process will be conducted subject to an Order of the Court (the "**Auction Process**")

AND WHEREAS the parties hereto have agreed to the terms pursuant to which the Property may be stored on the Premises, pending recovery and the sale thereof by the Receiver,

NOW, THEREFORE, for valuable consideration the parties agree:

- <u>Definitions</u> As used in this Agreement, the following terms shall have the following meanings:
 - (a) "Affected Owner" means the Owner of the Premises affected by the Receiver's exercise of any terms of this Agreement affecting the Property.
 - (b) "Affected Premises" means the Premises of an Affected Owner.
 - (c) "Property" means equipment listed (with locations) in Schedule "A" hereto.
 - (d) "Premises" means the land and buildings located at each of the addresses listed in Schedule "B" hereto.

2. Storage Space

The Property shall be stored at the Premises as more particularly set forth in Schedule "A" hereto, and will remain in an "as is, where is" state. The Receiver has conducted its own diligence regarding the Property and hereby confirms that the Owners have made no representations regarding security interests, ownership, location or otherwise in connection therewith.

3. No Storage Fees

No fees, costs or expenses shall be payable by the Receiver to any Owner in respect of the storage as contemplated herein in respect of any period in which the Property has been located on the Affected Premises unless the Property remains on the Affected Premises after August 31, 2019, in which case, unless the parties otherwise agree, fees, costs and expenses may be charged in respect of such period following August 31, 2019 insofar as the Property continues to remain on the Affected Premises.

4. <u>Auction Process, Removal and Relocation of Property</u>

Subject to the terms of the Auction Process and otherwise during the term of this Agreement, the Receiver or its authorized representatives may remove Property, or any portion thereof, at any time and from time to time, provided that it gives

reasonable advance notice to the Owner of its intention to do so. The Owner may have representatives present during the course of any such removal. The Owners agree that the Property will not be moved to another location by an Owner without the prior consent of the Receiver and only to a location or locations acceptable to the Receiver on terms mutually acceptable to the Affected Owner and the Receiver.

5. Inspection Rights

The Receiver and its authorized representatives may enter the Premises at any time during normal business hours to inspect the Property, provided it gives advance notice of at least five (5) business days to the Affected Owner and the Affected Owner or its designated representative shall have the option of being present during such inspection.

6. Insurance

At all times during the term of this Agreement, the Receiver shall maintain comprehensive general liability insurance, commensurate with its role and circumstances.

7. Term and Termination

This Agreement shall remain in effect from the Effective Date until terminated by the Receiver as herein provided, but in any event, this Agreement shall terminate on August 31, 2019.

However, with respect to an Affected Owner, the Receiver may terminate this Agreement on ten (10) days' written notice to the Affected Owner, and provided that if the Affected Owner consents in writing, the Receiver may terminate on less than ten (10) days' notice, or with a further order of the Court.

8. Removal of Property Following Termination

If this Agreement is terminated in whole or in part, the Receiver at its own cost shall immediately remove all Property from the Affected Premises unless the Receiver and the Affected Owner agree otherwise in writing.

9. <u>Limitation on Liability</u>

An Owner shall incur no liability or obligation to the Receiver in respect of the Property except for gross negligence or wilful misconduct.

10. No Liens

The Owners hereby waive all rights to assert any liens and encumbrances (possessory or otherwise) now or hereafter accruing or any other remedy they may have at law or equity in respect of the Property unless the Property remains on the Affected Premises after August 31, 2019, in which case, unless the parties agree otherwise, liens may be asserted in respect of such period following August 31, 2019 insofar as the Property continues to remain on the Affected Premises.

11. Entire Agreement

Subject to the Receivership Order, this Agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior or contemporaneous written or oral agreement with respect to the same.

12. Notice

Any notice required hereunder shall be deemed satisfactory if sent by email to the parties at the respective addresses set forth below:

Deloitte Restructuring Inc.

8 Adelaide St. West, Toronto, ON, M5H 0A9 Attention: Andrew Whittingham andwhittingham@deloitte.ca

- and -

QMX8 Wiarton Inc. 1549 Blue Church Inc.

100 King Street West, Suite 5600, Toronto, ON, M5X 1C9
Attention: Anthony Guido
anthony@royalcanadianbedrock.com

13. No Waiver

No waiver by either parties of any breach by the other shall be deemed a waiver of any subsequent breach.

DELOITTE RESTRUCTURING INC., solely in its capacity as receiver of certain property of Royal Canada Bedrock Inc. and not its personal capacity.

Name: Hartley M. Bricks, MBA, CPA, CA, CIRP, LIT

Title: Senior Vice-President

1549 Blue Church Inc.

Name: Anthony Guido

Title: Director

MMM / T

QMX8 Wiarton Inc

Name: Anthony Guido

Title: Director

Appendices

Appendix	Description
A	Equipment Listing
В	Addresses of the Owners

APPENDIX "A"

PRELIMINARY DRAFT AND SUBJECT TO CHANGE

In th	PRELIMINARY DRAFT AND SUBJECT TO CHANGE In the Matter of the Receivership of Royal Canadian Bedrock Inc.				
Addre Prope	erty Owner: QMX8 Wiarton Inc.	NOH 2T0	Location		
# 1	Equipment Description One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2250417	Lessor HSBC Bank Canada (specific PPSA)	Location Wiarton, Ontario		
2	One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2260517	HSBC Bank Canada (specific PPSA)	Wiarton, Ontario		
3	One (1) new Fravizel tracked drilling machine, Model no. MPLE4, serial no. 7597	HSBC Bank Canada (specific PPSA)	Wiarton, Ontario		
5	One (1) Jaguar Pro, serial no. 211862	HSBC Bank Canada (specific PPSA)	Wiarton, Ontario		
7	New 2016 stone splitter model P200 S/N# SP463C	HSBC Bank Canada (specific PPSA)	Wiarton, Ontario		
8	2010 Atlas Copco XATS375-CVEL compressor, S/N # HOP070456	Equirex Vehicle Listing 2007 Inc. ("Bennington Financial")	Wiarton, Ontario		
11	2012 Toromount CAT Integrated Tool Carrier Model: ITI4G S/N#: KZN01093		Wiarton, Ontario - Receivers have not inspected this equipment		
13	2015 MEC Splitters		Two 2015 MEC splitter machines were identified at Wiarton.		
14	2015 Multiquip Generator		Wiarton, Ontario		
16	2010 Multiquip Generator		Wiarton, Ontario - Receivers took possession of the vehicle and moved it to Mar, Ontario		
19	2010 Park Industries Python IT 138368		Wiarton, Ontario		
44	2014 Toromount CAT Loader Model: 950k S/N#: R4A02413	TD Equipment Finance	Wiarton, 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.

PRELIMINARY DRAFT AND SUBJECT TO CHANGE

	n the Matter of the Receivership of Royal Canadian Bedrock Inc. Assets Located at Augusta Quarry						
Addr	Address: 1549 Blue Church Road, Augusta, ON KOE 1TO						
•	erty Owner: 1549 Blue Church Inc.						
#	Equipment Description	Lessor	Location				
4	One (1) diamond wire saw machine, model mini HV	HSBC Bank Canada (specific PPSA)	Augusta, Ontario				
9	2000 Park Industries 60-24-300 Hydrasplitter, S/N 4-00-220	Bodkin Capital Corporation ("Bennington Financial")	Augusta, Ontario				
12	2015 Dazzini Chainsaw		Augusta, 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.

APPENDIX "B"

In the Matter of the Receivership of F Addresses of the Owners	In the Matter of the Receivership of Royal Canadian Bedrock Inc. Addresses of the Owners			
Owner	Address			
QMX8 Wiarton Inc.	104 Quarry Road Wiarton, ON NOH 2TO			
1549 Blue Church Road Inc.	1549 Blue Church Road Augusta, ON K0E 1T0			

Appendix "H"

From: Whittingham, Andrew
To: Bricks, Hartley
Subject: FW: Generator

Date: Tuesday, August 20, 2019 12:15:35 PM

Attachments: image002.png

FYI

I will contact Fuller re the security

Andrew Whittingham

Senior 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: Adam Moskowitz <amoskowitz@platinumassets.com>

Sent: Monday, August 19, 2019 1:17 PM

To: Whittingham, Andrew <andwhittingham@deloitte.ca>

Cc: Ellie Marshall <ellie@platinumassets.com>

Subject: [EXT] Generator

Hi Andrew,

Per our conversation the Multiquip generator included in the auction sale is missing. The generator was being stored at Mar as I believed it was a more secure location.

The generator was moved to Mar on July 23, 2019 and setup to power the Yukon II for auction inspection. On August 15, 2019 the machinery mover, working for Platinum, went to the site to load the forklift that was sold and noticed that the lock to the building had been cut. He advised Fairmount security that he took a lock from the other building to secure the premises. On August 16, 2019 when our mover returned to the site the second lock was cut and the generator was gone.

On both August 15th and 16th only the building lock was cut and not the gate lock. I spoke with Tom from Fairmount securities and he advised that his mandate to inspect the premises was terminated about six weeks ago.

Fairmount has been instructed by Fuller to resescure the premises. I've called one of the local quarry buyers to ask him to talk to his guys and see if they can find out anything. I've told him to tell them that its missing, I've asked for there help, if it is returned, no charges will be laid but if it not the police will be notified

Regards,

Adam

Adam Moskowitz - President

Platinum Asset Services Inc. 80 Midwest Road, Unit 1 Scarborough, Ontario M1P 4R2

Tel: (416) 366-2326 x 100 Fax: (416) 366-2325

E-mail: amoskowitz@platinumassets.com Web: amoskowitz@platinumassets.com

Appendix "I"

		First ranking security in			Auction		Gross
#	Equipment Description	favour of	Status	Comments	Lot #	Pr	oceeds
1	One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2250417	HSBC	Sold by Platinum Assets		22	\$	38,000
2	One (1) brand new 2017 chain saw, model no. QS4000D, serial no. 2260517	HSBC	Sold by Platinum Assets	Serial no. 2260417	12	\$	63,500
3	One (1) new Fravizel tracked drilling machine, Model no. MPLE4, serial no. 7597	HSBC	Sold by Platinum Assets		9	\$	60,500
1	One (1) diamond wire saw machine, model mini HV	HSBC	Sold by Platinum Assets	BFC Machine	21	\$	10,500
5	One (1) Jaguar Pro, serial no.	HSBC	Sold by Platinum Assets	Serial no. 211861	7	\$	44,500
6	One (1) Yukon II Deluxe Diamond saw, serial no. 211860		Duplicate, removed from listing	Duplicate, serial number confirmed by manufacturer as 211859. Only one Yukon II saw inspected by the Receiver. See Item #22.			
7	New 2016 stone splitter model P2000 S/N# SP463C	HSBC	Sold by Platinum Assets		5	\$	8,250
3	2010 Atlas Copco XATS375-CVEL compressor, S/N # HOP070456	Equirex Vehicle Leasing 2007 Inc. (Bennington)	Bennington to take possession and sell the equipment with a 50/50 split of proceeds with HSBC	Bennington could not locate the asset.			
9	2000 Park Industries 60-24-300 Hydrasplitter, S/N 4-00-220	Bodkin Capital Corporation (Bennington)	Bennington to take possession and sell the equipment with a 50/50 split of proceeds with HSBC	Bennington could not locate the asset.			
10	Year: 2015 Make: Chevrolet Trucks Model: Silverado 1500 4WD VIN: 3GCUKREC0FG142470	GM Financial Canada Leasing Ltd.	Subject to security holder with prior ranking security.	Released to GM Financial Canada Leasing Ltd.			
11	2013 Toromount CAT Excavator Model: 336ELH S/N#: RZA00861	TD Equipment Finance Canada	Subject to security holder with prior ranking security.	Equipment location is known by TD Equipment Finance.			
12	2014 Toromount CAT Loader Model: 950k S/N#: R4A02413	TD Equipment Finance Canada	Subject to security holder with prior ranking security.	Equipment location is known by TD Equipment Finance.			
13	2012 Toromount CAT Integrated Tool Carrier Model: ITI4G S/N#: KZN01093	HSBC	Sold by Platinum Assets		15	\$	53,000
14	2015 Dazzini Chainsaw	HSBC	Sold by Platinum Assets	Stone chainsaw, 4 metre maximum cut length, S/N: 2040415	13	\$	50,000
15	2015 MEC Splitter	HSBC	Sold by Platinum Assets	24 Ton, automatic stone splitter with conveyor S/N: 01/MDLKUB01020	3 & 4	\$	8,000
				42 Ton, automatic stone splitter with conveyor S/N: 03D10610			
16	2015 Miltiquip Generator	HSBC	Sold by Platinum Assets Whisperwatt, ultra silent 150, diesel generator, 7,500 hours (estimate) S/N: 9990017		20	\$	17,000
17	2005 Yukon Saw		Duplicate, removed from listing	Duplicate, item has same description and manufacturing year as Item #41. Platinum has confirmed with manufacturer.			
18	2010 Multiquip Generator	HSBC	Missing	Removed from the premises from building. Lock to the building was cut.			
19	2015 Jag Pro Saw		Duplicate, removed from listing	Duplicate, item has same description and manufacturing year as Item #5. Platinum has confirmed with manufacturer.			

#	Equipment Description	First ranking security in favour of	Status	Comments	Auction Lot #	Gross Proceeds
20	2015 Yukon Saw II		Duplicate, removed from listing	Duplicate, serial number confirmed by manufacturer as 211859. Only one Yukon II saw inspected by the Receiver. See Item #22.		
21	2016 Python Saw		Duplicate, removed from listing	2010 Park Industries Python IT S/N: 138368		
22	One (1) Park Industries stone cutter with slate table, 12 feet long Model: Yukon 2 S/N#: 211859	HSBC	Sold by Platinum Assets	See Item 34. Sold by Platinum Assets Fuller Landau released to Deloitte		\$ 32,975
23	One (1) MEC Conveyor Model: TRS 4000x800 S/N#: 08TRS4080614	HSBC	Sold by Platinum Assets	w/ Entry conveyor 2000x800 S/N: 02TRDE2080614 w/ Exit Conveyor 2000x600 S/N: 03TRUS2080614	19	\$ 56,000
24	One (1) 2014 MEC Stone Splitter Model: Impianto S/N#: 03D10723	HSBC	Sold by Platinum Assets	Fuller Landau released to Deloitte w/ Lama 600 S/N: P02601600614 w/ Hydraulic Tank		
25	One (1) 191 F.LLI Zambon Schio Italia Press Model: Pionnier S/N#: T46	HSBC	Sold by Platinum Assets	S/N: 02M160M20R1640614 Fuller Landau released to Deloitte	2	\$ 4,700
26	One (1) Toyota Fork Lift Model: 7FGU25 S/N#: 71289	HSBC	Sold by Platinum Assets	Fuller Landau released to Deloitte	1	\$ 2,500
27	2005 Volvo L220E VIN: EV3530	Kooy Brothers	Subject to the Parallel Proceeding			
28	2013 Kubota KX057-4GA VIN: 21846	Kooy Brothers	Subject to the Parallel Proceeding			
29	2014 Kubota SVL90 – 2HFC VIN: 13943	Kooy Brothers	Subject to the Parallel Proceeding			
30	2003 Wilson 11-6 HD30-11630- 03149	Kooy Brothers	Subject to the Parallel Proceeding			
31	1997 CAT 980G 2KR01235	Kooy Brothers	Subject to the Parallel Proceeding			
32	2013 Kubota !KX057-4GA 21846 Skid steer 2011 JCB 456HT	Kooy Brothers Kooy Brothers	Subject to the Parallel Proceeding Subject to the Parallel			
	JCB45600H01304170		Proceeding			
34	2010 Park Industries Python IT 138368	HSBC	Sold by Platinum Assets	See Item 21	6	\$ 85,500
35 36	2013 Daewoo Lolar 3000-V 1305 1998 Fiat Allis FR 220	Kooy Brothers Kooy Brothers	Sold through the Parallel Proceeding Sold through the Parallel			
37	2005 CAT 908	Kooy Brothers	Proceeding Sold through the Parallel			
38	2000 Ogden 8	Kooy Brothers	Proceeding Sold through the Parallel			
39	2008 Park Industries 36-16-150-109542	Kooy Brothers	Proceeding Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged		
40	2008 Park Industries PDC-30-120-109543	Kooy Brothers	Sold through the Parallel Proceeding	to RCBI. Insufficient documentation to prove that the asset belonged to RCBI.		
41	Park Industries Yukon Stone cutter with slate table, 12 feet long	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged		
42	S/N: 3-02-986 2002 Barsanti Testa Stone Cutter, with Conveyor FRESAFB4 S/N: 2205301	Kooy Brothers	Sold through the Parallel Proceeding	to RCBI. Insufficient documentation to prove that the asset belonged to RCBI.		
43	Husky VT631502AJ Air Compressor S/N: L6-17-2004-01694	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		

#	Equipment Description	First ranking security in favour of	Status	Comments	Auction Lot #	Gross Proceeds
44	1995 Rexon RDM-170F 16-1/2" Drill Press S/N: 37914	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		
45	EMACO Model 1 Hydraulic Power Unit S/N: 305042	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		
46	Fork Attachment for Loader	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		
47	584818E+13 Bucket Loader S/N: 9068134	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		
48	Clean Power 40 Power Washer	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		
49	Entry Conveyor 2000x800 S/N: 02TRDE2080614	HSBC	Sold by Platinum Assets	See Item 23		
50	Split Machine C550 Lama 600 S/N: P02601600614	HSBC	Sold by Platinum Assets	See Item 24		
51	Hydraulic Tank S/N: 02M160M20R1640614	HSBC	Sold by Platinum Assets	See Item 24		
52	Exit Conveyor 2000x600S/N: 03TRUS2080614	HSBC	Sold by Platinum Assets	See Item 23		
53	Blade Length 400 C400 - 90 ton		Duplicate, removed from listing	Duplicate, item has the same description as Item 54. Platinum has confirmed with MEC.		
54	Split Machine S/N: P014900614		Unidentified	Not identified by Platinum Assets during sale process.		
55	Canadian VLP 10550 Electronic Floor Scale	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		
56	Western M2000 Slim Line Indicator	Kooy Brothers	Sold through the Parallel Proceeding	Insufficient documentation to prove that the asset belonged to RCBI.		
57	2014 Kooy Bros Model: KB10SPS VIN: KB10S-7004-10	Kooy Brothers	Sold through the Parallel Proceeding			
58	CAT 330L Excavator Serial Number: 8FK0012 (year unknown)		Removed from the asset listing Suido provided documentation establishing that this equipment does not belong to RCBI.			
59	Volvo Wheel Loader with Bateman L330EV62219	Add Capital Corp.	Subject to security holder with prior ranking security.			
60	Bateman BN21376 Fork Rack, HD Rock Grapple, c/w Forks	Add Capital Corp.	Subject to security holder with prior ranking security.	Released to Add Capital Corp.		

Appendix "J"



Personalized Service... Financial Strength

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Phone: 416.366.2326 Fax: 416.366.2325

Email: info@platinumassets.com





Summary Report

ROYAL CANADIAN BEDROCK



Client:

Deloitte Restructuring

Report Date:

September 11, 2019



Auctioneers • Appraisers • Financiers

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

Attention: Mr. Jonathan Chu

Mr. Chu

Enclosed, please find your settlement report for the above noted file.

If you have any questions, please do not hesitate to get in touch with me. It was a pleasure working with you and I look forward to continuing to do so in the future.

Best regards,

PLATINUM ASSET SERVICES INC.

Adam Moskowitz President



Table of Contents

Summary Report	Tab 1
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Schedule A - Machinery Repairs, Testing and Moving Expenses	Tab 3
Appraisal Report Invoice	Tab 4



Tab 1





SALE SUMMARY

Client	Deloitte Restructuring	Aucti	on Date	Aug	ust 13, 2019
File	Royal Canadian Bedrock Inc.				
	_				
Sales				\$	534,925.00
Net-Minimum Guarantee		\$	313,000.00		
Proceeds in Excess of Net-Minimum	Guarantee	\$	221,925.00		
Due to Platinum				\$	(137,681.22)
Expense Reimbursement		\$	(68,000.00)		
Platinum Share of Excess Proceeds		\$	(15,392.50)		
Machinery Repairs and Testing Expe Schedule A	enses Per The Attached	\$	(42,408.00)		
Appraisal Report		\$	(11,881.72)		
Due to Client				\$	397,242.78



Tab 2





CO #:	544
Date:	8/12/2019
Page:	1

Consignor: B7538

Deloitte Restructuring

Auction: Royal Canadian Bedrock

Lot#	Description	Quantity	Unit Price	Ext.Price	Comm/BuyBack	Expenses
1	TOYOTA, 7FGU25, 3,800 LBS, 3 STAGE, LPG FORKLIFT, PNEUMATIC TIRES, SIDE SHIFT, 189" MAXIMUM LIFT, 6,955 HOURS, 2003, S/N 71289 (ENGINE REPAIR WORK REQUIRED) (LOCATED IN MAR, ONTARIO)	1.00	2, 500. 00	2, 500. 00	0. 00	0.00
2	ZAMBON, PIONIER, BRIDGE POLISHING MACHINE, S/N T46, 1991 (LOCATED IN MAR, ONTARIO), (RIGGING \$600)	1. 00	4, 700. 00	4, 700. 00	0. 00	0. 00
3	MEC, IMPIANTO - KUBO 200X100, 24 TON, AUTOMATIC STONE SPLITTER WITH CONVEYOR, S/N 01/MDLKUBO1020, 2015, \$32,000 CDN REPLACEMENT COST (LOCATED IN WIARTON, ONTARIO) (RIGGING \$650)	1. 00	3, 000. 00	3, 000. 00	0.00	0. 00
4	MEC, IMPIANTO - KUBO 400X200, 42 TON, AUTOMATIC STONE SPLITTER WITH CONVEYOR, S/N 01-03D10610, 2015. \$41,000 CDN REPLACEMENT COST (LOCATED IN WIARTON, ONTARIO) (RIGGING \$650)	1.00	5, 000. 00	5, 000. 00	0. 00	0. 00
5	AGA, P200, 200 TON, AUTOMATIC STONE SPLITTER, S/N SP463C, 2016. \$18,500 USD REPLACEMENT COST (LOCATED IN WIARTON, ONTARIO) (RIGGING \$900)	1. 00	8, 250. 00	8, 250. 00	0. 00	0. 00
6	PARK INDUSTRIES, PYTHON II, TRAVELLING BRIDGE SAW, 100" BLADE, 42" CUTTING DEPTH, 50 HP, S/N 138368, 2010. \$200,000 USD REPLACEMENT COST. (LOCATED IN MAR, ONTARIO) (RIGGING \$9,500)	1.00	85, 500. 00	85, 500. 00	0. 00	0. 00
7	PARK INDUSTRIES, JAGUAR PRO, BRIDGE SAW, 44" BLADE, 16" CUTTING DEPTH, 42 HP, S/N 211861, 2016 (LOCATED IN WIARTON, ONTARIO) (RIGGING \$5,500)	1. 00	44, 500. 00	44, 500. 00	0. 00	0. 00
8	PARK INDUSTRIES, YUKON II, STONE CUTTER, 12' TABLE, S/N 211859, 2015 (LOCATED IN MAR, ONTARIO) (RIGGING \$5,500)	1.00	32, 975. 00	32, 975. 00	0. 00	0.00



CO #:	544
Date:	8/12/2019
Page:	2

Lot#	Description	Quantity	Unit Price	Ext.Price	Comm/BuyBack	Expenses
9	FRAVIZEL, MPLF4, FOUR HAMMER, TRACKED DRILLING MACHINE, 4M CAPACITY, 480V, LIKE NEW! ONLY 15 HOURS, S/N 7597, 2017, \$130,000 CDN REPLACEMENT COST (LOCATED IN WIARTON, ONTARIO) (RIGGING \$600)	1.00	60, 500. 00	60, 500. 00	0.00	0.00
12	DAZZINI, QS4000D, STONE CHAINSAW, 4 METRE MAXIMUM CUTTING LENGTH, 857 HOURS, S/N 2260417, 2017. \$138,000 USD REPLACEMENT VALUE (LOCATED IN WIARTON, ONTARIO) (RIGGING \$800)	1.00	63, 500. 00	63, 500. 00	0.00	0.00
13	DAZZINI, QS4000D, STONE CHAINSAW, 4 METRE MAXIMUM CUTTING LENGTH, S/N 2040415, 2015, \$138,000 USD REPLACEMENT VALUE(LOCATED IN WIARTON, ONTARIO) (RIGGING \$800)	1.00	50, 000. 00	50, 000. 00	0.00	0.00
15	CATERPILLAR, IT14G, INTEGRATED TOOL CARRIER, 6,081 HOURS, BUCKET AND FORK ATTACHMENTS, , S/N KZN01093 , 2012 (LOCATED IN WIARTON, ONTARIO) (RIGGING TBA)	1. 00	53, 000. 00	53, 000. 00	0.00	0.00
19	MEC, C550, IMPIANTO - TRITTICO, 160 TON, STONE SP MEC, C550, IMPIANTO - TRITTICO, 160 TON, STONE SPLITTER, 2014 AND MEC, TRS 4000MM X 800 MM, STEEL SLAT CONVEYOR, 2014, S/N O3D10723	1.00	56, 000. 00	56, 000. 00	0.00	0.00
20	MULTIQUIP, WHISPERWATT, ULTRA SILENT 150, DCA-150U MULTIQUIP, WHISPERWATT, ULTRA SILENT 150, DCA-150USJ3CAN, DIESEL GENERATOR, 2015, S/N 9990017 (LOCATED IN WIARTON,ONTARIO)	1.00	17, 000. 00	17, 000. 00	0.00	0. 00
21	BFC MACHINE, MINI 50 HV, DIAMOND WIRE SAW MACHINE BFC MACHINE, MINI 50 HV, DIAMOND WIRE SAW MACHINE, 2016 (LOCATED IN AUGUSTA, ONTARIO)	1.00	10, 500. 00	10, 500. 00	0.00	0.00
22	DAZZINI, QS4000D, STONE CHAINSAW, 2017, S/N 225041 DAZZINI, QS4000D, STONE CHAINSAW, 2017, S/N 2250417 (LOCATED IN WIARTON, ONTARIO)	1. 00	38, 000. 00	38, 000. 00	0.00	0.00



CO #:	544
Date:	8/12/2019
Page:	3

Lot#	Description	Quantity	Unit Price	Ext.Price Comm/BuyBack	Expenses
			Total In	Total Quantity: voice Sale Price:	16. 00 534, 925. 00
			Total D	Oue to Consignor: Total Payments:	534, 925. 00 0. 00
				Balance:	\$534, 925. 00

Positive Balance, Monies Owed to Consignor No inventory remains for this consignment order



Tab 3





SCHEDULE A

(MACHINERY TESTING, REPAIRS AND MOVING EXPENSES)

Machinery Testing \$ 10,910.00

On-site Time For Technicians To Power Up, Test Machines And Quote On Repairs Required

Minor Repairs Completed By Technicians

Rental Of Generators And Air Compressors To Test, Power And Preview Machines

Machinery Repairs \$ 23,848.00

Parts And Labour To Repair The Park Industries, Python, Saw

Parts And Labour To Repair The Mec, C550, Stone Splitter and Assemble (2) Mec, Kubo, Stone Splitters

Parts and Labour To Repair Multiquip Generator

Machinery Moving \$ 7,650.00

Loading, Transport And Unloading Of Dazzini Chainsaw From Augusta, Ontario To Wiarton, Ontario

Transport Of Hydraulic Tank from Mar, Ontario to Wiarton, Ontario

TOTAL \$ 42,408.00



Tab 4





Invoice

Terms

Invoice To	
Deloitte Restructuring Ltd. 8 Adelaide St. West Toronto, ON, M5H 0A9	

Date	Invoice #
4/1/2019	1435

P.O. No.

		RCB	Due on receipt
Qty	Description	Rate	Amount
1	Forced Liquidation Value Appraisal of Royal Canadian Bedrock Inc. (Wiarton, Ontario)	10,000.00	10,000.00T
936	Mileage - 2 Trips from Platinum's office to Wiarton, Ontario	0.55	514.80T
	HST (ON) on sales	13.00%	1,366.92
	1	Total	\$11,881.72

GST/HST No. 845018381

Total \$11,881.72

Payments/Credits \$0.00

Balance Due \$11,881.72

"Personalized Service...
Financial Strength"



Phone: **416.366.2326** • Fax: 416.366.2325

Appendix "K"

See Below

Balance Due

\$0.00



Invoice



Date	Invoice #	
6/11/2019	2977	
Invoice To		
Canadian Bedrock Transport Inc. 16 Amos Maynard Circle		

Woodbridge, ON L4L 3B8 P.O. No. Terms RCB

Description		Qty	Rate	Amount
(1) DAZZINI, QS4000D, STONE CHAINSAW, 2017, S/N 2250417 (LOCA ONTARIO). SALE'S PRICE IS INCLUDSIVE OF BUYER'S PREMIUM	TED IN WIARTON,	1	45,000.00	45,000.00T
TERMS:				
-ASSET IS SOLD 'AS IS, WHERE IS', AS INSPECTED WITH NO WARRAN IMPLIED	ITIES EXPPRESSED NOR			
-A NON-REFUNDABLE DEPOSIT OF \$10,000 IS DUE, IN CERTIFIED FUN 2019	NDS, BY 5PM ON JUNE 11,			
-BALANCE OF PAYMENT IS DUE, IN FULL, IN CERTIFIED FUNDS, BY 5F	PM ON JUNE 21, 2019			
HST (ON) on sales			13.00%	5,850.00
GST/HST No. 866408305		Total		\$50,850.00
		Payment	s/Credits	\$-50,850.00



Invoice



Date	Invoice #
6/11/2019	2978

Invoice To

Canadian Bedrock Transport Inc. 16 Amos Maynard Circle Woodbridge, ON L4L 3B8

P.O. No.	Terms
RCB	See Below

Balance Due

\$0.00

Description		Qty	Rate	Amount
(1) BFC MACHINE, MINI 50 HV, DIAMOND WIRE SAW MACHINE, 2016 ONTARIO). SALE'S PRICE IS INCLUDSIVE OF BUYER'S PREMIUM	(LOCATED IN AUGUSTA,	1	12,500.00	12,500.00T
TERMS:				
-ASSET IS SOLD 'AS IS, WHERE IS', AS INSPECTED WITH NO WARRAN IMPLIED	NTIES EXPPRESSED NOR			
-FULLPAYMENT IS DUE, IN FULL, IN CERTIFIED FUNDS, BY 5PM ON JU	JNE 11, 2019			
-BALANCE OF PAYMENT IS DUE, IN FULL, IN CERTIFIED FUNDS, PRIO	R TO REMOVAL.			
HST (ON) on sales			13.00%	1,625.00
GST/HST No. 866408305		Total		\$14,125.00
		Payment	s/Credits	\$-14,125.00



Invoice



		Qu.	ı			
Date	Invoice #					
6/11/2019	2979					
Invoice To						
Canadian Bedroo 16 Amos Maynar Woodbridge, ON	d Circle					
			P.O. No.		Terms	
			RCB		See Below	
		Description		Qty	Rate	Amount
2015, S/N 99900 BUYER'S PREMIU TERMS: -ASSET IS SOLD IMPLIED -A NON-REFUND 2019	17 (LOCATED IN WI IM 'AS IS, WHERE IS', A ABLE DEPOSIT OF \$	TRA SILENT 150, DCA-150USJ3CA ARTON,ONTARIO). SALE'S PRICI AS INSPECTED WITH NO WARRA 5,000 IS DUE, IN CERTIFIED FUN ULL, IN CERTIFIED FUNDS, BY 5	E IS INCLUDSIVE OF NTIES EXPPRESSED NOR NDS, BY 5PM ON JUNE 11,	1	20,000.00	20,000.00T
HST (ON) on sale	es				13.00%	2,600.00
GST/HST N	No. 86640	08305		Total		\$22,600.00

Payments/Credits \$-22,600.00

Balance Due

\$0.00

Appendix "L"

Accounts Receivable
As at December 6th, 2018

DRAFT

Customer	< 30 days	31-60 days	61-90 days	91+ days	Total
	ė	¢ -	ė	ė	ė

Appendix "M"





Deloitte Restructuring Inc. Bay Adelaide East

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

Tel: 416-601-6421 www.deloitte.ca

July 31, 2019

Anthony Guido
16 Amos Maynard Circle
Woodbridge, ON L4L 3B8
Attention: Anthony Guido

By Email: anthony@royalcanadianbedrock.com

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

As you are aware, 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 "RCBI" or "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 (the "Kooy Equipment").

The Receiver requires your assistance on the following matters:

1. Accounts Receivable ("A/R") as at June 30, 2018

Requirement: provide copies of all relevant invoices and account for the \$1.87 million in accounts receivable ("A/R") reported on the certificate of compliance and security margin report as at June 30, 2018 (the "Margin Report").

According to the Margin Report, which was signed by you on August 6, 2019 certifying it to be true and accurate, the Company's assets included \$1.87 million in A/R as at June 30, 2018. A copy of the Margin Report along with the June 30, 2018 A/R subledger is attached hereto as **Exhibit "A"**.

The Receiver understands that immediately following Canada Revenue Agency's ("CRA") issuance of its Requirement to Pay notice in March 2018, RCBI's accounts at HSBC were frozen, at which point, as you have previously advised, Royal Bedrock Inc. ("RBI") began to transact on behalf of RCBI in order to continue RCBI's operations, resulting in receipts of RCBI being deposited in RBI's bank account at CIBC.

The Receiver has reviewed bank statements for HSBC accounts held in RCBI's name, and the bank statement for RBI's CIBC Account #18-14516 for the periods after June 30, 2018. The Receiver was only able to identify \$146,100 in collections of RBCI A/R.

The Receiver requests your assistance by providing a full explanation and reconciliation of the \$1.87 million A/R reported on the Margin Report and collections received by either RCBI or RBI to the purported nil A/R balance as at December 6, 2018. A reconciliation of the Margin Report to RCBI and RBI's bank statements is attached as **Exhibit "B"**.

2. Payroll Journals

Requirement: provide payroll journal for employee remittances for the fiscal years ended April 30, 2017 and April 30, 2018.

The Receiver is facilitating the ongoing CRA trust account audit of RCBI's books and records. Attached hereto as **Exhibit "C"** is an example from a prior period of the documents that we require

The Receiver requests that you provide all of the information requested in this letter by no later than end of day on Wednesday, August 14, 2019. Should you have any questions in this regard, please contact the undersigned at andwhittingham@deloitte.ca.

Yours very truly,

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

Per:

Andrew Whittingham Vice-President

Deloitte Restructuring Inc.

Copy to:

Mario Forte - Goldman, Sloan, Nash, Haber LLP D.J. Miller - Thornton Grout Finnegan LLP Hartley Bricks - Deloitte Restructuring Inc. Larry Ellis - Cassels Brock & Blackwell LLP

Exhibit "A"

CERTIFICATE OF COMPLIANCE & SECURITY MARGIN REPORT

HSBC BANK CANADA

FROM:		ROYAL CANADIAN BEDROO	CK INC		
MONTH E	NDING:	June 30, 2018			
1.ACCOUNT	SRECEIVABL	₫.			
Total	Trade Uninsured	A/R (from aged listing)	\$ 1	1,828,700	
Less:		d over 90 days from invoice date			
	* Stale receival	ole deductions**	(268,000)
	* Intercompany	accounts	(0)
		ct to offset Accounts	(0)
	* Doubtful Acc	ounts	(0)
	Net Eligible Re	ceivables	\$_	1,560,700	
Secur	rity Margin Value	of Acceptable Receivables @ 90% & 75	% \$		
Total	Trade Insured A	count Receivables (from Aged Listing)	\$		
		ed over 90 days from invoice date	()
2,000	* Intercompany		ì		Ś
		ct to offset Accounts	7	N/A	Ś
	* Doubtful Acc		(7,17	j
Net E	ligible Receivabl	es	\$	902,800	
Secur	rity Margin Value	of Acceptable Receivables @ 90% & 75	% \$	902,800	
2.PRIORITY	PAYABLES (M	Iinimal inclusions listed below)			
	/HST		(N		AL REPORTING)
PST			(N/A)
EI/C	CPP		(\$3,542)
WSI	В		(\$3,423)
Tota	l Priority Payab	les	<u>\$(</u>	\$6,965)	
3.LIENABLE	PAYABLES		\$(NIL	
4. TOTAL SE	CURITY MAR	GIN VALUE (1 - 2 - 3)	\$	895,835	
5.MARGIN A	VAILABILITY				
Less	: Overdraft at	month-end	(0)

\$ 895,835

Security Margin Surplus (Deficit)

TO:

CERTIFICATE OF COMPLIANCE

- A. The undersigned hereby represents, warrants and certifies that the Accounts Receivable included in this Security Margin Report are valid in all aspects and represent monies due to the undersigned for services performed; that there are no undisclosed offsets, contras and/or counter claims of any nature whatsoever against them and that none of the said accounts have been sold or assigned to any other party and that the undersigned is the owner of and has the sole right, (subject to the rights of the Bank), to receive the said Accounts Receivable and has the sole right to sell, transfer and assign the same.
- B. Further, the undersigned certifies and confirms the following:

the undersigned is the legal owner of the inventory set forth in this security margin report; that there are no
security interests held by any other creditor in the inventory, the inventory is on hand and in good condition
and the same is fully insured NOT APPLICABLE

ii)	The wages, salaries	or other remuneration owing by	the undersig	ned to persons employed do not now exceed
	NIL	of which less than	NIL_	are in arrears.

iii)	Priority payables noted below are current except where noted as delinquent.

	Provincial a	nd other	Federal	
	Total	Delinquent	Total	Delinquent
Worker's Compensation	\$3,423	\$0	N/A	N/A
PST	S	\$0	N/A	N/A
GST/HST	N/A	N/A	\$	\$0
CPP / EI	\$	\$0	\$3,542	\$0
EI	N/A	N/A	\$	\$0
Totals	\$3,423	\$0	\$3,542	\$0

C. COVENANT COMPLIANCE

The undersigned certifies that they have not contravened any of the terms and conditions of the Bank's credit facility pursuant to the Facility Letter and that they are in compliance with the following financial covenants and the other conditions stipulated therein.

- 1. Total liabilities to tangible net worth ratio not to exceed 2.50:1.
- 2. Current ratio to be maintained at a minimum of 1.25:1.
- 3. Tangible Net Worth to be maintained at a minimum of CAD 1.25:1

Tangible Net Worth:	\$8,201,000
Net Profit Before Tax, YTD	
Reported Equity	
Additions:	
Formally postponed loans	
Subordinated debt	
50% of Bonus Payable	
Other	
Total Additions	\$0
Deductions:	
Tax @ 40% (if not deduced on int f/s)	\$72,800
Related Receivables	
Advances to shareholder	
Intangibles	
Goodwill	
Total Deductions	\$72,800
TNW	\$8,128,200

Debt to TNW:	
Reported Current Liabilities	\$490,000
Additions:	
Tax @ 40% (if not deducted on int f/s)	\$72,800
Cash (if a negative CA)	
Total Additions	\$72,800
Deductions:	
50% Bonus payable	\$0
Formally postponed loans	
Total Deductions	\$0
Total Current Liabilities	\$562,800
Reported LT liabilities	\$1,572,000
Formally postponed loans	
Other	
Total Debt	\$2,134,800
D/TNW	0.26

RESTRICTED

Current Ratio:	
Reported Current Assets	\$4,496,000
Additions:	
Cash (if a negative asset and added above)	\$0
Other	
Total Additions	\$0
Deductions:	
Related receivables	
Advances to shareholder	
Total Deductions	\$0
Total Current Assets	\$4,496,000
Total Current Liabilities	\$562,800
Current Ratio	7.9

We confirm all ancillary lists and other information provided is accurate.

DATED AT VAUGHAN, this 6th day of August, 2018.

Borrower Name:	ROYAL	CANADIAN	BEDROCK INC.
Per:	W 1	hA	

Per:					
I CI.					

If any portion of a receivable is > 90 days old (defined as 90 days from invoice date), the entire receivable is deducted for margin calculation purposes.

For the < 90 day portion of the receivable to be included in the margin calculation, it must fulfill all of the following 2 criteria, which then allows its inclusion without additional authorization:

- 1. The > 90 day portion is less than 10% of the specific receivable; and.
- 2. The > 90 day portion is less than CAD 100,000.

^{*} Identify on Aged Listing

^{**} Stale receivable deductions:

Balance Sheet

As at June 30th, 2018 And Ten Months I	rojectionn (\$ 000s)													
	Tojectionii (o doos)													
		Fiscal YE	ACTUAL	ACTUAL										
		Apr 30	May 31	Jun 30	Jul-31	Aug-31	5ep-30	Oct-31	Nov-30	Dec-31	Jan-31	Feb-28	Mar-31	Apr-30
Assets		2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019
Current Assets														
Cash and Cash Equivalents		- 800 -	786	784 -	790 -	740 -	690 -	640 -	590 -	540 -	490 -	440 -	390 -	340
Accounts Receivable		2,180	2,074	1,828	1,883	1,939	1,998	2,057	2,119	2,183	2,248	2,316	2,385	2,457
Inventory		2,735	3,057	3,452	3,663	3,916	4,133	4,354	4,577	4,690	4,750	4,809	4,865	4,965
	Total Current Assets	4,115	4,345	4,496	4,756	5,115	5,441	5,771	6,106	6,333	6,508	6,685	6,860	7,082
Fixed Assets														
Plant and Equipment		6,850	6,850	6,850	6,850	6,850	6,850	6,850	6,850	6,850	6,850	6,850	6,850	6,850
(Less Accumulated Depreciat	on)	- 1,035 -	1,059	1,083 -	1,107 -	1,131 -	1,155 -	1,179 -	1,203 -	1,231 -	1,259 -	1,287 -	1,315 -	1,343
A STATE OF THE STA	Total Fixed Assets	5,815	5,791	5,767	5,743	5,719	5,695	5,671	5,647	5,619	5,591	5,563	5,535	5,507
Total Assets		9,930	10,136	10,263	10,499	10,834	11,136	11,442	11,753	11,952	12,099	12,248	12,395	12,589
Liabilities and Owner's Equity														
Current Lia bilities		. 07	120	100	102	106	109	113	116	119	123	127	130	134
Current Liabilities Accounts Payable	Dobt	92	120	100	103	106 415	109	113	116 390	119	123 441	127 441	130 441	
Current Lia bilities	Debt Total Current Liabilities	92 441 533	120 425 545	100 390 490	103 370 473	106 415 521	109 390 499	113 370 483	116 390 506	119 441 560	123 441 564	127 441 568	130 441 571	441
Current Liabilities Accounts Payable Current Portion of Long Tern		441	425	390	370	415	390	370	390	441	441	441	441	441
Current Liabilities Accounts Payable Current Portion of Long Tern Long Term Liabilities		533	425	390	370	415	390	370	390	441	441	441	441	575 1,200
Current Liabilities Accounts Payable Current Portion of Long Tern Long Term Liabilities Long Term Debt		441	425 545	390 490	370 473	415 521	390 499	370 483	390 506	441 560	441 564	441 568	441 571	575 1,200
Current Liabilities Accounts Payable Current Portion of Long Tern Long Term Liabilities		533 1,200	425 545 1,200	390 490	370 473	415 521 1,200	390 499 1,200	370 483 1,200	390 506	560 1,200	441 564 1,200	441 568 1,200	571 1,200	1,200 372
Current Liabilities Accounts Payable Current Portion of Long Term Long Term Liabilities Long Term Debt Future Income Taxes Advances From Shareholder		441 533 1,200 372	425 545 1,200 372	390 490 1,200 372	370 473 1,200 372	415 521 1,200 372	1,200 372	370 483 1,200 372	390 506 1,200 372	1,200 372	1,200 372	441 568 1,200 372	1,200 372	1,200 372 5,351
Current Liabilities Accounts Payable Current Portion of Long Term Long Term Liabilities Long Term Debt Future Income Taxes Advances From Shareholder	Total Current Liabilities	441 533 1,200 372 5,351	425 545 1,200 372 5,351	390 490 1,200 372 5,351	1,200 372 5,351	415 521 1,200 372 5,351	1,200 372 5,351	1,200 372 5,351	390 506 1,200 372 5,351	441 560 1,200 372 5,351	1,200 372 5,351	441 568 1,200 372 5,351	1,200 372 5,351	1,200 372 5,351
Current Liabilities Accounts Payable Current Portion of Long Tern Long Term Liabilities Long Term Debt Future Income Taxes Advances From Shareholder	Total Current Liabilities	441 533 1,200 372 5,351	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351	1,200 372 5,351 6,923	390 499 1,200 372 5,351 6,923	1,200 372 5,351 6,923	390 506 1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923
Current Liabilities Accounts Payable Current Portion of Long Tern Long Term Liabilities Long Term Debt Future Income Taxes Advances From Shareholder Owner's Equity	Total Current Liabilities	1,200 372 5,351 6,923	425 545 1,200 372 5,351	390 490 1,200 372 5,351	1,200 372 5,351	415 521 1,200 372 5,351	1,200 372 5,351	1,200 372 5,351	390 506 1,200 372 5,351	1,200 372 5,351 6,923	441 564 1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	5,351 6,923 5,091
Current Liabilities Accounts Payable Current Portion of Long Tern Long Term Liabilities Long Term Debt Future Income Taxes Advances From Shareholder Owner's Equity Share capital	Total Current Liabilities	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	390 499 1,200 372 5,351 6,923	1,200 372 5,351 6,923	390 506 1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923	1,200 372 5,351 6,923

Income Statement

For The Month Ended June 30th, 2018 and Ten Months Projections (\$ 000s)

	ACT	UAL A	ACTUAL											
		May 31	Jun 30	Jul-31	Aug-31	Sep-30	Oct-31	Nov-30	Dec-31	Jan-31	Feb-28	Mar-31	Apr-30	Fiscal Year
Revenue		2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	30-Apr-19
Revenue		566	548	650	700	750	750	700	500	500	500	500	566	7,230
Cost of Sales	12:-	170 -	164 -	195 -	210 -	225 -	225 -	210 -	150 -	150 -	150 -	150 -	170	- 2,169
Gross Margin		396	384	455	490	525	525	490	350	350	350	350	396	5,061
Expenses														
Operating Expenses		75	75	75	75	75	75	75	75	75	75	75	75	900
Salaries		77	77	77	77	77	77	77	75 77	77	77	77	77	924 72
Insurance		6	6	6	6	6	6	6	6	6	6	6	6	72
Marketing		2	2	2	2	2	2	2	2	2	2	2	2	24
Interest		18	18	18	18	18	18	18	18	18	18	18	18	216
Depreciation		24	24	24	24	24	24	24	28	28	28	28	28	308
Total Expenses		202	202	202	202	202	202	202	206	206	206	206	206	2,444
Net Income Before Taxes		194	182	253	288	323	323	288	144	144	144	144	190	2,617
Income Tax Expense	_	tale =		14/	*			-			14			
Net Income		194	182	253	288	323	323	288	144	144	144	144	190	2,617

Accounts Receivable

As at June 30th, 2018 (CDN \$ 000s)

										Marg	gin @	Ma	rgin @	
Customer	< 3	30 days	31	-60 days	61	-90 days	9:	1+ days	Total		90%		75%	Total
Colonial Brick & Stone	\$		\$		\$	11.70	\$	*	\$ 11.7	\$	(H)	\$	8.78	\$ 8.78
UCC Group	\$	7	\$	-	\$	25.50	\$	-	\$ 25.5	\$	-	\$	19.13	\$ 19.13
Rigney Building Supply	\$	÷	\$		\$	9.70	\$	-	\$ 9.7	\$		\$	7.28	\$ 7.28
Stoneval	\$	-	\$	100	\$	36.00	\$	-	\$ 36.0	\$	=	\$	27.00	\$ 27.00
Nikolaus Bagnara	\$	- 3	\$	-	\$	18.00	\$	-	\$ 18.0	\$	-	\$	13.50	\$ 13.50
Fernando DiBatista	\$	~	\$	4	\$	15.00	\$	-	\$ 15.0	\$	+	\$	11.25	\$ 11.25
Montanger Residence	\$	-	\$		\$	65.00	\$	4	\$ 65.0	\$	91	\$	48.75	\$ 48.75
Arnts The Landscape Supplier	\$	ě.	\$		\$	6.00	\$	-	\$ 6.0	\$	-	\$	4.50	\$ 4.50
PLL Stone	\$	127.0	\$	115.0	\$	90.00	\$	-	\$ 332.0	\$	4	\$	100	\$ -
Izart	\$		\$	70.0	\$	-	\$	-	\$ 70.0	\$	-	\$	52.50	\$ 52.50
Jim Kim Architect	\$	50.0	\$		\$	*	\$		\$ 50.0	\$	-	\$	37.50	\$ 37.50
Joe Barannca	\$	31.0	\$		\$	9	\$	-	\$ 31.0	\$		\$	23.25	\$ 23.25
Robert Carnal	\$	2.0	\$	7	\$	-8	\$		\$ 2.0	\$	-	\$	1.50	\$ 1.50
CJ Graphics	\$	10.0	\$	- 3	\$	-	\$	~	\$ 10.0	\$		\$	7.50	\$ 7.50
Jasjeet Singh	\$	-	\$	(+)	\$	8.00	\$	-	\$ 8.0	\$	-	\$	6.00	\$ 6.00
Ryan Collina	\$	8	\$	14.0	\$	-	\$	~	\$ 14.0	\$	-	\$	10.50	\$ 10.5
Muskoka Stone Masonry	\$	- 8	\$		\$	27.00	\$		\$ 27.0	\$	+	\$	20.25	\$ 20.2
TFS	\$	62.5	\$	50.00	\$		\$		\$ 112.5	\$	-	\$	84.38	\$ 84.38
Matt's Landscaping	\$	25.0	\$		\$	- 2	\$		\$ 25.0	\$	-	\$	18.75	\$ 18.7
Table Rock Stone Company	\$	22.0	\$	30.0	\$	20.00	\$	-	\$ 72.0	\$	-	\$	54.00	\$ 54.00
Marmi Zola	\$	-	\$	9	\$	15.00	\$	-	\$ 15.0	\$	-	\$	11.25	\$ 11.2
Lab Flooring	\$	-	\$	71.1	\$	14.40	\$	- 25	\$ 85.5	\$	-	\$	64.13	\$ 64.1
Mansouri Group	\$	75.0	\$	50.00	\$		\$	4.	\$ 125.0	\$	-	\$	93.75	\$ 93.7
Bondfield	\$	-	\$		\$	-	\$	33.00	\$ 33.0	\$. 4	\$		\$
AST Stone	\$	18.0	\$	72	\$	12	\$	2.1	\$ 18.0	\$	-	\$	13.50	\$ 13.5
Canam Stone	\$	20.0	\$	(4)	\$	-	\$	-	\$ 20.0	\$.2	\$	15.00	\$ 15.0
Gott	\$	10.0	\$	-	\$	9	\$	-	\$ 10.0	\$	-	\$	7.50	\$ 7.5
Moruzzi	\$	72.0	\$	87.7	\$	72.00	\$	4	\$ 231.7	\$	4	\$	173.78	\$ 173.7
D. Panagoulia	\$. 4	\$	-	\$	27.30	\$	-	\$ 27.3	\$	2	\$	20.48	\$ 20.4
Ontario Stone Veneer	\$	- 4	\$	€	\$	29.80	\$		\$ 29.8	\$	-	\$	22.35	\$ 22.3
Bart	\$	u.	\$	8.0	\$	12	\$	-	\$ 8.0	\$	-	\$	6.00	\$ 6.00
Encompass	\$	24.0	\$	45.00	\$	8.	\$	3.5	\$ 25.0	\$	- 4	\$	18.75	\$ 18.7
Modern Exteriors	\$	-	\$	2	\$	2	\$	65.00	\$ 65.0	\$	-	\$	+6	\$ 3.
4 All Seasons	\$	~	\$	25.00	\$:-)	\$	86.00	\$ 111.0	\$	-	\$	130	\$ - E
Peluso Marmi	\$	•	\$	0	\$		\$	84.00	\$ 84.0	\$	-	\$	1-1	\$ -
	\$	548.5	\$	565.8	\$	490.4	\$	268.0	\$ 1,828.7	\$		\$	902.8	\$ 902.8

*US\$ to Canadian\$ conversion at 1.275 X

SALES / COLLECTIONS RECEIVABLES RECONCILIATION:

 OPENING
 AR
 2,073.8

 Add: Sales
 548.5

 Less: Collections
 793.6

 CLOSING
 AR
 1,828.7

ANTHOM CLUBS

Accounts Payable
As at June 30th, 2018 (\$ 000s)

Supplier

ADD	\$	2.6	
Village Collonade	\$	3.3	
MacDonnell Fuel		2.3	
Equirex	\$ \$	0.8	
Bodkin	\$	2.6	
109539 Ontario	\$	3.5	
SPL	\$	2.0	
Sheldon Rakowsky	\$	1.0	
665210 Ontario et al	\$	5.2	
Tara	\$ \$ \$ \$ \$ \$	9.0	
J Barbara	\$	3.5	
TD Lease	\$	10.4	
Morris Gittel	\$	7.6	
Hydro One	\$	17.5	
Aviva Insurance	\$	0.8	
B. Nicoletti	\$	4.5	
SGM Global	\$	0.9	
Hammond Flesias	\$	6.0	
TD Vehicle	\$ \$ \$	1.8	
Credit Card for Incidentals	\$	7.5	
SNAP Insurance	\$	4.1	
Jason Sturnic	\$	3.2	

100.1

ANTHONY COUNTY.
ANG 6 | 18

Exhibit "B"

A/R subledger as at June 30, 201	9 (000'c)						r age ree
Customer	< 30 days	31 - 60 days	61 - 90 days	91 + days	Total	Reconciled to Bank Statements	Outstanding
4 All Seasons		25.0		86.0	111.0	16.0	95.0
Arnts The Landscape Supplier			6.0		6.0		6.0
AST Stone	18.0				18.0		18.0
Bart		8.0			8.0		8.0
Bondfield				33.0	33.0	15.0	18.0
Canam Stone	20.0				20.0	9.1	10.9
CJ Graphics	10.0				10.0		10.0
Colonial Brick & Stone			11.7		11.7		11.7
D. Panagoulia			27.3		27.3		27.3
Encompass ¹	24.0	45.0			69.0		69.0
Fernando DiBatista			15.0		15.0		15.0
Gott	10.0				10.0		10.0
Izart		70.0			70.0	35.0	35.0
Jasjeet Singh			8.0		8.0		8.0
Jim Kim Architect	50.0				50.0		50.0
Joe Barannca	31.0				31.0		31.0
Lab Flooring		71.1	14.4		85.5	71.1	14.4
Mansouri Group	75.0	50.0			125.0		125.0
Marmi Zola			15.0		15.0		15.0
Matt's Landscaping	25.0				25.0		25.0
Modern Exteriors				65.0	65.0		65.0
Montanger Residence			65.0		65.0		65.0
Moruzzi	72.0	87.7	72.0		231.7		231.7
Muskoka Stone Masonry			27.0		27.0		27.0
Nikolaus Bagnara			18.0		18.0		18.0
Ontario Stone Veneer			29.8		29.8		29.8
Peluso Marmi				84.0	84.0		84.0
PLL Stone	127.0	115.0	90.0		332.0		332.0
Rigney Building Supply			9.7		9.7		9.7
Robert Carnal	2.0				2.0		2.0
Ryan Collina		14.0			14.0		14.0
Stoneval			36.0		36.0		36.0
Table Rock Stone Company	22.0	30.0	20.0		72.0		72.0
TFS	62.5	50.0			112.5		112.5
UCC Group			25.5		25.5		25.5
Total ¹	548.5	565.8	490.4	268.0	1,872.7	146.1	1,726.6

Notes

The Receiver adjusted the total A/R outstanding from Encompass from \$25,000 as reported by the Company to \$69,000. The Margin Report as at June 30, 2018 showed an incorrect total of \$25,000.

Exhibit "C"

Page 167 Page: 1

*** PAYROLL JOURNAL ***

Period: 01-Aug-15 - 15-Aug-15

Employee: First - Last

Department: ALL

Employee	Trans. No.	Рау Туре	Benefits	Deductions	Source Deduct	ions
000001 Kuric, Suad	2000002437	Salary Commission		,	EI CPP/QPP	30.83 73.96
Pay Week 15	08/15/15	Vacation Regular Time Overtime Premium Time	1,640.00		Fed. Tax	227.85
Hrs. Work	82.00 1,640.00	Sick Advances			Ch. # 00000020	081
Pensionable Gross Pay Net Pay	1,640.00 1,640.00 1,307.36	Other				
000004	2000002431	Salary			El	30.63
Rouse, Alex B		Commission Vacation			CPP/QPP Fed. Tax	73.42 225.79
Pay Week 15	08/15/15	Regular Time Overtime Premium Time	1,629.00			
Hrs. Work	90.50	Sick			Ch. # 0000002	75
Insurable Pensionable	1,629.00 1,629.00	Advances Other				
Gross Pay Net Pay	1,629.00 1,299.16					
	2000002432	Salary			EI	24.39
Thomas, David J.		Commission Vacation			CPP/QPP Fed. Tax	57.01 157.62
Pay Week 15	08/15/15	Regular Time Overtime Premium Time	1,297.50			
Hrs. Work Insurable Pensionable	86.50 1,297.50 1,297.50	Sick Advances Other			Ch. # 00000020	076
Gross Pay Net Pay	1,297.50 1,058.48					

Appendix "N"

From: Anthony Guido <anthony@royalcanadianbedrock.com>

Sent: Friday, August 9, 2019 3:02 PM

To: Whittingham, Andrew <andwhittingham@deloitte.ca>

Cc: Larry Ellis < lellis@casselsbrock.com>; Bricks, Hartley < hbricks@deloitte.ca>; Mario Forte (forte@gsnh.com)

<forte@gsnh.com>; D. J. Miller <DJMiller@tgf.ca>; Taschina Ashmeade <tashmeade@casselsbrock.com>

Subject: [EXT] Re: Request for Information - Royal Canadian Bedrock Inc.

Good Afternoon Andrew,

Pursuant to your letter dated July 31st, 2019, please find attached 2017 and 2018 T4 slips. I had forwarded this information to you originally in the bankers boxes of Books and Records. I don't have the payroll journal that you are requesting.

With respect to the questions relating to the A/R, you are referencing August 6, 2019 and also December 6, 2018, which no such records exist for these dates.

Please advise accordingly at your earliest opportunity.

Kind 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

royalcanadianbedrock.com

On Wed, Jul 31, 2019 at 2:46 PM Whittingham, Andrew <andwhittingham@deloitte.ca> wrote:

Good Afternoon Anthony

Please find attached letter from the Receiver for your action.

Andrew Whittingham

Senior 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 "O"

ROYAL CANADIAN BEDROCK INC. Accounts Receivable

As at June 30th, 2018 (CDN \$ 000s)

								2				Mai	rgin @	M	argin @		
	Customer	_ <	30 days	_ 3	1-60 days	6:	1-90 days	5	91+ days		Total		909	16	75%		Total
	Colonial Brick & Stone	\$		\$		\$	11.70	\$	-	\$	11.7	\$	0	\$	8.78	5	8.78
	UCC Group	\$		\$	100	\$	25.50	\$	-	\$	25,5	\$		\$	19.13	- 17	1000
Can't locate	Rigney Building Supply	\$	*	\$	1.0	\$	9.70	\$		\$	9.7	\$	1.4	\$	7.28		
Can't local	Stoneval	\$		5		\$	36.00	\$		\$	36.0	\$	-	\$	27.00		0.74
	Nikolaus Bagnara	\$	-	\$		\$	18.00	\$	120	\$	18.0	\$	100	\$	13.50	S	111111
c. chart	Fernando DiBatista	\$		\$		\$	15.00	\$	15.	\$	15.0	\$		\$	11.25	\$	
Can't tour	Triotitui Bai madiacita	\$	-	\$		5	65.00	\$	141	\$	65.0	\$	- 4	\$	48.75		
	Arnts The Landscape Supplier	\$		\$		\$	6.00	\$	-	\$	6.0	\$	000	5	4.50	100	4.50
	PLL Stone	\$	127.0	\$	115.0	\$	90.00	\$	1.60	\$	332.0	\$	-	\$	V.s.	\$	-
	Izart	\$	-	\$	70.0	\$		\$	-	\$	70.0	\$	-	\$	52.50	-	52.50
	Jim Kim Architect	\$	50.0	\$	9	\$	1.6	\$	14	\$	50.0	\$		\$	37.50		37.50
1.1.1.1	Joe Barannca	\$	31.0	\$	10	\$	4	\$		\$	31.0	\$	1.8	\$	23.25	S	23.25
AGINNI .	Robert Carnal	\$	2.0	\$	-	\$	(#.	\$	-	\$	2.0	\$	- 2	\$	1.50		1.50
verbal order agreements	CI Graphics	\$	10.0	\$		\$		\$	-	5	10.0	\$		\$	7.50	200	7.50
asceements.	Jasjeet Singh	\$	14	\$	4	\$	8,00	\$	-	\$	8.0	\$		\$	6.00		6.00
2	Ryan Collina	\$	1,2	\$	14.0	\$	-	\$		\$	14.0	\$	-	\$	10.50		10.50
	Muskoka Stone Masonry	\$	4	\$		\$	27.00	\$	- 2	\$	27.0	\$	4	\$	20.25	Š	20.25
	TFS	\$	62.5	\$	50.00	\$		\$	9,	\$	112.5	\$	-	S	84.38	\$	84.38
1	Matt's Landscaping	\$	25.0	\$		\$		\$		\$	25.0	\$	-	\$	18.75	\$	18.75
can't locat	Table Rock Stone Company	\$	22.0	\$	30.0	\$	20.00	\$	-	\$	72.0	\$	4	\$	54.00	\$	54.00
Can I iso I	— Marmi Zola	\$	-	\$	9.11	\$	15.00	\$	-	\$	15.0	5	-	Ś	11.25	\$	11.25
	Lab Flooring	\$	-	\$	71.1	\$	14.40	\$	4	\$	85.5	5	-	5	64.13	\$	64.13
	Mansouri Group	\$	75.0	\$	50.00	\$	-	\$	700	\$	125.0	\$	-	\$	93.75	\$	93.75
	Bondfield	\$	-	\$	-	\$		\$	33.00	\$	33.0	5		\$		5	-
	AST Stone	\$	18.0	\$		\$		\$		\$	18.0	\$	-	\$	13.50	Ś	13.50
	Canam Stone	\$	20.0	\$	(4)	\$	40.1	\$	9	\$	20.0	5	-	\$	15.00	5	15.00
	Gott	\$	10.0	\$	-	\$	40	\$		\$	10.0	\$	100	\$	7.50	5	7.50
	Moruzzi	\$	72.0	\$	87.7	\$	72.00	\$	4	\$	231.7	\$	-	\$	173.78	5	173.78
	D. Panagoulia	\$	-	\$	-	\$	27.30	\$	2.1	\$	27.3	S	-	\$	20.48	\$	20.48
	Ontario Stone Veneer	\$	+	\$		\$	29.80	5		\$	29.8	5	-5	\$	22,35	\$	22.35
	Bart	\$	4	\$	8.0	\$	-	\$		\$		5	4.	\$	6.00	5	6.00
	Encompass	\$	24.0	\$	45.00	\$		\$	-	5	(25.0)	5	-	\$	18.75	5	18.75
	Modern Exteriors	\$	150	\$		P\$	(*)	\$	65.00	\$		5		\$	-	5	20.75
	4 All Seasons	\$	4	\$	25.00	\$	-	\$	86.00	\$	111.0	5	20	\$		Š	2
	Peluso Marmi	\$	2	\$	PR	\$		\$	84.00	\$		\$	4	\$		\$	14
	P	\$	548.5	\$	565.8	\$	490.4	s	258.0	\$	1,828.7	Ś		¢	902.8	\$	902.8
	*US\$ to Canadian\$ conversion	at 1	275 X	-				incom.		-				tomater	JULIO	2	302.0
					Can	14	low	t	e								

Colonial Brick & Stone Inc.

PURCHASE ORDER 174

5956 Perth Rd. 119. Brunner ON NOK 1C0 Tel. (519) 595-4261 Fax. (519) 595-2399 Where many interesting stone products are produced and distributed.

Email: elroy@cyg.net

ELROY WAGLER

Website: colonialbrickandstone.com

Company Name: Conthony		P.O.# Ey	10/18-05
Address:	custom	er po#	
Contact:	Date Required:		
Tel:	Date Available:		
Contact: Tel: Date Ordered: Way 24/18 Da Ordered By: Clroy	ite Quarry Promised Avai	lable:	
Ordered By: Chay			
8			
Order Placed with Quarry () ()			
		Unit Price	Total
Quantity: Product Description	' Swelph Con		Total
3 sh 3-4" lt. x4"	2 11 con		+
if sk 5-6" let x4" bee	X		
2 sk 6-8" lt + 4" le	& ii h	<u> </u>	
0 0 2 111 11 24 11 1	1 0. 60	32	
2 sk 3-4" lt x 8" bed	1	Lywoll	
4 sh 5-6 let x 8 hed	2 11 11	- 41	
2 sk 6-8" lt x-9" 11	(1 (1	61	
111111111111111111111111111111111111111	0 10		
4 st -1-11/2" buff 1	andom flag		
Sk.		-	
		-	
		-	
			
	100		
	-10-		
			*





COLONIAL BRICK AND STONE INC.
5956 PERTH RD 119
BRUNNER, ON
NOK 1CO

INVOICE #
151323

Terms	PO
PREPAYMENT	ELROY Eyd 18-05

Description	Q	\$ per	Amount
RE: PER EMAILORDER MAY 24, 2018			
GUELPH COURSING	18.00	260.00	\$4,680.00
GUELPH DRYWALL	16.00	235.00	\$3,760.00
FLAGSTONE	8.00	210.00	\$1,680.00
PALLETS	21.00	12.00	\$252.00
# 827084575 RT0001		Subtotal	\$10,372.00
7 02/00 1 3/3 1(10001		HST	\$1,348,36

ROYAL CANADIAN BEDROCK INC. 16 AMOS MAYNARD CIRCLE VAUGHAN, ON L4L 3B8
 Subtotal
 \$10,372.00

 HST
 \$1,348.36

 Total
 \$11,720.36

BALANCE DUE \$11,720.36

THANK YOU FOR YOUR BUSINESS!



NO 34000-471

- PURCHASE ORDER
- □ CHANGE ORDER
- □ OTHER

Royal Canadian Bedrock	DATE:	12-Jun-18
	JOB#	26010
Anthony Guido	JOB LOCATION:	Woodsy Park
		JOB#

Key	QTY	DESCRIPTION	UNIT PRICE	AMOUNT
		Granite supply		
	1	Supply Granite stone steps as per quote 151324 and as detailed be	elow;	
		Ottawa platinum natural stone cut to size approximately 722 lft	\$25,000.00	\$ 25,000.00
		Delivery to site	\$ 1,500.00	\$ 1,500.00
		- Please confirm delivery schedule with Loris 416 508 9236		

SUB TOTAL: \$
HST \$

TOTAL

26,500.00 3,445.00 29,945.00

COMMENTS:

30 % Deposit, balance net 30 days

262 Galaxy Blvd Toronto, O M9W 5R8 Tel:416-675-7455 Fax:416-675-7445

Email: psantos@uccgroup.com Website: www.uccgroup.com Pedro Santos

6th Ave Ste#300 7380 Sandlake R

1275 W. 6th Ave Ste#300 Vancouver, BC V6H 1A6 Tel:604-730-4833 Fax:604-730-4822

7380 Sandlake Road Ste#500 Orlando, FL 32819 Tel:407-248-0989 Fax:407-939-0730

UCC GROUP AUTHORIZATION

Orde placed ove place, April/18
Commenced in good in fact.
Formed P.O. assured in The
Connecte work to new deedlie.





Invoiced to:	
UCC Group Inc.	
262 GALAXY BLVD	
TORONTO, ONTARIO	
M9W 5R8	

INVOICE #
151324

Terms	P.0.
30% Deposit	
70% Upon Completion	34000-471

Description		Q	\$ per	Amount
RE: WOODSY PARK OTTAWA PLATINUM NATURAL STONE CUT TO SIZE, FLAMED TOP, ROCKFACED FRONT, SAWN EN as per UCC email take off June 6, 2018 (copy attached) all heights 100mm, depths 350mm, varying lengths 1350r total LF 220 m or 722 LF LUMP SUM PRICE		1.00	25000	\$25,000.00
Pallets (No Charge But Returnable)		20.00	15.00	N/C
Delivery to Woodsy Site		1.00	1500.00	\$1,500.00
Terms: 30% Deposit 70% Upon Completion, Prior to Delivery	\$8,983.50 \$20,961.50 \$29,945.00			
CTU CONCOLETE DECOM			Subtot	al \$26,500.00

HST# 827084575 RT0001

btotal \$26,500.00 HST \$3,445.00 Total \$29,945.00

ROYAL CANADIAN BEDROCK INC. 100 KING ST. WEST, SUITE 5600 TORONTO, ONTARIO M5X 1C9

THANK YOU FOR YOUR BUSINESS!



P.O. Box 756, 5 Terry Fox Drive, Kingston, ON K7L 4X6 Ph: 613-544-9145 Fx: 613-544-8904 e-mail: sales@rigneybuildingsupplies.com www.rigneybuildingsupplies.com

FAX COVER PAGE

To: ANTHONY

Pages: 2

Fax #: 18882179377

Sent: 4/30/2018 7:50:04 AM

From: MIKE DICKSON

Fax #:

Note: PLEASE REPLY WITH CONFIRAMTION AND AVAILABILITY FOR PICK-UP.

THANK YOU AND HAVE A GREAT DAY

720.00

1800.00

7920.00

.09

.09

8000

20000

88000

EA

EA

H.S.T # 104533542 RT



2 22021003 LIMESTONEBUCK

3 22021010 LIMESTONEBUCK15 20000

8000

P.O. BOX 756 • 5 TERRY FOX DRIVE KINGSTON, ONTARIO K7L 4X6 TEL: 613-544-9145 • FAX: 613-544-8904 sales@rigneybulldingsupplies.com www.rigneybulldingsupplies.com

									Æ						
		i k													
		r													
			De												

Comes Carrolleian Castelles 01 04/30/18 07:49 PURCHASE ORDER PO# 57297 1 ROYAL CANADIAN BEDROCK INC. VENDOR 64 P^{\perp} 100 KING STREET WEST TO: 7 W-SUITE 5600 TORONTO, ON M5X 1C9 PHONE: 14163065796 690 VENDOR NO. Freight Terms Routing Confirmed Ship Date Required Tran# 04/30/18 04/30/18 165093 Freight Rate Cust# Terms Misc Notes PICK-UP NET 30 STOCK COST AMOUNT UNITS DESCRIPTION ITEM CATALOG YTO 上# .09 EA 5400.00 LB LIMESTONE FLAG 1"-1 1/2" 60000 1 22021005 LIMESTONEBUCK1 60000 THIS MATERIAL IS NON-REFUNDABLE

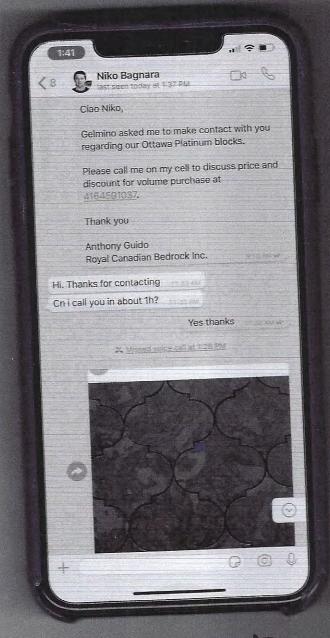
LB BUCKSKIN LIMESTONE FLAG 1/2"

THIS MATERIAL IS NON-REFUNDABLE

THIS MATERIAL IS NON-REFUNDABLE

LB LIMESTONE FLAG 1 1/2 - 2"

TOTAL



Orden Confirmed For Containe & Rhoks van text Blocks find Order follpilled Blocks find Order follpilled



P.O. Fernando DiPastita VIA text \$15,000. From: Christopher Arnts <christopher@arntstopsoil.com>

Date: May 18, 2018 at 9:46:07 AM EDT

To: Anthony Guido <anthony@royalcanadianbedrock.com>

Subject: Re: Arnts Order

Go with:

Eramosa Sandblasted 2" x 16" tread - no rock face 40 pieces x 60"

Eramosa Sandblasted 2" x 24" tread - no rock face 7 pieces x 60"

336.67 total square feet

Christopher Arnts CPA CMA
Arnts The Landscape Supplier Inc.
4105 Lake Ridge Road N
Whitby, Ontario L1P 0B1
christopher@arntstopsoil.com
905 655-0601 ext 325



Arnts The Landscape Supplier Inc

4105 Lake Ridge Rd. N., Whitby ON L1P 0B1 CANADA

VENDOR

ROYAL CANADIAN BEDROCK

Phone # 4163065796

Pick Up Address

TORONTO 100 KING ST W TORONTO OH M5X 1C9 Copy

P.O. Number

16195

Vendor Reference

PURCHASE ORDER

Document Date 18/May/2018 Weight LB

12,706

Payment Term:

V-NET 30

Date Required:

A.S.A.P.

Shipping Type:

Purchased By

Chris

Christopher@arntstopsoil.com

Description	Quantity	UoM
Coping ERAMOSA 2" Sandblasted Square Edge 16" 5ft lengths - 40 pieces	266.67	SqF
Mfr No.: Coping ERAMOSA 2" Sandblasted Square Edge 24" 5ft lengths - 7 pieces Mfr No.:	70	SqF

Printed: 18/05/2018 12:22:02PM Page 1 of 1

P.L.L. STONE srl s

Via Dorsale 10 54030 Massa

ITALY

Tel +39 347 5315479 email pllstonesrls@gmail.com

Messer's Royal Canadian Bedrock

Wiarton December 7th 2016

100 King Str. Suite 5600

Toronto Ontario Canada M5XIC9

Re: Purchase order and confirmation of the right first inspection on all production of Eramosa block still 31th December 2018

Dear Mr. Guido,

Following our meeting, we wish to confirm you as follow:

Purchase confirmation

We wish to confirm you a purchase of a minimum of 6.000,00 Metric tons till 31th December 2018 of Eramosa limestone blocks of your quarry in Quarry road Wiarton .

The agree price will be 500,00 Usd x Metric tons.

Beside this purchase order we shall have the right of first inspection on all your production of Eramosa blocks in your said quarry, till December 31th 2018

The payment will be cash ex your quarry, loaded in containers or truck, located in the said quarry after our inspection.

PLL Stones srl s

Paolo Locati Luciani

Royal Canada Bedrock

Anthony Guido



11 RIVERSIDE LANDSCAPING

ALGONQUIN LIMESTONE

#	STONE	FINISH	SIZE	QUANTITY	NOTES
1	ALGONQUIN FLEURI	SANDBLASTED	1,5x12x24	1270 SF	
2	ALGONQUIN FLEURI	SANDBLASTED	1,5x18x24	126 SF	
3	ALGONQUIN FLEURI	SANDBLASTED	1,5x18x29	182 SF	
4	ALGONQUIN FLEURI	SANDBLASTED	1,5x18x32	232 SF	
5	ALGONQUIN FLEURI	SANDBLASTED	2x18x36	2,160 SF	
6	ALGONQUIN FLEURI	SANDBLASTED	3x12x24	124 SF	
7	ALGONQUIN FLEURI	SANDBLASTED	6x12x800	67 LF	SOLID STEPS (THREE SIDES SANDBLASTED)

Fwd: 18 Wells Hill Ave - Stone Veneer

5 messages

Chris Grodzki <chris@aststone.ca>
To: anthony@royalcanadianbedrock.com

Hi Antony Here is the job to be quoted .

Sent from my iPhone

Begin forwarded message:

From: Jim Kim <|jk@sympatico.ca>
Date: May 1, 2018 at 11:43:26 AM EDT
To: Chris Grodzki <chris@aststone.ca>
Cc: Jim Kim <|jk@sympatico.ca>
Subject: 18 Wells Hill Ave - Stone Veneer

Hi Chris,

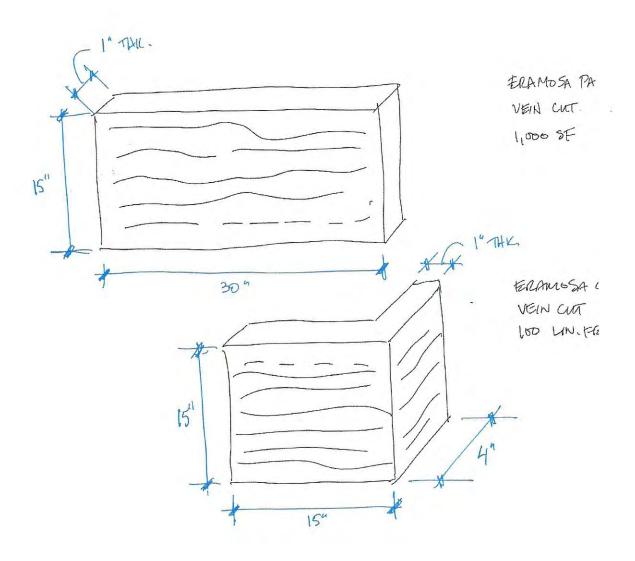
I need to get the following for 1 week in July.

1,000 Square Feet of Eramosa Vein Cut Panels at 15" high x 30" long x 1" thick (if he thinks it will break in transportation, make it 1.25" thick) 100 Liner Feet of Eramosa Vein Cut Corner at 15" high x 15" long x 4" return x 1" thick.

See attached photos for reference.

Please try to get back to me on this as soon as possible.

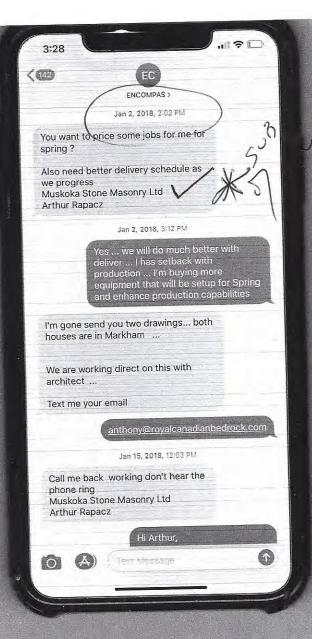
Regards, Jim











HOT, OUD.



On Jun 1, 2018, at 7:22 PM, Anthony Guido <anthony@royalcanadianbedrock.com> wrote:

Ritesh,

TFS Order ... Your pricing was set at \$500.00/ton USD.

You received deep discounted pricing based on purchasing 60 containers per year.

You did not buy 60 containers and therefore all your invoices are to be adjusted to \$500/ton USD.

[Quoted text hidden]

Hi Matt,

Please see attached as discussed.

Kind 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

Noxx

95 yonge blvd stone order list

GREY STONE (PLATINUM)

WIDTH	LENGTH	THICKNESS	FINISH	QTY	SQFT
17.75"	35.75"	1"	SANDBLAST TOP SAWN EDGE	220 PCS	990
11.75"	23.75"	1"	SANDBLAST TOP SAWN EDGE	90 PCS	180
23.75"	35.75"	1"	SANDBLAST TOP SAWN EDGE	25 PCS	150
11.75"	35.75"	1"	SANDBLAST TOP SAWN EDGE	400 PCS	1200
14"	48"	2"	EASED EDGE (MICRO BEVEL-1/8") ALL 4 SIDE	2 PCS	9.333
14"	60"	2"	EASED EDGE (MICRO BEVEL-1/8") ALL 4 SIDE	9PCS	52.5
13"	72"	2"	EASED EDGE (MICRO BEVEL-1/8") ALL 4 SIDE	3 PCS	19.5
13"	36"	2"	EASED EDGE (MICRO BEVEL-1/8") ALL 4 SIDE	20 PCS	65
13"	49"	2"	EASED EDGE (MICRO BEVEL-1/8") ALL 4 SIDE	17 PCS	75.2
13"	60"	2"	EASED EDGE (MICRO BEVEL-1/8") ALL 4 SIDE	20PCS	189.6
24"	60"	2"	EASED EDGE (MICRO BEVEL-1/8") ALL 4 SIDE	4PCS	40
36"	36"	1"	sand blast top sawn edge	2 pieces	

ERAMOSA

WIDTH	LENGTH	THICKNESS	FINISH	QTY	
11.75"	23.75"	1"	SANDBLAST TOP SAWN EDGE	200	400
23.75"	23.75"	1"	SANDBLAST TOP SAWN EDGE	250	1000
17.75"	23.75"	1"	SANDBLAST TOP SAWN EDGE	160	480
11.75"	60"	2"	SANDBLAST TOP SAWN EDGE	16	80
13"	72"	2"	SANDBLAST TOP SAWN EDGE	3	18

				TOTAL SQFT	4949.133
eromasa	slabs	vein cut			
76"	112"	1"	honed sawn edge vein cut length wise	2 slabs	
42 "	120"	1"	honed sawn edge vein cut length wise	5 slabs	



PRODUCT MANUFACTURING AGREEMENT

THIS PRODUCT MANUFACTURING AGREEMENT (this "Agreement") is dated on the most recent date on the signature page below, by and between **Table Rock Stone Company**, LLC, a Nebraska limited liability company, ("**Table Rock**"), with its principal place of business at 17672 Welch Piaza, Omaha, Nebraska 68135 and **Royal Canadian Bedrock Inc**, an Ontario Corporation ("Royal Canadian"), with its principal place of business located at 100 King Street West Ste 5600 Toronto, Ontario m5x 1c9. Table Rock and Royal Canadian may be referred to throughout this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

- A. Royal Canadian is a supplier/quarrier of natural stone.
- **B.** Royal Canadian and Table Rock desire to enter into this Agreement in order to formalize their mutual intention that Royal Canadian manufacture and supply the Products (as defined below) exclusively to Table rock for resale to Table rock in the following states: Minnesota, North Dakota, South Dakota, Nebraska, Iowa, Illinois, Kansas, Colorado, Missouri, Oklahoma, Texas, Florida, and California.

AGREEMENT

For other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

DEFINITIONS.

- 1.1. "Agreement" shall mean this Agreement and all attached Exhibits, all documents referenced in this Agreement and all valid amendments to this Agreement to be executed by the Parties in the future.
- 1.2. "Effective Date" shall mean the date of signing of this Agreement by Royal Canadian after Table rock has signed it.
- 1.3. "Products" or "Product" shall mean the fabricated natural building stone products described and specified in Exhibit "A" including all future improvements, modifications, or corrections. This agreement excludes blocks, slabs, tile, countertops, and architecturally cut to size projects.

2. STATEMENT OF WORK AND NON-INFRINGEMENT.

- 2.1. Statement of Work. Royal Canadian agrees to manufacture and sell, and Table rock agrees to purchase, the Products, in accordance with the terms and conditions set forth herein. Royal Canadian will manufacture and deliver to Table rock only that quantity of Products ordered by Table rock pursuant to the terms hereof, and Table rock will purchase all Products manufactured by Royal Canadian under this Agreement. Royal Canadian will provide all parts, labor and materials necessary to perform Royal Canadian's obligations hereunder. Table rock may distribute the Products to its customers by itself or through its distributors.
 - 2.2. Non-Infringement. If Table rock discovers, or becomes aware of, any infringements against any rights of Royal Canadian regarding the Products, Royal Canadian's trademarks, trade names, or other intellectual property, Table rock shall immediately notify Royal Canadian of the facts and give Royal Canadian its full cooperation to protect Royal Canadian's rights. If Royal Canadian discovers, or becomes aware of, any

H

Infringements against any rights of Table Rock regarding the Products, Table Rock's trademarks, trade names, or other intellectual property, Royal Canadian shall immediately notify Table Rock of the facts and give Table Rock its full cooperation to protect Table Rock's rights.

2.3.

ORDERING PROCEDURE.

3.1. Forecast. Table rock shall furnish Royal Canadian, on a monthly reoccurring basis, commencing with the Effective Date, a three (3) month non-binding rolling forecast reflecting its requirements for Products. Table rock's forecast will aid Royal Canadian in its planning and satisfaction of Product needs.

3.2. Purchase Orders.

- **3.2.1.** Table Rock's written purchase orders, an example of which is attached hereto as **Exhlbit "B"** shall be issued subject to the terms and conditions of this Agreement and shall then form the basis of Royal Canadian's delivery obligations. Each purchase order will include the following product information:
 - a) Purchase order number and date;
 - b) Product quantity to be delivered;
 - c) Item description;
 - d) Requested date of delivery;
 - e) Shipping Instructions
 - f) All orders FOB quarry
- **3.2.2.** Royal Canadian shall accept in writing, or by e-mall as directed by Royal Canadian from time to time, each purchase order within five (5) business days after receipt of the purchase order or reject such purchase order within the same time frame if it is not in conformance with the terms and conditions of this Agreement. If the purchase order is neither expressly accepted nor rejected within sald five (5) day period, it shall be deemed accepted. The purchase order accepted or deemed accepted shall be a legally binding contract between the Parties for delivery of Product; however the terms and conditions of this Agreement shall prevall over any terms and conditions contained in such purchase order.
- 3.3. Lead times, Emergency Orders. Lead times for complete units of Products and Emergency Orders for mlnor quantities are stated in Exhibit "C" entitled Lead Times and Forecast, which may be updated from time to time. Such Emergency Orders may be transmitted by fax or e-mail, with telephone confirmation within twenty-four (24) hours of such transmission or e-mail. For purposes of this section, an "Emergency Order" is defined as an order of a small quantity (One (1) Truck load) of Products with a lead time of less than fourteen (14) days.
- 3.4. <u>Packaging</u>. Royal Canadlan will package each Product according to its standard packaging procedures and Purchase Orders ensuring the product arrive to Table Rock intact, movable, and ready to unload.

4. ORDER CANCELLATION AND RESCHEDULING.



4.1. Cancellation or Rescheduling. Notwithstanding Section 3.2.2 above, after acceptance of a purchase order, Table rock may cancel or reschedule such purchase order in writing with regard to the total or partial quantity of Products ordered, subject to the rescheduling, cancellation and/or restocking charges stated in Exhibit C. Should such cancellation or rescheduling take place prior to the latest cancellation or rescheduling date as stated in Exhibit C, Royal Canadlan shall have no claim for damages concerning such cancellation or rescheduling, except as stated in Exhibit C.

5. TRADE NAMES, TRADEMARKS, IDENTIFICATION.

- **5.1.** <u>Publicity</u>. Without the other Party's written approval neither Party shall use in advertising, publicity or the like any of the other Party's trade names, trademarks, or symbols of Products.
- 5.2. <u>Usage Guldelines</u>. Royal Canadian may provide product feature Information for the Products, which will in all material respects be accurate and comply with all applicable legal requirements. Table rock may rely on and use such product feature information provided by Royal Canadian In connection with Table rock's marketing and distribution of the Products. Table rock will ensure that its materials are accurate and fully consistent with the usage guldelines, Product feature information, claims and other marketing materials for the Products which have been previously approved by Royal Canadian, as updated from time to time by written notice to Table rock.

EXCLUSIVITY.

- A. Royal Canadian hereby grants Table rock the exclusive right to purchase the Products from Royal Canadian during the term of this Agreement, as it may be amended or extended. Exclusivity under this Agreement will extend to the following states: Minnesota, North Dakota, South Dakota, Nebraska, Iowa, Illinois, Kansas, Colorado, Missouri, Oklahoma, Texas, Florida, and California.
- B. If Table rock desires, and is able, to resell any or all exclusive states or territories within the states covered by and related to this agreement, then any and all such agreements to resell exclusivity must be pre-approved in writing by Royal Canadian, and any and all such related exclusivity fees, royalties, and commissions earned shall be shared on a 50/50 basis between Table rock and Royal Canadian.

7. DELIVERY.

- 7.1. <u>Purchase Order</u>. Royal Canadian shall deliver the Products to Table rock in accordance with the applicable purchase order, FOB Royal Canadian's location set forth in Section 16 or such other location as Royal Canadian may Indicate.
- 7.2. <u>Transportation</u>. Royal Canadian shall comply with Table rock's reasonable directions concerning carrier(s) and means of transportation or routing. Table rock may arrange for direct payment of freight charges by Table rock to carrier. Unless otherwise agreed to in writing by Royal Canadian, title and risk of loss will pass to Table rock upon Royal Canadian's delivery to the applicable carrier(s). All orders FOB Quarry.



- **7.3.** Records. During the term of this Agreement, and for a period of three (2) years thereafter, Royal Canadian shall keep records of the shipment(s) and the related Products and shall make them available to Table rock on request.
- 7.4. <u>Paperwork</u>. Each shipment shall be accompanied with the appropriate shipping papers. All shipping papers and related invoices must, inter alla, state the correct purchase order number and identification of the Products shipped. Packaging and transportation instructions will be provided in duplicate and in a reproducible manner.

QUALITY ASSURANCE AND ACCEPTANCE.

- **8.1.** Quality Assurance Manual and Workmanship Standard. Royal Canadian will manufacture the Products under the same quality standards as it regular production.
- **8.2.** <u>Inspection</u>, Within five (5) days after receipt of Products at Table rock's designated delivery location, Table rock shall inspect the Products. The Products will be presumed accepted upon shipment, unless Table rock shall reject in writing any such Product within such period for defects or return such Products within the same time frame if they are not in conformance with the applicable specifications described in **Exhibit A**.
- **8.3.** <u>Notification of Fallure</u>. Should any products fall to pass inspection, Table rock shall notify Royal Canadian in writing without undue delay, preferably by fax or e-mail in order to accelerate the correction.

CHANGE REQUEST/MODIFICATIONS.

Royal Canadlan shall retain the right to modify or discontinue Products, provided it gives Table rock one hundred eighty (180) days prior written notice of such modifications for form, fit or function changes or of discontinuance of Product.

NON-DISCLOSURE; NON-COMPETITION.

10.1. Non-Disclosure. Each Party agrees to maintain in confidence any and all confidential information delivered to it by the other Party and designated as confidential. Confidential Information means all business information, all technical information and financial Information which is disclosed by one Party to the other, including without limitation: customer lists and customer information, technologies, patent applications, processes, methods, trade secrets, know-how, formulas, drawings, notes, memoranda, plans, tests, analyses, sample materials, product development and marketing strategies, business opportunities and plans, reports, studies, forecasts, financial data and pricing information. Each Party shall exercise at least the same degree of care as it uses with regard to its own confidential information by the same nature, but in any event, at least a reasonable degree of care. Such information required to be held in confidence shall, if in writing, be marked "Confidential." Oral information that is designated as confidential at the time of disclosure thereof shall be reduced to writing and marked "Confidential," and forwarded to the receiving Party within five (5) business days after its oral communication. A receiving Party may disclose confidential information of the disclosing Party to its employees or third parties contracting with the receiving Party as may be necessary in the design, manufacture, service and distribution of the Products, but only if they are bound by confidentiality obligations at least as stringent as stated herein. Neither Party will disclose the price charged by Royal Canadian to Table rock for any Product. In addition to the foregoing obligations of confidentiality and non-disclosure, but without limitation thereto, Table rock specifically agrees not to disclose the manufacturer of the Products.

W/S

- 10.2. Exceptions to Non-Disclosure. The obligations hereunder shall not apply to information that (i) is or becomes public domain; (ii) is received from a third party without confidentiality obligation to the disclosing Party; (iii) is known by the receiving Party without use of the other Party's confidential information; (iv) is independently developed by the receiving Party; or (v) is required to be disclosed by operation of law; provided, however, that the receiving Party shall notify the disclosing Party as soon as reasonably possible in order for the disclosing Party to attempt to obtain an appropriate protective order.
- 10.3. <u>Publicity</u>. No announcement of the execution of this Agreement, press release or other like publicity or advertising material which contains information relating to this Agreement shall be made.

11. PAYMENT.

- 11.1. Pricing. In consideration of the Product delivery and all other rights stated in this Agreement, Table rock shall pay the amounts detailed in **Exhibit "D"** entitled Prices, Terms of Payments. Any and all payments shall be in US Dollars, if not specifically stated otherwise. All such pricing shall be constant and not subject to change until December 31, 2016. Each September, commencing September 2016, the parties may adjust such pricing, effective the following January 1 and effective throughout such calendar year.
- 11.2. Minimum Annual Purchase. During the term of this Agreement, Table rock shall purchase no less than 200 Truck loads (or 18 loads per state, where one truck load is defined as 22 tons) of Products from Royal Canadian during each twelve (12) month period, beginning ninety (90) days after the Effective Date. This minimum purchase obligation shall continue for the first two (2) years of this Agreement, after which Royal Canadian and Table rock shall review and revise, as appropriate, this obligation. If the actual purchase by Table rock during a certain twelve month period is more than the minimum purchase amount set forth in this Section, the excess shall be carried forward and credited to the minimum purchase amount for the subsequent period; provided that in no event shall the excess amount carried forward exceed twenty percent (20%) of the minimum purchase required in this Section.
- 11.3. Taxes. Royal Canadian will be responsible for and pay all taxes imposed on Royal Canadian, except sales, use or similar taxes. Table rock will be responsible for any applicable sales, use or similar tax, except Table rock will have no liability for any tax for which Table rock has an appropriate resale or other tax exemption.
- 11.4. Terms, Royal Canadian shall extend Net 30 terms to Table Rock. The net 30 terms shall start when the product leaves Royal Canadian facilities.

12. NOTICES.

All notices required or permitted under this Agreement will be in writing, will reference this Agreement and will be deemed given: (i) when delivered personally; (ii) when sent by facsimile or email; (iii) three (3) days after having been sent by registered or certified air mail, return receipt requested, postage prepaid; or (iv) the first business day after deposit with a commercial overnight carrier, with written verification of receipt. All communications will be sent to the addresses set forth below, or to such address as may be designated by a Party by giving written notice to the other Party pursuant to this Section 16.

If to Table Rock: Table Rock Stone Company If to Royal Canadian: Royal Canadian Bedrock Inc. Attn: Darrin Loftus 17672 Welch Plaza Omaha, Nebraska 68135 T (402) 408-1830 F (402) 334-6831 E dloftus@tablerockco.com

WITH A COPY TO:
Attn: Brent Simons
17672 Welch Plaza
Omaha, Nebraska 68135
T (402) 408-1830
F (402) 334-6831
E bsimons@tablerockco.com

Attn: Anthony Guido
100 King St. W. Suite 5600
Toronto, ON MSX1C9
T 416-459-1037
F 1-888-213-9377
E Anthony@royalcanadianbedrock.com

WITH A COPY TO:
Attn: David Jebb
155 Rexdale Blvd., Suite 400, Toronto, ON M9W528
T 416-847-0880
F 416-847-0887
E jebb@sympatico.ca

13. RECORDS.

Table rock shall keep, for three (3) years following the sales transaction to Table rock's customer, accurate customer and Product Information necessary for technical support or to adequately administer a recall of any Products. Royal Canadian shall keep, for three (3) years following the supply of each Product to Table rock, accurate Product information necessary for technical support of such Table rock Products.

14. TERM AND TERMINATION.

- 14.1. <u>Term.</u> The terms of this Agreement shall commence on the Effective Date and continue thereafter for an initial period of five (5) years and thereafter for successive five (5) year periods unless either Party gives not less than six (6) months' notice prior to the end of any such period of its intention not to renew.
- 14.2. <u>Termination for Cause</u>, Royal Canadian and Table rock have the option to terminate this Agreement in the event that either Party;
 - a) becomes insolvent, files, or has filed against it a petition in bankruptcy or undergoes reorganization pursuant to a petition in bankruptcy filed with respect to it;
 - b) will be dissolved or liquidated or have a petition for dissolution or liquidation filed with respect to it;
 - will be subject to property attachment or court injunction or order, which substantially and negatively affects its operations;
 - d) will be unlikely to fulfill its obligations under this Agreement because of significant changes of its assets, credit or business position; or
 - e) defaults or breaches any material provision of this Agreement and does not remedy the default or breach within sixty (60) days after written notice from the other Party.



- 14.3. Table rock Remedies. If Table rock terminates this Agreement for any of the reasons in Section 18.2, Royal Canadian will:
 - a) immediately cease all manufacturing operation and production required by Table rock purchase orders under this Agreement;
 - **b)** deliver all completed Products manufactured pursuant to Table rock purchase order instructions; and
 - c) Table rock will pay Royal Canadian the price agreed with Table rock for the current month for the Products delivered.
- 14.4. Royal Canadian <u>Remedies</u>. If Royal Canadian terminates this Agreement for any of the reasons in Section 18.2, Table rock will pay Royal Canadian for all the delivered Products.
- 14.5. <u>Survival</u>. Notwithstanding anything to the contrary set forth in this Agreement, the termination or expiration of this Agreement shall not affect (I) the obligations of the Parties which shall have accrued pursuant to the provisions of this Agreement, including any purchase orders which have been accepted by Royal Canadian prior to termination of this Agreement and (II) the right of Table rock's customers to use the Products which have been properly delivered before the termination or expiration of this Agreement. All representations, payment provisions, warranty provisions and enforcement provisions shall survive termination or expiration of this Agreement.

15. MISCELLANEOUS.

- 15.1. Assignment. This Agreement and all the terms and provisions hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto; provided, however, no assignment of this Agreement or of any rights or obligations arising under it may be effected without the written consent of the other Party, which may be reasonably withheld by Royal Canadian if a Table rock proposed successor is a competitor of Royal Canadian, or, in the joint opinion of Royal Canadian and Table Rock is not a good credit risk or business risk.
- 15.2. Force Majeure. Either Party shall be excused from performance hereunder, except for payment of sums due and owing, if and to the extent its performance is prevented by any cause reasonably beyond its control, such as, and not by way of limitation: fire; floods; windstorms; strikes; work stoppages; riots; unavailability of transportation, material, supplies or necessary equipment; inability to obtain or maintain necessary authority, licenses or permits, or other governmental authorization; acts of God; acts of terrorism; acts of public enemy; and acts of any governmental authority having jurisdiction.
- 15.3. <u>Independent Contractor</u>. This Agreement does not create an employer-employee relationship between Royal Canadian and Table rock, nor an agency, nor joint venture nor partnership, nor franchise, nor franchise agreement.
- 15.4. <u>Amendment</u>. This Agreement, including the Exhibits hereto, may not be modified except by a written amendment executed by the duly authorized representatives of both Parties hereto.
- 15.5. <u>Conflicting Provisions</u>. If any conflict arises between the terms of this Agreement and any purchase order or other document provided by Table rock, the provisions of this

wh w Agreement shall govern and the conflicting provision in Table rock's document or documents shall be considered void and of no force and effect.

- 15.6. <u>Severability</u>. If any provision of this Agreement, or portion thereof, shall be held to be unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.
- **15.7.** <u>Waiver</u>. Fallure or delay in exercising any right hereunder shall not operate as a walver thereof. The single or partial exercise by either Party of any right hereunder shall not preclude or prejudice any other or further exercise thereof or the exercise of any other right.
- 15.8. No Beneficiaries. No provision of this Agreement shall In any way Inure to the benefit of any third person (Including the public at large) so as to constitute any such person a third-party beneficiary of this Agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.
- 15.9. <u>Interpretation</u>. Headings are used in this Agreement for convenience of reference only and shall be given no weight in the interpretation of this Agreement. Neither Party shall be construed as having drafted this Agreement based upon both Parties' opportunity to review this Agreement with the counsel of their choice.
- 15.10. <u>Governing Law</u>. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontarlo or state of Nebraska without reference to its rules governing choice of law.
- **15.11.** Entire Agreement. This Agreement states the entire agreement between the Parties with respect to the subject matter hereof.
- 15.12. <u>Authority</u>. All signatories to this Agreement certify that they have actual authority to sign and to bind their principals.
- 15.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]



IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have by their duly authorized officers executed this Agreement.

TABLE ROCK STONE COMPANY, LLC	ROYAL CANADIAN BEDROCK INC.
Dated and Executed: April 25, 2015	Dated and Executed; Avry 25, 2015
By: Wine files	By: (MMy Gurot
Name: Davin lottes	Name: Anthony Guido
Title: Persident	Title: PRESIDENT

EXHIBIT A

PRODUCTS

Le Grand Guelph-3" wide (coursing 3"-10")	\$150/ton
Eramosa Tiger Stripe 3" wide (coursing 3"-10")	\$150/ton
Platinium 3" wide(coursing 3"-10")	\$150/ton
Bob Cagen 3" wide (coursing 3"-10")	\$150/ton
Regal Red 3" wide (coursing 3"-10")	\$150/ton



EXHIBIT B PURCHASE ORDER EXAMPLE

See attached.



EXHIBIT C

LEAD TIMES AND FORECAST

In order to keep with demand, we will need to establish a lead time of 2-3 week maximum for all products.

Right now we are forecasting a need for (1) truck load of each:

Eramosa

Grand Guelph

Platinum

Bob Cagen-charcoal



EXHIBIT D

PRICES, TERMS OF PAYMENTS

Le Grand Guelph-3" wide (coursing 3"-10")	\$150/ton
Eramosa Tiger Strlpe 3" wide (coursing 3"-10")	\$150/ton
Platinium 3" wide(coursing 3"-10")	\$150/ton
Bob Cagen 3" wide (coursing 3"-10")	\$150/ton
Regal Red 3" wide (coursing 3"-10")	\$150/ton

Terms: Net 30 from shipment date.



Oak Ridges Library; Delivery of remaining materials

1 message

Doug Bell <DBell@bondfield.com>

Mon, Apr 9, 2018 at 9:23 AM

To: Anthony Guido <anthony@royalcanadianbedrock.com>, Dino Papadopoulos <dinop@labflooring.com>

Cc: Leo Albuquerque <LAlbuquerque@bondfield.com>

Anthony /Dino

We need an update on delivery of corners to start bulk head work.

I was expecting this material last week.

Thank you Douglas

Doug Bell Construction Superintendent

DBell@bondfield.com



407 Basattic Rd., Concord, ON. L4K 4W8 T: 416.667.8422 F: 416.667.8462

106 Schneider Rd., Unit A, Kanata, ON, K2K1Y2 T: 613.271.0440 F: 613.271.0967

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Lab Flooring Industries d/o Lab Construction Industries Inc.

595 Cityview Blvd. Unit 1 Vaughan Ontario

Purchase Order No. ORL-715

Date:	

PURCHASE ORDER

— Vend	lor —		Ship	То —				
Name R	237	lian Bedrock	Name	Oak Ridges Library				
	100 King St.		Address	Regatta Dr				
City	Toronto	Ont Post M5X 1C9	City	Richmond Hill	Prov Ont	Post		
Dhono	10101110		Phone					

04.	Units	Description	Unit Price	TOTAL
Qty		Match Eramosa Vein Sawn 59mm x 600mm x 15mm	\$23.00	\$16,790.00
730	sqft	Match Eramosa Vein Honed 59mm x 600mm x 15mm	\$33.00	\$24,090.00
730	sqft	Match Eramossa- BED CUT and Sandblasted	\$187.50	\$6,375.00
34	pcs	325mm x 1800mm x 32mm With One groove on Top	1 2 2 2 2 2 4 1	
		25mm from front Nosing spanning across tread ready to		
		25mm from front Nosing spanning across field feddy to		
		receive Steel Insert. Groove to be 1/4" deep x 1/4" wide		\$0.0
40	sqft	12" x 24" Sandblasted To match tread in colour. Sandblast		
		on top only no grooves		\$0.0
145	linft	Corner pieces made from stone 59mm x 90mm x 15mm		
		to be Vein Honed	1	
		ATTENTION: Anthony Guido		
		***Please note that I sent you pictures of the details for		
		Treads and for corner pieces in separate emails. If there is		
		anything not clear, please lets clarify before.		
		1.3 1.4 1.5 1.5 1.5 2.4		
		***This order is needed ASAP		
	1	The second of th		1

	SubTotal	\$47,255.00
Taxes	P.S.T.	\$3,780.40
	G.S.T.	\$2,362.75
	TOTAL	\$53,398.15

Notes/Remarks

^{1.} Do not deliver goods without purchase order. 2. Acknowledge receipt of this order specifying prices and a definite shipping date. 3. Make no substitutions or changes without authority from us. 4. We reserve the right to cancel this order if shipment is not made as promised. 5. This order must not be billed at higher prices than quoted. 6. Partial orders will be rejected unless previously authorized in writing.

To: Anthony Guido <anthony@royalcanadianbedrock.com>

Cc: Dino Papadopoulos <dinop@labflooring.com>, James Papadopoulos <jpapa@labflooring.com>

Hi Anthony,

What do you mean by revised...the email has the breakdown of how many piece of each size.

25 pieces are 58 1/8" long. 2" thick and 12" wide

22 pieces are 80" long. 2" thick and 12" wide

22 pieces are to be cut into 12"x24" size at 2" thick and only surface on the top surface

Michael

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: Anthony Guido <anthony@royalcanadianbedrock.com>

Date: 2018-05-11 10:13 AM (GMT-05:00)

To: Michael laboni <michaeli@labflooring.com>

Cc: Dino Papadopoulos <dinop@labflooring.com>, James Papadopoulos <jpapa@labflooring.com>

[Quoted text hidden]

Anthony Guido <anthony@royalcanadianbedrock.com>

Fri, May 11, 2018 at 11:41 AM

To: Michael laboni <michaeli@labflooring.com>

Cc: Dino Papadopoulos <dinop@labflooring.com>, James Papadopoulos <jpapa@labflooring.com>

Hi Michael,

If Eramosa \$9,500 + HST + Transportation \$1,500 + HST Lump sum TOTAL \$11,000 + HST

If Ottawa Platinum \$11,500 + HST + Transportation \$1,500 + HST Lump sum TOTAL \$13,000 + HST

Above prices for Sawn finish Add \$1000 + HST for Sandblast Add \$2000 + HST for Honed

Mansovii Crosp.

SUMMERCOVE ESTATES INC., 30 Wertheim Court, Suite 9, Richmond Hill, ON L4B 1B9

Tel: (905) 881-1026 Fax: (905) 886-6073

February 16, 2018

Note: Dewatern Problem delayet jobs for 2 years. Hence, amended contract.

Delivered by e-mail

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

Attention: Mr. Anthony Guido

Re: Amendment Letter to Purchase Order number 099 dated December 12, 2015 ("the Contract")

Between Summercove Estates Inc. ("Summercove") and Royal Canadian Bedrock Inc. ("RCB")

124 -128 Pears Avenue Toronto (the "Property")

Dear Mr. Guido:

Further to recent discussions with you regarding the Contract this letter will confirm that Summercove is prepared to adjust and amend the Contract, as follows:

- 1. Contract to be adjusted to the aggregate sum of \$160,073.78, exclusive of HST which amount is based on 7,893.39 ft2 @ \$17.50/ft2 and 2,089.48 ft2 @ \$10.50/ft2;
- RBC acknowledges that to date the sum of \$114,373.75 has been paid on the Contract leaving acost to complete of \$45,700.43 excluding HST;
- 3. RCB to deliver to the Property the stone that remains to be delivered under the Contract, as itemized on Schedule "B" attached hereto and forming part of this Amending Letter, in a good and workmanlike manner and in accordance with the terms and time frames as set out on Schedule "A" attached hereto and forming part of this Amending Letter;
- 4. Summercove agrees to pay to RCB, in addition to the cost to complete, a performance bonus (the "Bonus") of \$50,000 (inclusive of HST). The Bonus shall only be deemed earned upon the delivery of all of the stone as required under the Contract, as amended, in accordance with the quantities and time frames as set out in Schedule "A". RBC agrees with Summercove to deliver the stone in a good order, in the quantities and within the time frame as set out on Schedule A failing which the Bonus shall be doomed not to have been carned or payable and agrees that any portion of the Bonus that has been previously paid to RCB prior to such default shall.

Approximate (48)

immediately become due and re-payable to Summercove. This return of Bonus monies shall be in addition to any other rights that Summercove may have against RBC for damages for breach of Contract;

PRIOR TO SUMMERLOVE PICKINGUP

Upon delivery by RBC of the stone in accordance with the attached Schedule Summercove agrees to make payment to RBC in the amounts and at the times as shown on Schedule "A", subject to any statutory holdbacks pursuant to the Construction Lien Act as may be required;

Please signify your agreement with the terms of this Amending Letter by signing where indicated below and returning the signed letter to us no later than 5:00 p.m. on the 20 day of February, 2018, after which time if not accepted this offer to amend the Contract will become null and void.

Yours truly, Summercove Estates Inc.

Per:

Maryam Mansouri Hurst, A.S.O.

The undersigned does, by execution of this letter, acknowledge and agree to the contents, terms and conditions all as set out above, this 232 day of February, 2018.

Royal Canadian Bedrock Inc.

Per:

Anthony Guido

I have authority to bind the Corporation

Schedule "A"

RCB Performance Bonus Agreement
Feb 14 2018

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TOTAL	All: Completion of Patching + Clean Up	Penthouse Soffits	Townhouse 3-6	Townhouse Ground-5	The County of th	Canonies Ground Floor	Penthouse East Side	East side, North and South Knife Edges	Location	Service Control of the Control of th	Total New Cost to Complete	Performance Bonus	Current Cost to Complete	Paid to Date	Current Contract Amount	Original Contract Amount	
615		T04	200	9000	141	48	54	60	Quantities					(net of \$10,000 gross paid for 11th floor terraces)	based on 7893.39 SF (@\$17.50/SF) and 2,089.48 SF (@\$10.50/SF)	based on 7000 SF (@\$17.50/SF) and 2.857 \$152,500.00	
100.00%		40.04.0	16018	22 82% 200 EE	22.93%	7.80%	8.78%	9.76%	% of Total Quantity (by piece)		\$89,948.21	\$44,247.79	\$45,700.43	\$114,373.35	\$160,073.78	\$152,500.00	Net
	Apial-OC	30 882.	23-May	2-May	11-Apr	21-Mar	7-Mar	28-Feb	-	(2)	\$11,693.27	\$5,752.21	\$5,941.06	\$14,868.54	\$20,809.59	\$19,825,00	HST
\$51,641.48			\$8 732 87	\$17,465.74	\$11,839.75	\$4,030.55	54,534.37	\$5,038.19	APPORTUNATE Current Contract Delivery Date Delivery (Gross)		\$101,641.48	\$50,000.00	\$51,641.48	\$129,241.89	\$180,883.37	\$172,325.00	Gross
\$50,000.00	20,000.00	00 000 013	\$5,000,00	\$5,000.00	\$5,000.00	\$5,000.00	35,000.00	\$15,000.00	Performance Bonus Payment on Dalivery (Gross)			Ц					<u> </u>

Total Payment to be Made on Delivery (Gross) \$20,038.19 \$9,534.37 \$9,030.55 \$16,839.75 \$22,465.74 \$13,732.87

\$101,641.48

TOTAL

Schedule "B"

The Perry

Royal Canadian Bedrock - Missing Pieces Required for Production

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Mansoni

TUCKER HIRISE Delayed to Robberg.

Purchase Orders: 2014-11.099

Perry Condo

To:

The Perry Condo 124-128 Pears Ave, Toronto, ON

Project # 2014-11

Tel: 416-355-5703 Fax: 416-355-5704

Summercove Estates Inc.

Date: 2015-12-15

Page 217

Purchase Order Number: 099

Royal Canadian Bedrock Inc.

Anthony Guido

100 King Street West, Suite 5600 Toronto, Ontario M5X 1C9 Erom

Summercove Estates Inc.

Maryam Mansouri

39 Wortheim Court, Unit 10 Richmond Hill, Ontario L4B 1B9

Description

Thin Stone Supply

Status

Ship Via

General Comments:

Owner has agreed to a 25% deposit upon singing of PO = \$38,125,00

Delivery of material to be to site or Clifford Masonry Warehouse - Extra to PO

Terms:

25% deposit upon signing stone supply agreement; 2nd 25% instalment paid after 1st 25% of finished goods ready for shipment at quarry/plant.

3rd 25% instalment paid after 2nd 25% of finished goods ready for shipment at quarry/plant.

4th 25% instalment paid after 3rd 25% of finished goods ready for shipment at quarry/plant. This last payment is clarified to be paid prior to final finished shipment.

Fourth 25% of finished goods shipped from quarry/plant upon owners request or held in storage until requested to be shipped.

Notes:

Supply of Thin Stone veneer (without kerting or doweling)

Final Quantity of supply and preformed corner sections to be determined from Final shop drawings provided by Clifford Masonry, estimated quantities between 7,000 to 10,000 ft2 and preformed corner sections to be 25% of supply quantity.

Shop drawings and cutting tickets will be provided by Owner

	Job Telephor Job Fax: 416	ne: 416-355-5703		PO Total HST Excluded		152,500.00
Ship To:	The Perry C	ondo 124-128 Pears Ave, Toronto, ON				0,00
003		Delivery - Extra to contract	03400	0.00		200
		Upcharge for supply of preformed corner sections to approximately 25% of project	03400		FT2 of long side only	30,000.00
002	2.857	7,000 to 10,000 sq.ft. of Ottawa Platinum Dolomite Stone Honed Finish - Supply only	03400	17,50	FT2	122,500.00
Item No	Qty 7.000	Description	Budget Code	Unit Price	UOM	Amounts

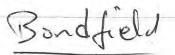
Claims for adjustments to this purchase order will not be accepted unless prior written approval for such changes has been issued by Summercove Estates Inc. and Tucker Hi-Rise Construction Inc. Prior to commencement of work on site a copy of your Workpiace Safety Certificate, Insurance Board Clearance and Liability Certificate, One signed copy of our Project Safety Program (forwarded under separate cover) and one completed Registration of Constructors and Employers Engaged in Construction (under separate cover) must be received by Tucker Hi-Rise Construction Inc. This work shall be performed in compliance with Tucker Hi-Rise Construction Inc.'s Occupational Health & Safety Policy. All labour employed directly or indirectly in performance of the work must be employed under conditions which are satisfactory to Summercove Estates Inc. and Tucker Hi-Rise Construction Inc.

Application for payment must be received at the office on 3755 Victoria Park Avenue, Toronto, Onlario, M1W3Z4 by the 20th day of the month, in order for payment to be processed by the 15th day of the second month following application and shall only be based on value of work completed as of the application date. Payment will not be subject to holdback.

*** All invoices must explicitly identify the value of HST applicable ***



TUCKER Hirise	Purchase Order 099 Grouped by Number
Summercove Estates Inc.	Royal Canadian Bedrock Inc.
"I have the authority to bind the corporation" PER Maryam Mansouri	"I have the authority to bind the corporation" PER Anthony Guido
Date 25th 2016	January 19, 2016



FW: Oak Ridges Library - Balance of outstanding stone

Fred Leimbrock <Fleimbrock@bmcmasonry.com> to me, Alvaro, Wilfredo

Anthony,

See attached quantity of stone required to complete the Oak Ridges Library, please advise as to how fast we can receive the balance.

If you have any questions feel free to contact me.

Thanks

Fred Leimbrock Project Manager

Fleimbrock@bmcmasonry.com



Ma/18 \$33 K 9/S

Inbox x



From: Chris Grodzki <chris@aststone.ca> Date: June 8, 2018 at 9:35:43 AM EDT To: anthony@royalcanadianbedrock.com

Subject: Order for 700sqf

Hi Antony Here are the sizes and quattyies for the 1-1/4 " pavers

We need the following pieces for this job:

64 Pieces 23 ½ inches X 47 7/8 inches 36 Pieces 23 ½ inches X 23 7/8 inches 4 Pieces 23 ½ inches X 27 7/8 inches 4 Pieces 23 ½ inches X 3 7/8 inches

Chris

Sent from my iPhone





Invoiced to:	
AST STONE	
587 TRETHEWEY DRIVE	
TORONTO, ONTARIO	
M6M 4B8	

Date	INVOICE #
18-06-05	151323

Terms	PO
G.	CHRIS

Description	Q	\$ per	Amount
OTTAWA PLATINUM*	700.00	22.50	\$15,750.0
PALLETS**	5.00	15.00	N/
*Price does not include delivery. **Pallets not charged but returable.			

HST# 827084575 RT0001

Subtotal \$15,750.00 HST \$2,047.50

\$17,797.50

Total

ROYAL CANADIAN BEDROCK INC. 100 KING ST. WEST, SUITE 5600 TORONTO, ONTARIO M5X 1C9

THANK YOU FOR YOUR BUSINESS!

Agremat 450-227-2234 Ph 450-227-6324 Fax 720 Boulevard des Laurentides Piedmont, QC J0R 1K0

PO # 241

7 May 2018

Please note the following order as requested from Royal Canadian Bedrock:

22.5 tons 6 – 8" Eramosa cut back garden steps 4 – 7ft long x 18" – 24" deep 22.5 tons 6 – 8" Eramosa garden steps 4 – 7 ft long

Thank you,

Daniel Comeau Can Am Stone Products Pierres St-Canut 11970 Sir Wilfrid Laurier St-Canut (Mirabel) QC 450-438-9532 Ph Contact : Matthew Proulx PO# 240

7 May 2018

Please note the following order from Royal Canadian Bedrock Eramosa Quarry as requested:

45 tons 6 – 8" Eramosa Cut back garden steps 4 – 7 ft long x 18" – 24" deep

Thank you,

Daniel Comeau Can Am Stone Products 9611



PACKING SLIP

BEDROCK

Date SWAF 1418	
HBC Order #	
Packing Sho # RCBS086M	

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1	

Dur Dale Project &

TAN MAYWELL

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10	FEN	4-5 x4 GARIPH CONSINS	
4	ton_	5-6'x4" Guelph coursing	
	20 te	a total = 10 5%:25	
		KC	

Shippeng Method

100 King Street West, Suite 5600, Toronto, Ontario Canada MSX-109 T 416-306-5796 avww.roys/canadianbedrock.com



Page 225

Page 2

DISTRIBUTION AGREEMENT

AGREEMENT made as of the	day of	, 20	, by and between F	Royal Canadian Bedrock,
having its business address at 100	King Street West	Suite 5600	Toronto, Ontario Cana	ada M5X 1C9 (hereinafter
referred to as "SUPPLIER") and *I	Moruzzi Stone Co.	*, having its	principal place of busin	ness at 6685 Boul. Couture
Montreal, Quebec (hereinafter refer	rred to as "DISTRII	BUTOR").		
WITNESSETH				
WHEREAS				

A. SUPPLIER is the proprietor of the limestone quarry located in Augusta, Ontario (hereinafter referred to as the "Product").

- B. DISTRIBUTOR desires to secure from SUPPLIER, and SUPPLIER is willing to grant to DISTRIBUTOR, the exclusive right to sell and distribute SUPPLIER'S Product in the province of Quebec, New Brunswick, PEI, Nova Scotia, and Newfoundland. (Hereinafter referred to as the "Territory"). NOW THEREFORE, it is mutually agreed as follows:
- 1. SUPPLIER hereby appoints DISTRIBUTOR as its sole and exclusive distributor for the term of this Agreement for the sale and distribution of the Product in and throughout the Territory. DISTRIBUTOR will maintain, or cause to be maintained, a sales staff for the distribution of products handled by DISTRIBUTOR, and DISTRIBUTOR shall use its best efforts to promote the sale and distribution of SUPPLIER'S Products.
- 2. SUPPLIER will not ship the Product, or any other product bearing the same or similar trademark, signature or identification, to the Territory. It will refer to DISTRIBUTOR any and all orders or inquiries for the Products that it may receive for shipment to the Territory, or orders which are intended for eventual shipment to the Territory.
- 3. SUPPLIER will fill promptly and to the best of its ability all orders for the Product received from DISTRIBUTOR.
- 4. SUPPLIER shall provide DISTRIBUTOR with all pertinent technical information and testing of material as required by projects.
- 5. The term of this Agreement shall be for a period of 3 (three) years from date of agreement.



- 6. Moruzzi Stone Co. to purchase the following volumes: \$600,000 -\$700,000
- 6a. Effective pricing has been agreed upon at \$400.00 CAD/ton. Pricing to be negotiated in the event of large projects with particular needs.
- 6b. Payment terms are net 30-90 days.
- 6c. Pricing for third party blocks to be set at \$400USD/Ton.
- 7. It is agreed upon that Product supplied to be of Premium quality.
- 8.. If either party has intention to terminate this Agreement, they will provide 6 months with a written notice prior to any specified termination date.
- 9. This Agreement is the entire agreement between the parties, cannot be changed orally, and neither party has made any representations or promises to the other which are not expressed in this Agreement.
- 10. No waiver of a breach of the terms of this Agreement shall be effective unless made in writing, and no such waiver shall be deemed a waiver of any other existing or subsequent breach. No modification of this Agreement shall be of any effect unless set forth in writing.
- 11.. All notices shall be sent prepaid either by mail or facsimile addressed to the respective parties at the address hereinabove set forth, unless they shall otherwise notify in writing.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SUPPLIER	DISTRIBUTOR
Anthony Guido	John Moruzzi
Title: President	Title: President

Moruzzi Sales Order - Completed Blocks 2018

	TONS	\$/Ton	<u>Subtotal</u>	<u>HST</u>	<u>Total</u>
April	160	\$ 400.00	\$ 64,000.00	\$ 8,320.00	\$ 72,320.00
May	194	\$ 400.00	\$ 77,600.00	\$ 10,088.00	\$ 87,688.00
June	160	\$ 400.00	\$ 64,000.00	\$ 8,320.00	\$ 72,320.00

Danny <danny@dartelectricltd.com>
To: Anthony Guido <anthony@royalcanadianbedrock.com>

Thu, May 3, 2018 at 8:58 AM

Anthony,

 $11 \times 2972 = $32,692$ and $9.50 \times 1978 = $18,791$ total \$51, 488.00 and add the slabs at 8,000.00 brings us to a total of \$59,488.00

Danny Panagoulia / President

D.A.R.T Electric Ltd / 241 Edgeley Blvd Unit 6 / Concord Ont / L4K 3Y6

danny@dartelectricltd.com

(T) 905-761-5758 / (F) 905-761-5269 / (C) 416-618-7786

This order was dispeted.

Price settled at \$27.3k
by wy of credit.

Ivan Rapa <ivan@osvinc.ca>

To: Anthony Guido <anthony@royalcanadianbedrock.com>

Tue, Feb 6, 2018 at 2:35 PM

Hi Anthony, as discussed, the billets we are needing are as follows:

Height: 2.25", 5", and 7 34".

Width: 10" minimum, 24" maximum.

Length: 24" minimum, 72" maximum.

Sawn all sides.

We would need billets of both the brown and Eramosa in the following approximate quantities:

2 1/4" Brown - 10% of truck load

5" Brown - 15% of truck load

7 3/4" Brown - 25% of truck load

2 1/4" Eramosa - 10% of truck load

5" Eramosa - 15% of truck load

7 3/4" Eramosa - 25% of truck load

Thank you,

Ivan Rapa

Ontario Stone Veneers

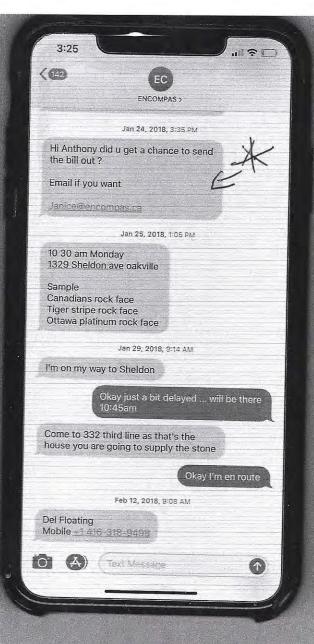
78 Lombard St., Meaford, ON, Canada, N4L 1H5

T: (416) 897-6583 F: (519) 489-1319

www.ontariostoneveneers.com

Inventory lett on site

3:02 CO Bart Stock Order Bart > May 23, 2018, 2:16 PM Hi Bart, How did you make out? May 28, 2018, 9:46 AM Hi Bart, Kindly call thanks May 28, 2018, 11:07 AM Call you later, I'm in Edmonton flying back tonight Jun 1, 2018, 12:04 PM Can I call you later? Sure Jun 18, 2018, 10:30 AM 70 corner pieces mixed sizes 60 square feet of mixed stone pieces Jun 19, 2018, 1:47 PM This is 11/2" thickness



INVOICE



nvoiced to:
NCOMPASS CONSTRUCTION LTD.
NCOMPASS CONSTRUCTION LTD.

Date	INVOICE #
	REVISED
18-02-20	151245
	04-10-18

Terms	PO
PREPAYMENT	ARTHUR

Description	Q	\$ per	Amount
RE: ROBERT ALLEN DEVANE CUSTOM HOMES			
ERAMOSA SAWN SANDBLASTED	1,350.00	25.00	\$33,750.0
(2 1/2" T, 7 3/4", 11 3/4", 13 3/4" heights; Random lengths 24"- 48")			
ERAMOSA SAWN SPLIT STONE	6.00	320.00	\$1,920.0
(3.5" Thick, 5', 7 3/4", 10.5" Random Lengths 12" to 24")			ALL PROPERTY.
Pallets	40.00	15.00	\$600.0
Deliver	2.00	1500.00	\$3,000.0

HST# 827084575 RT0001

 Subtotal
 \$39,270.00

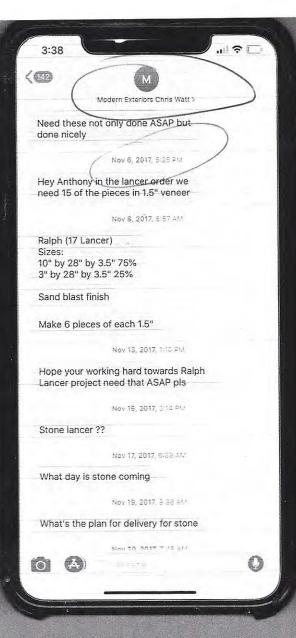
 HST
 \$5,105.10

 Total
 \$44,375.10

ROYAL CANADIAN BEDROCK INC. 16 AMOS MAYNARD CIRCLE VAUGHAN, ON L4L 3B8

THANK YOU FOR YOUR BUSINESS!

		ENCOMPAS	
		Jun 26, 2019, E	
A manifest of the control of the con			
		2	
		2,460.35	
	SAMBLASTICO SALES	the state of the s	
		1 1 2 1 00 V	



March 2, 2018

To: Anthony Guido <anthony@royalcanadianbedrock.com>

Re: 4 All Seasons - 39 Sugarbush - Woodbridge - total sf 5590

Hi Anthony

Here is my order everything in flagstone. It is obviously much larger than we discussed. Let me know

Main deck (Flagstone):

- -Eramosa (sandblast)
- -20.5" x 42.25" x 1"
- -3060sf ... plus 5% waste ... total: 3215sf

Pool coping:

- -Eramosa
- -flat face
- -sandblast (top and 1 long face only)
- -23 pcs @ 67" x 16" x 2.5"

...total 171 ft

Pool and tree banding (flagstone):

- -Ottawa grey
- -flamed
- -27 pcs @ 67" x 9.5" x 1"
- -10 pcs @ 48" x 9.5" x 1" ...total 150 ft

Cabana (flagstone):

- -Ottawa grey (flamed)
- -12" x 36" x 1"
- -616sf ... plus 10% waste ... 675sf

Cabana (walls) and internal washroom

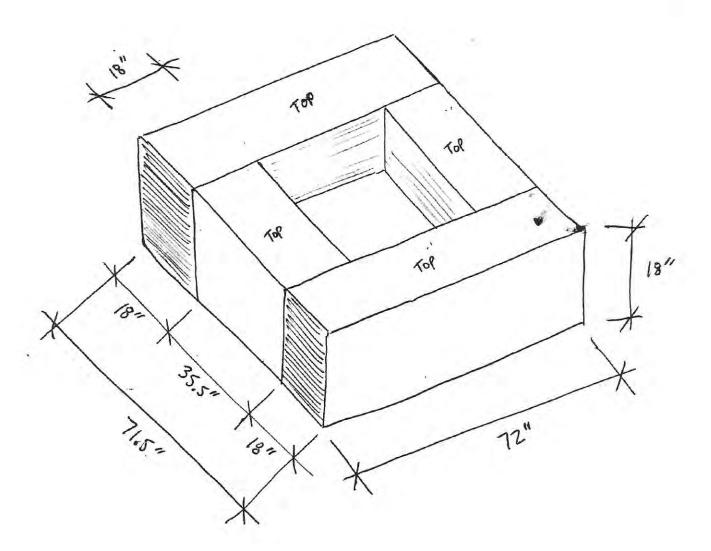
-12" x 36" x .5" polished Eramosa -structure is 14' x 8' x 12' high

plus 14 corner pieces 12"x12 ...810 sf"

\$76,100+HST

```
Stepping stones:
  -Eramosa
  -(sandblast)
  -sawn 4 edges
  -6 pcs @ 30" x 60" x 2"
                                              ...75 ft
  Step coping:
  -Eramosa
  -sandblast (top, 1 long face and both short sides
 -13 pcs @ 16" x 67" 2.5"
                                              ....96 sf
  Fire pit (flagstone):
  -Eramosa (sandblast)
  -24 pcs @ 20.5" x 72" x 1.25"
                                                        ... 246sf
  Fire pit (curbs):
  -Eramosa
  -2 pcs @ 18" x 18" x 72" (bush hammered top, 1 long face and both short
  -2 pcs @ 18" x 18" x 35.5" (bush hammered top and 1 long face only)
                                                   ....50 sf
  Fire pit (planters):
  -Eramosa
  -4 pcs @ 24" x 46" x 8" (finished top, 1 long face and both short sides)
  -4 pcs @ 24" x 30" x 8" (finished top and 1 long face only)
  -Finish TBD by Customer
                                              ....50 sf
Curbs:
  -Ottawa grey
  -flamed
  -1 pc @ 9.5" x 15" x 60" (finished top, 1 long side and both short sides)
  - 1 pc @ 9.5" 15" x 50" (finished top and 1 long face only) ....12 sf
  Counter Top
  Eramosa – top and all sides polished
  139 x 42 x 1.5
                                          40 sf
```

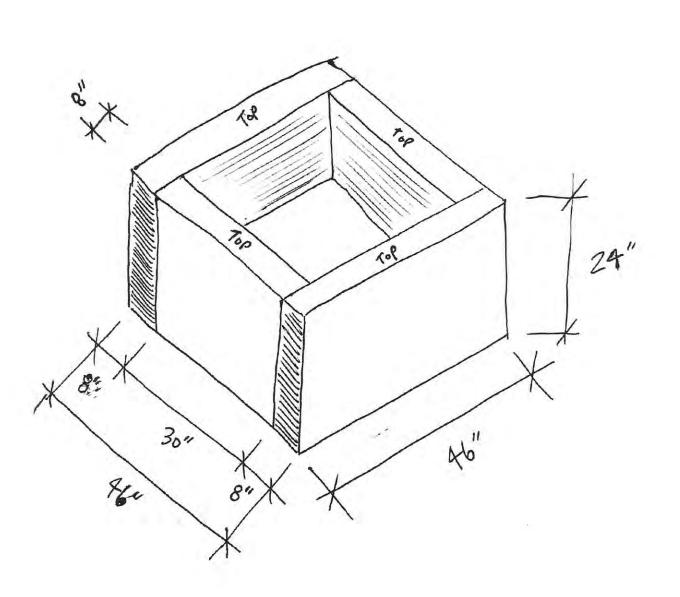
FIREPH (CURBS) * ERAMOSA



* ALL "TOPS". & "OUTSIDE" EDGES (FACES)
TO BE FINISHED

* FINISH TO BE DETERMINED BY GEORGE

FIRE PIT (PLANTERS) × (Z PLANTERS) Page 238 ** ERAMOSA



* ALL TOPS & OUTSIDE EDGES (PACES)

TO BE FINISHED

* FINISH TO BE DETERMINED BY GENERE.



Peluso Marmi 4 Containers / 8 Blocks

Appendix "P"

Royal Canadian Bedrock Inc. Summary Schedule of Accounts Receivable and Supporting Documentation As at September 30, 2020 A/R Balance Page in @ June 30, Guido Customer 2018 Invoice # Purchase Order # Invoice Amount Tax Total Date **Customer Contact** Support Status Colonial Brick & Stone Evd 18-05 \$10,372.00 \$1,348,36 \$11,720.36 24-May-18 #5956 Perth Rd. 119 Brumner 11.7 151323 2/67 Purchase order and invoice provided. Amounts agree to A/R subledger. (519) 595-4261 Elroy Wagler UCC Group 25.5 151324 26010 \$26,500.00 \$3,445.00 \$29,945.00 12-Jun-18 262 Galax Blvd. Toronto ON 4/67 Purchase order and invoice provided. 416-675-7455 Invoice amount exceeds A/R subledger by \$4,445. 5 Terry Fox Drive Kingston Rigney Building Supply 9.7 57297 PO: \$7920.00 7/67 Purchase order provided. No evidence of delivery. No invoice. 613-544-9145 Stoneval 36.0 No supporting documentation provided Nikolaus Bagnara 18.0 8/67 Support consists of photo of text via text message message. No amounts. No evidence of delivery. No invoice. Fernando DiBatista 15.0 9/67 Support consists of photo of text via text message message. No amounts. No evidence of delivery. No invoice. 65.0 No supporting documentation provided Montanger Residence 4105 Lake Ridge Rd N 10/67 Support consists of an email dated May Arnts the Landscape Supplier 6.0 16195 16-May-18 Christopher Arnts 18, 2018 and a purchase order from 905-655-0601 ext 325 customer of same date. No evidence of christopher@arntstopsoil.com delivery. No invoice. Via Dorsale 10 54030 Massa PLL Stone 332.0 07-Dec-16 12/67 Documentation is open purchase order dated Dec 7, 2016 for 6,000 metric Italy +39 347 5315479 tons of Eramosa block. No evidence of pilstonesris@gmail.com delivery. No invoice. 70.0 13/67 Documentation consists of a schedule Izart of 7 sizes/quantites of Algonquin Limestone. No purchase order. No evidence of delivery. No invoice. Jim Kim Architect 50.0 No supporting documentation provided. Joe Barannca 31.0 Guido advised order was a verbal agreement. No supporting documentation provided. Robert Carnal 2.0 Guido advised order was a verbal agreement. No supporting documentation provided. Guido advised order was a verbal CJ Graphic 10.0 agreement. No supporting documentation provided.

Royal Canadian Bedrock Inc. Summary Schedule of Accounts Receivable and Supporting Documentation As at September 30, 2020 Page in A/R Balance @ June 30, Guido Customer 2018 Invoice # Purchase Order # Invoice Amount Tax Total Date **Customer Contact** Support Status 8.0 Jasjeet Singh Guido advised order was a verbal agreement. No supporting documentation provided. Ryan Collina 14.0 Guido advised order was a verbal agreement. No supporting documentation provided. No supporting documentation Muskoka aStone Masonry 27.0 provided. TFS 112.5 18/67 Supporting consists of an email via email discussing pricing. No purchase order. No evidence of delivery. No invoice Matt's Landscaping 25.0 29-Apr-18 info@mattslandscaping.ca 19/67 Support consists of a schedule titled via email "95 yonge blvd stone order list". No purchase order. No evidence of delivery. No invoice. 72.0 25-Apr-15 Darrin Loftus 21/67 Support consists of a "Product Table Rock Stone Company 17672 Welch Plaza Manfuacturing Agreement" signed Omaha, Nebraska April 24, 2015. No purchase orders. No 402-408-1830 evidence of delivery. No invoice. dloftus@tablerockco.com Marmi Zola 15.0 No supporting documentation provided ORL-715 PO: \$47,255.00 \$6,143.15 \$53,398.15 Oak Ridges Library Richmond Lab Flooring 85.5 35/67 Supporting documentation consists of Hill ON an undated purchase order for \$53,398. No evidence of delivery. No invoice. 125.0 2014-11.099 PO: 152,500 132675 Summercove Estates Inc. 36/67 Support consists of a letter from Mansouri Group (Summercove Estates Inc.) (HST Excluded) Richmond Hill, ON Summercove Estates Inc. dated Feb 16, Maryam Mansouri 2018 amdending a "Contract" a Tucker 905-881-1026 Hirise purchase order dated Dec 16, 2015. No evidence of delivery and no Bondfield 33.0 9-Apr-18 Doug Bell 34/67 No purchase order, no evidence of via email Dbell@bondfield.com delivery, no invoice 407 Basaltic Rd. Concord ON 416-667-8422 \$2,047.50 AST Stone 18.0 151323 via email \$15,750 \$17,797.50 587 Thethewey Drive Toronto 14 & Documents include email order, and 49/67 invoice for less than A/R subledger ON Chris Grodzki chris@aststone.ca

Royal Canadian Bedrock Inc. Summary Schedule of Accounts Receivable and Supporting Documentation As at September 30, 2020 A/R Balance Page in @ June 30, Guido Customer 2018 Invoice # Purchase Order # Invoice Amount Tax Total Date **Customer Contact** Support Status 7-May-18 Daniel Comeau 50/67 Support consists of letters from Can Canam Stone 20.0 via email Am Stone to Agremat amd Pierres St-Canut listing what was ordered from RCBI. No evidence of delivery and no Gott 14-Jun-18 Ian Maxwell 52/67 Support consits of an RCBI packing 10.0 slip dated June 14, 2018 for 20 tons of Guelph Coursing. No invoice provided. 231.7 668 boul, Couture, Montrea 53/67 Support consists of an undated Moruzzi Distribution Agreement and Sales 514-322-7410 Order for \$232,328 of Completed info@moruzzi.com Blocks. No evidence of delivery and no invoice. 27.3 Danny Panagoulia 56/67 Support consists of an email from D. D. Panagoulia 3-May-18 via email President of DART Electric Panagoulia indicating a "total of danny@dartelectricltd.com \$59,488". No evidence of delivery and 905-761-5758 no invoice. 29.8 78 Lombard St. Meaford ON 57/67 Support consists an email from Ivan Ontario Stone Veneer via email 6-Feb-13 416-897-6583 Rapa to Guido Isiting billets that are ivan@osvinc.ca needed. No evidence of delivery and no invoice Bart 8.0 via text message 58/67 Support consist of photos of text messages discussin an order. No evidence of delivery and no invoice. 25.0 151245 via text message \$39,270 \$5,105.10 \$44,375.10 17/67 Support consists of an invoice for Encompass 10-Apr-18 janice@encompas.ca \$44,375 dated Feb 18, 2020, and amended to April 10, 2018 with the terms "Prepayment". Modern Exteriors 65.0 Chris Watt 62/67 Support consists of a photo of a text via text message message dated June 26, 2018 listing certain finishes and quantities. No evidence of delivery and no invoice. PO: \$76,100 + \$ 9,893.00 63/67 Support consist of an email lsting an 4 All Seasons 111.0 \$ 85,993.00 39 Sugarbush Woodbridge via email order for flagstone with a handwritten HST \$76,100 + HST. No evidence of delivery and no invoice. Peluso Marmi 84.0 via text message Leonardo Peluso Marmi 67/67 Support consists of a photo of text messages in italian. No evidence of delivery and no invoice. 1828.7

Appendix "Q"

ROYAL CANADIAN BEDROCK INC.

Inventory As at June 30th, 2018 (\$ 000s)

Product Description

Dimension Stone	\$ 1,469.6
Building Stone	\$ 285.1
Aggregates	\$ 703.1
Rockery & Boulders	\$ 309.7
Landscape Stone	\$ 684.7
	\$ 3,452.2

Appendix "R"

\$0.00



Industry Canada

Industrie Canada

Office of the Superintendent of Bankruptcy Canada

Bureau du surintendant des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-2565242
Estate No.: 31-2565242

In the Matter of the Bankruptcy of:

Royal Canadian Bedrock Inc.

Debtor

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITTE INC

Licensed Insolvency Trustee

Ordinary Administration

Security:

Date and time of bankruptcy: October 01, 2019, 14:10

Date of trustee appointment: October 01, 2019

Meeting of creditors: October 16, 2019, 10:30

Bay Adelaide East

8 Adelaide St West, Suite 200

Toronto, Ontario

Canada,

Chair: Trustee

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforenamed debtor filed an assignment under section 49 of the Bankruptcy and Insolvency Act,
- the aforenamed trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy;
 and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the
 aforementioned time and place or at any other time and place that may be later requested by the official
 receiver.

Date: October 01, 2019, 14:15









Appendix "S"

In the Matter of the Receivership of Royal Canadian Bedrock Inc. Statement of Receipts and Disbursements For the period December 6, 2018 to May 31, 2021

Description	 Total
Receipts	
Sale proceeds	\$ 397,243
Borrowings from HSBC	108,707
Reimbursement of Deemed Trust from Fuller Landau	16,692
Interest	720
Total receipts to date	\$ 523,361
Disbursements	
CRA Deemed Trust	191,589
Receiver's fees	137,171
Repayment to HSBC	80,000
Receiver's legal counsel fees	24,658
HST paid on disbursements	21,083
Transfer to Bankruptcy Estate	13,157
Operating expenses	1,653
Total disbursements to date	\$ 469,310
Surplus of receipts over disbursements	\$ 54,051

Appendix "T"

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

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

ROYAL CANADIAN BEDROCK INC.

Respondent

AFFIDAVIT OF HARTLEY BRICKS (Sworn June 28, 2021)

- I, HARTLEY BRICKS, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:
- I am a Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional qualified to practice in the Province of Ontario, and am a Senior Vice-President of Deloitte Restructuring Inc. ("Deloitte"), the Court-appointed receiver (the "Receiver") of all of the assets, undertakings and properties of Royal Canadian Bedrock Inc. ("RCBI"), save and except for certain equipment in respect of which there is a prior-ranking security interest pursuant to paragraph 2 of the Appointment Order. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
- 2. Attached hereto as **Exhibit** "A" is a schedule summarizing each invoice in **Exhibit** "B", the total billable hours charged per invoice, the total fees and disbursements charged per invoice and the average hourly rate charged per invoice.

- 3. Attached hereto as **Exhibit "B"** are true copies of the invoices for fees and disbursements incurred by Deloitte in the course of the Receiver's administration for the period February 28, 2019 to May 14, 2021.
- 4. To the best of my knowledge, the rates charged by Deloitte throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services, and are comparable to the hourly rates charged by Deloitte for services rendered in relation to similar proceedings.
- 5. The estimated fees of the Receiver for future discharge activities and to complete its involvement in this matter are approximately \$5,000 before disbursements and applicable taxes.
- 6. All dollar amounts contained in this affidavit are expressed in Canadian dollars
- 7. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver.

SWORN BEFORE ME	
over video conference this)
28 th day of June, 2021 in accordance)
with Ontario Reg.431/20.	,)
The affiant was located in Toronto,)
in the Province of Ontario, while the)
Commissioner, MANIO FOLTE	
was located in,	Hatty birts
in the Province of Ontario.) Haway Vive
) <u> </u>
A commissioner for taking oaths, affidavits, etc.	,

EXHIBIT "A"

Calculation of Average Hourly Billing Rates of Deloitte Restructuring Inc. for the period February 28, 2019 to May 14, 2021

			Other Total Invoice		Average Hourly		
Invoice Number	Invoice Date	Fees	Disbursements	HST	Amount	Hours	Fee Rate
8000582103	May 17, 2019	\$ 26,166.50	\$ 94.68	\$ 3,413.95	\$ 29,675.13	63.7	\$ 410.78
8000713668	August 7, 2019	\$ 10,252.00	\$ 24,657.75	\$ 4,475.87	\$ 39,385.62	22.6	\$ 453.63
8000832499	October 24, 2019	\$ 4,457.00	\$ 738.92	\$ 579.41	\$ 5,775.33	12.9	\$ 345.50
8001825949	May 19, 2021	\$ 33,574.50	\$ -	\$ 4,364.69	\$ 37,939.19	66.0	\$ 508.70
Total	Total	\$ 74,450.00	\$ 25,491.35	\$ 12,833.92	\$ 112,775.27	165.2	\$ 450.67

This is **Exhibit "A"** referred to in the Affidavit of **Hartley Bricks** sworn before me via Videoconference this 28th day of June, 2021

A Commissioner for taking oaths, etc.

8000582103

May 17, 2019

1136634 HON00116

Paul Casey

122893605RT0001

Deloitte

Royal Canadian Bedrock Inc. c/o Deloitte Restructuring Inc., Court-Appointed Receiver 8 Adelaide Street West, Suite 200 Toronto ON M5H 0A9 Canada

For professional services rendered

Fees

By Deloitte Restructuring Inc. as the Court-Appointed Receiver of Royal Canadian Bedrock Inc. ("RCBI" or the "Company") for the period February 28, 2019 to April 30, 2019.

Please see the attached appendices for details.

HST applicable

Invoice

Deloitte Restructuring Inc.Bay Adelaide Centre

Toronto ON M5H 0A9

Tel: (416) 601-6150

Fax: (416) 601-6151

Engagement Partner:

HST Registration:

www.deloitte.ca

Date:

WBS#:

Client No.:

8 Ádelaide Street West, Suite 200

26,166.50

Expense

HST applicable

94.68

Sales Tax

HST at 13.00%

3,413.95

Total Amount Due (CAD)

29,675.13

This is **Exhibit "B"** referred to in the Affidavit of **Hartley Bricks** sworn before me via Videoconference this 28th day of June, 2021

A Commissioner for taking oaths, etc.

Deloitte.

Appendix #1

Summary of Fees

Name	Level	Hours	Rate	Amount
Casey, Paul	Partner	1.2	650.00	780.00
Bricks, Hartley	Director	7.8	550.00	4,290.00
Hristow, Catherine	Director	1.1	550.00	605.00
Whittingham, Andrew	Senior Manager	10.7	470.00	5,029.00
Chu, Jonathan	Senior	39.8	375.00	14,925.00
Jack, Sean	Analyst	2.0	200.00	400.00
Brown, Rose	Trust Administrator	1.1	125.00	137.50
Total Hours and Professi	onal Fees	63.7		26,166.50
Out of Pocket Expenses				
Meals				54.68
Online Research				40.00
Total Out of Pocket Expe	enses			94.68

Deloitte

Appendix #2

Date	Name	Description	Hours	
3/1/2019	Bricks, Hartley	Discussion with A. Whittingham re storage agreement and review of emails regarding same.		
3/7/2019	Brown, Rose	Estate administration: add creditor.	0.1	
3/7/2019	Chu, Jonathan	Instructions to R. Brown re update creditor listing.	0.1	
3/11/2019	Chu, Jonathan	Call with Fairmont Security; correspondence with A. Guido re Chevrolet repossession.		
3/12/2019	Chu, Jonathan	Call with Bankruptcy Highway re Chevrolet repossession; call with WSIB; draft email in response to WSIB letter dated Feb 7, 2019.		
3/12/2019	Whittingham, Andrew	Email GSNH for update on storage agreement; read and consider response; email CB for update.	0.2	
3/13/2019	Chu, Jonathan	Review notice letter to CIBC; draft email to CIBC legal re cheques copies.	0.2	
3/13/2019	Whittingham, Andrew	Review CIBC emails and discuss with J. Chu.	0.6	
3/14/2019	Whittingham, Andrew	Read and consider of email from A O'Coin from HSBC re TD proceedings; forward to GSNH for comment; call with A. Hummel of Mamann Sandaluk to discuss Izart Architectural claim in the receivership; forward details to claim to J. Chu for records.	0.7	
3/15/2019	Brown, Rose	Scan and send correspondence to J. Chu.	0.1	
3/18/2019	Chu, Jonathan	Instructions to R. Brown re unsecured creditor documentation.	0.1	
3/19/2019	Chu, Jonathan	Review documentation, invoices from Hydro One.	0.2	
3/22/2019	Whittingham, Andrew	Attendance on call with A. Drieger of TGF re CRA priority.	0.5	
3/25/2019	Chu, Jonathan	Correspondence with M. Forte re Bennington.	0.3	
3/29/2019	Bricks, Hartley	Review of memo prepared by TGF re CRA claims.	0.4	
4/1/2019	Bricks, Hartley	Review of priority memo from TGF and discussion with A. Driedger re same.	0.8	
4/1/2019	Chu, Jonathan	First draft of the Receiver's second report; correspondence with B. Raguz re bank statements.		
4/2/2019	Bricks, Hartley	Respond to email from A. O'Coin re status of analysis of causes of receivership.		
4/2/2019	Chu, Jonathan	Draft Second Report of the Receiver.	1.5	
4/4/2019	Chu, Jonathan	Review March 2018 bank statements; prepare draft of the Receiver's Second Report and send to A. Whittingham for review.	6.3	
4/4/2019	Whittingham, Andrew	Email HSBC re AR reconciliation. Meeting with J. Chu to discuss status.	0.5	
4/5/2019	Bricks, Hartley	Discussion with A. O'Coin re status of receivership.	0.5	
4/5/2019	Chu, Jonathan	Correspondence with former employee; attendance on call with HSBC.	0.7	
4/9/2019	Bricks, Hartley	Discussion with A.O'Coin re status and timing for court report and approval.	0.1	

Date	Name	Description	Hours
4/9/2019	Whittingham, Andrew	Review of first draft of second court report and provide comments; call with J. Chu to discuss.	1.2
4/10/2019	Brown, Rose	Update website page.	0.2
4/11/2019	Chu, Jonathan	Review CIBC bank statements and cheques copies for account of RBI.	1.0
4/12/2019	Chu, Jonathan	Correspondence with creditor MacEwen Petroleum; instructions to R. Brown re same; complete second draft of Receiver's Report; reconcile amounts collected from June 30 subledger.	
4/12/2019	Jack, Sean	Review of bank accounts, transfer into excel documents	2.0
4/14/2019	Chu, Jonathan	Draft second Report of the Receiver and compile appendices.	2.0
4/15/2019	Bricks, Hartley	Conference call with M. Forte re status of storage agreement and status of court report and motion for sales process.	0.6
4/15/2019	Chu, Jonathan	Draft of Receiver's Second Report, compile appendices; call with Fuller Landau; review Receiver's Report with A. Whittingham; attendance on call with counsel re next steps and discussion items re Receiver's Report.	6.3
4/15/2019	Whittingham, Andrew	Call with counsel to discuss report and status; call with Fuller Landau to discuss status; review and markup of 2nd draft of Second Receiver's report and appendix; meeting with J. Chu to discuss amendments to same.	3.0
4/16/2019	Bricks, Hartley	Review of Second Report.	3.0
4/16/2019	Chu, Jonathan	Update Receiver's Second Report; correspondence for internal QA and counsel.	1.9
4/16/2019	Whittingham, Andrew	Detailed review and markup of 3rd draft of Second Receiver's report and appendix; discuss amendments to same with J. Chu.	2.0
4/17/2019	Bricks, Hartley	Review of draft AVO and provide comments to M. Forte; discuss revised report with J. Chu.	0.6
4/17/2019	Casey, Paul	Review Court Report.	1.0
4/17/2019	Chu, Jonathan	Update Second Receiver's Report, including comments from Counsel, H. Bricks, and P. Casey; compile and update Report appendices; Trust account examination with CRA.	5.2
4/17/2019	Whittingham, Andrew	Discuss Second Receiver Report with J. Chu, H. Bricks and P. Casey, separately.	0.5
4/18/2019	Chu, Jonathan	Incorporate QA edits re Receiver's Second Report; QA Form; attendance on call with TGF regarding Receiver's Second Report; draft correspondence to Fuller; review and search for proof-of-purchase documents for equipment under dispute.	1.7
4/18/2019	Hristow, Catherine	Review draft Second Report to the Court and provide comments on same.	1.1
4/18/2019	Whittingham, Andrew	Call with HSBC counsel to discuss second report of receiver among other things, follow up discussions with J. Chu and P. Casey; follow up call with M. Forte.	1.5
4/22/2019	Bricks, Hartley	Discussion with A. Whittingham re status of finalizing court report.	0.1
4/22/2019	Casey, Paul	Final review and execute Court Report.	0.2
4/22/2019	Chu, Jonathan	Edits to Receiver's Second Report per TGF comments; distribution of Report to internal group and counsel for final review and comments; QA Form.	1.5
4/24/2019	Brown, Rose	Update to website page.	0.3
4/24/2019	Chu, Jonathan	Call and correspondence with Hydro One regarding unpaid invoices; draft and send email to Fuller Landau and compile supporting documents.	0.8

Date	Name	Description	Hours
4/26/2019	Bricks, Hartley	Preparation for and attendance in court to seek sale approval order.	1.5
4/26/2019	Brown, Rose	Update website page with 3 documents.	0.4
Total			63.7

Royal Canadian Bedrock Inc., c/o Deloitte Restructuring Inc. Court-Appointed Receiver 8 Adelaide Street West, Suite 200 Toronto ON M5H 0A9 Canada

For professional services rendered

Fees

By Deloitte Restructuring Inc. as the Court-Appointed Receiver of Royal Canadian Bedrock Inc. ("RCBI" or the "Company") for the period May 1, 2019 to July 31, 2019

Please see the attached appendices for details.

Invoice 8000713668

Deloitte Restructuring Inc.

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

Tel: (416) 601-6150 Fax: (416) 601-6151 www.deloitte.ca

Date: August 07, 2019
Client No.: 1136634
WBS#: HON00116
Engagement Partner: Paul Casey

HST Registration: 122893605RT0001

HST applicable	10,252.00

Expense

Sales Tax

Out-of-Pocket Expenses

HST applicable No tax applicable	24,177.75 480.00
Subtotal	24,657.75
HST at 13.00%	4,475.87

Total Amount Due (CAD)

39,385.62

Deloitte_®

Appendix #1 Summary of Fees

Name	Level	Hours		Rate	Amount
Bricks, Hartley	Director	2.5	\$	550.00	\$ 1,375.00
Whittingham, Andrew	Senior Manager	14.1	\$	470.00	\$ 6,627.00
Chu, Jonathan	Senior Associate	6.0	\$	375.00	\$ 2,250.00
Total Professional Hours and Fees 22.6					\$ 10,252.00
Disbursement: Goldman S	loan Nash & Haber invoice 1	71946 dated Janua	ry 11,	2019	\$ 11,929.50
Disbursement: Goldman Sloan Nash & Haber invoice 173788 dated April 17, 2019					\$ 12,728.25
Total Disbursement					\$ 24,657.75
Total fees and disbursements					\$ 34,909.75

Appendix #2

Time Details - May 1, 2019 to July 31, 2019

Date	Name	Narrative	Hours
4/24/2019	Whittingham, Andrew	Calls with Fuller Landau to discuss second receivers report, discussions with J Chu and H Bricks re the same.	1.0
4/30/2019	Whittingham, Andrew	Call with J Chu re RCBI auction.	0.5
5/1/2019	Chu, Jonathan	Insurance cancellation form and execution with H. Bricks.	0.2
5/6/2019	Chu, Jonathan	Review of storage agreement; execution re same.	0.4
5/6/2019	Bricks, Hartley	Review and execute storage agreement.	0.2
5/9/2019	Chu, Jonathan	Execute auction agreement; draft email to A. Moskowitz.	0.4
5/9/2019	Bricks, Hartley	Review and execute Auction Services Agreement.	0.1
5/15/2019	Chu, Jonathan	Correspondence with Fuller Landau and A. Guido re access to quarries.	0.4
5/21/2019	Chu, Jonathan	Correspondence with A. Guido re site visit; correspondence with counsel and Platinum re Bodkin asset.	0.5
5/24/2019	Chu, Jonathan	Follow-up email to Anthony re attendance.	0.1
5/27/2019	Chu, Jonathan	Statement of receipts and disbursements; coordinate quarry visit for Platinum Assets.	1.5
6/5/2019	Whittingham, Andrew	Reviewing emails from Anthony Guido and Platinum Assets re access to Wiarton quarry. Call with GSNH re access to property, send follow up email re same.	1.0
6/6/2019	Bricks, Hartley	Disc. with A, Whittingham re status of site access and review corresp. to A. Guido regarding same.	0.3
6/6/2019	Whittingham, Andrew	Various separate discussions with GSNH and TGF regarding Guido compliance and access to quarries. Discuss same with H Bricks. Drafting letter to Guido re compliance and quarry access. Discuss draft letter with H Bricks. Finalize, execute and send letter to Guido.	3.2
6/7/2019	Whittingham, Andrew	Discussions with Platinum Asset and GSNH regarding access to Property.	0.8
6/10/2019	Bricks, Hartley	Disc. with A. Whittingham and M. Forte re response to A. Guido.	0.5
6/10/2019	Whittingham, Andrew	Prepare for and attend call with GNSH re Guido compliance.	0.5
6/11/2019	Bricks, Hartley	Conf. call with M. Forte and DJ Miller re status of receivership; disc. with A. Whittingham re A. Guido offers to purchase assets.	0.7
6/11/2019	Whittingham, Andrew	Prepare for and attend call with TGF and GSNH to discuss status of Receivership and Guido purchase of assets.	0.7
6/12/2019	Whittingham, Andrew	Telephone discussions with Platinum Assets Services re Guido bid for assets.	0.5
6/13/2019	Whittingham, Andrew	Call with Hydro One re overdue power bill for WIarton quarry, discussing same with J Chu.	0.5
6/13/2019	Whittingham, Andrew	Read and consider emails from Platinum Assets re Guido's purchase of assets, follow up call to Platinum to discuss.	0.4

Date	Name	Narrative	Hours
6/13/2019	Whittingham, Andrew	Draft letter to Mr Guido re compliance and review with counsel, finalize letter and send to Guido. Deal with follow up questions from HSBC counsel.	1.2
6/17/2019	Whittingham, Andrew	Emails exchanged with Liquidator re Guido compliance.	0.2
6/19/2019	Chu, Jonathan	Draft letter to Hydro One and compile appendices.	0.8
6/19/2019	Whittingham, Andrew	Read and send various emails to Platinum re status of Guido compliance. Review of letter to Hydro One re overdue accounts at Wiarton quarry, discuss same with J Chu.	0.6
6/21/2019	Chu, Jonathan	Draft letter to Anthony Guido re A/R and Payroll Journal.	0.8
6/24/2019	Whittingham, Andrew	Update call with A Moskowitz re sale of assets.	0.3
6/25/2019	Whittingham, Andrew	Review of letter to Guido re AR collections reconciliation and discuss with J Chu.	0.5
6/26/2019	Whittingham, Andrew	Review of Guido email re Hydro One disconnection. Prepare letter response, discuss with H Bricks.	1.2
6/26/2019	Chu, Jonathan	Data room management re Hydro One Documentation.	0.2
6/27/2019	Bricks, Hartley	Disc. with A. Whittingham re status of sale process and corresp from A. Guido and response to same.	0.2
6/28/2019	Whittingham, Andrew	Finalize and send letter to Guido re Hydro One accounts.	0.5
7/4/2019	Whittingham, Andrew	Finalize and send Guido letter dated July 4. Call Platinum Assets to receive update.	0.5
7/11/2019	Chu, Jonathan	Finalize letter to A. Guido with appendices and send to A. Whittingham for review.	0.3
7/25/2019	Bricks, Hartley	Review and provide comments on letter to A. Guido re A/R reconciliation.	0.3
7/29/2019	Bricks, Hartley	Disc. with A. Whittingham re letter to A. Guido and respond to email from DJ Miller.	0.2
7/29/2019	Chu, Jonathan	Letter to A. Guido re A/R reconciliation and Payroll Records.	0.4
Total			22.6

Royal Canadian Bedrock Inc., c/o Deloitte Restructuring Inc. Court-Appointed Receiver 8 Adelaide Street West, Suite 200 Toronto ON M5H 0A9 Canada

Invoice 8000832499

Deloitte Restructuring Inc.

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

Tel: (416) 601-6150 Fax: (416) 601-6151 www.deloitte.ca

Date: Client No.: WBS#:

WBS#: HON00116 Engagement Partner: Paul Casey

October 24, 2019

1136634

HST Registration: 122893605RT0001

For professional services rendered

Fees

By Deloitte Restructuring Inc., as the Court-Appointed Receiver of Royal Canadian Bedrock Inc. ("RCBI" or the "Company") for the period August 1, 2019 to October 18, 2019.

Please see the attached appendices for details.

HST applicable 4,457.00

Expense

No tax applicable 738.92

Sales Tax

HST at 13.00% 579.41

Total Amount Due (CAD) 5,775.33

Appendix #1 Summary of Fees

Name	Level	Hours		Rate	Amount	
Bricks, Hartley	Director	0.7	\$	550.00	\$	385,00
Whittingham, Andrew	Senior Manager	3.6	\$	470.00	\$	1,692.00
Chu, Jonathan	Manager	3.3	\$	425.00	\$	1,402.50
Klein, Emily	Analyst	4.2	\$	200.00	\$	840.00
Brown, Rose	Trust Administrator	1.1	\$	125.00	\$	137.50
Total Professional Hou	Total Professional Hours and Fees 12.9					4,457.00
Out-of-pocket Expense	s					
Equipment insurance					\$	738.92
Total Fees and Expenses					\$	5,195.92

Appendix #2

Work performed from August 1 to October 18, 2019

Date	Name	Narrative	Hours
8/1/2019	Whittingham, Andrew	Finalize letter to Guido re AR collections and Payroll; prepare summary update for HSBC and attach draft letter for comment; read and consider email re 104 Quarry Rd, Wiarton; discuss with H Bricks and A Moskowitz.	1.7
8/12/2019	Bricks, Hartley	Review of email from A. Guido and discuss same with A. Whittingham.	0.2
8/12/2019	Whittingham, Andrew	Discuss A. Guido's removal of saw blades at Wiarton with liquidator; email lawyers equipment serials and specs; discuss same with H. Bricks and counsel; ongoing emails and calls with counsel and liquidator to arrange for return of saw blades for auction.	1.2
8/14/2019	Whittingham, Andrew	Consider Guido response to July 31 letter; response to A. Guido re same.	0.3
8/22/2019	Chu, Jonathan	Correspondence with former RCBI customer.	0.2
8/23/2019	Bricks, Hartley	Disc. with A. Whittingham re Amsen Quarry.	0.2
8/23/2019	Whittingham, Andrew	Call with Fuller Landau to discuss security arrangements at Amsen Quarry and disc. with H. Bricks re same.	0.4
8/29/2019	Chu, Jonathan	Review invoices re June 30, 2018 A/R subledger balance.	0.4
8/29/2019	Klein, Emily	Reconciling various invoices from RCB's customers and matching them against the subledger given from the company.	3.0
9/3/2019	Klein, Emily	Finding contact information and making calls and sending emails to customers of RCB to find missing documentation that includes POs, invoices, etc.	0.7
9/9/2019	Klein, Emily	Following up with RCB's customers in order to attain invoices, proof of payments, etc. for outstanding invoice amounts	0.5
9/9/2019	Chu, Jonathan	Update Third Report of the Receiver.	0.8
9/12/2019	Bricks, Hartley	Review of auction results and disc. same with J. Chu	0,3
9/12/2019	Chu, Jonathan	Review auction summary; draft internal memo re auction results; correspondence with Platinum re cheque payment.	0.7
9/12/2019	Brown, Rose	Set bank account at RBC.	0.3
9/13/2019	Brown, Rose	Trust banking - deposit.	0.3
9/17/2019	Chu, Jonathan	Call with CRA re Deemed Trust.	0.1
9/18/2019	Brown, Rose	Trust Banking Administration - disbursement cheques.	0.3
9/19/2019	Chu, Jonathan	Calls and correspondence re disputed equipment.	0.6
9/23/2019	Brown, Rose	Trust Banking Adm - disbursement cheque.	0.2
10/15/2019	Chu, Jonathan	Prepare PoC and proxy for HSBC.	0.5
Total			12.9

Royal Canadian Bedrock Inc., c/o Deloitte Restructuring Inc. Court-Appointed Receiver 8 Adelaide Street West, Suite 200 Toronto ON M5H 0A9 Canada

For professional services rendered

Fees

Sales Tax

By Deloitte Restructuring Inc. as the Court-Appointed Receiver of Royal Canadian Bedrock Inc. ("RCBI" or the "Company") for the period October 23, 2019 to May 14, 2021.

Please see the attached appendices for details.

Invoice 8001825949

Deloitte Restructuring Inc.

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

Tel: (416) 601-6150 Fax: (416) 601-6151 www.deloitte.ca

Date: May 19, 2021 Client No.: 1136634 WBS#: HON00116 Engagement Partner: Paul Casey

HST Registration: 133245290RT0001

HST applicable 33,574.50

HST at 13.00 %

4,364.69

Total Amount Due (CAD) 37,939.19

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

Appendix #1

Summary of Fees

Name	Level	Hours	Rate	Amount
Bricks, Hartley	Director	38.4	580.00	22,272.00
Chu, Jonathan	Manager	25.8	425.00	10,965.00
McTaggart, Michael	Senior	0.3	375.00	112.50
Brown, Rose	Trust Administrator	1.5	150.00	225.00
Total Professional Hours and Fees		66.0		33,574.50

Appendix #2

Work performed from October 23, 2019 to May 14, 2021

Date	Name	Narrative	Hours
29-Oct-19	Chu, Jonathan	Status update re RCBI receivership.	0.3
11-Nov-19	Bricks, Hartley	Prepare schedule re proceeds from auction and corresp. to A. O'Coin re proposed reimbursement of funds.	1.0
14-Nov-19	Brown, Rose	Trust Banking Adm - Disbursement cheques and transfer.	1.1
14-Nov-19	Chu, Jonathan	Provide supporting documents and cheque requisition forms to R. Brown re disbursement waterfall.	0.6
21-Nov-19	Bricks, Hartley	Corresp. with A. O'Coin re repayment, review of files and disc. with J. Chu re leased asset proceeds and respond to A. O'Coin.	0.5
21-Nov-19	Chu, Jonathan	Review auction agreement re tax-split; compile values of auctioned equipment by GSA and leased.	0.8
22-Nov-19	Bricks, Hartley	Disc. with A. Erlich of Fuller Landau re proceeds from realization and deemed trust claims.	0.4
22-Nov-19	Chu, Jonathan	Attendance on call with Fuller Landau re deemed trust amounts; other internal discussions.	0.4
26-Nov-19	Bricks, Hartley	Discussion with M. Forte re marshalling of deemed trust claim	0.2
09-Jan-20	Bricks, Hartley	Review of Fuller Landau motion materials, discuss same with M. Forte, respond to questions from DJ. Miller	2.0
10-Jan-20	Bricks, Hartley	Disc. with M. Forte re status of discussion re Fuller distribution motion	0.2
13-Jan-20	Bricks, Hartley	Disc. with M. Forte re Fuller Landau contribution to deemed trust	0.2
13-Jan-20	Chu, Jonathan	Review documentation re TD equipment.	0.5
17-Jan-20	Bricks, Hartley	Corresp. concerning agreement for Fuller Landau contribution to deemed trust amount	0.7
22-Jan-20	Bricks, Hartley	Respond to various corresp. from DJ Miller re status of receivership and auction proceeds	0.2
28-Jan-20	Chu, Jonathan	Draft correspondence to WSIB re account closure; distribute to WSIB and EoS Canada; email to H. Bricks re CRA deemed trust.	0.6
04-Feb-20	Bricks, Hartley	Corresp. from G. Phoenix re payment of portion of deemed trust	0.1
25-Aug-20	Chu, Jonathan	Review materials from former vendor; correspondence with M. Forte re same; email to TGF re discharge.	0.5
16-Oct-20	Chu, Jonathan	Call with CRA re employee T4 amendment.	0.3
13-Jan-21	McTaggart, Michael	Summarizing and filing HST returns for periods Dec. 2018 - Jan. 2020	0.3

Date	Name	Narrative	Hours
15-Jan-21	Chu, Jonathan	Draft 246 Report for 6-months ended May 31, 2019; instructions to McTaggart re HST; status update email to H. Bricks; review and requisition for Deemed Trust amount.	2.5
19-Jan-21	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.3
01-Feb-21	Brown, Rose	Scan of Mailing and send to JC.	0.1
30-Mar-21	Bricks, Hartley	Disc. with A. O'Coin re status of receivership and information on sales process	0.3
31-Mar-21	Chu, Jonathan	Prepare draft Third report to court and forward to H. Bricks	6.0
05-Apr-21	Bricks, Hartley	Review of files and revise Third report to court	3.5
05-Apr-21	Chu, Jonathan	Call with A. Moskowitz re Guido points; review appraisal and sale summary.	0.5
07-Apr-21	Bricks, Hartley	Further drafting of third report to court	1.5
07-Apr-21	Chu, Jonathan	Review documents from Platinum; update Appendix D from Second Report; review appraisals and sale summary; updates notes to H. Bricks.	1.0
08-Apr-21	Chu, Jonathan	Update equipment status; review documentation received from A. Guido; update notes and comments to Guido materials; correspondence with Platinum Assets.	1.5
19-Apr-21	Bricks, Hartley	Prepare report to court; disc. with J. Chu re reconciliation of equipment	3.5
20-Apr-21	Chu, Jonathan	Update equipment status, including review of First and Second Reports; reviewing prior equipment listings; correspondence to H. Bricks.	1.5
21-Apr-21	Chu, Jonathan	Review original equipment listings from HSBC and Debtor; update equipment listing; review correspondence re possession dispute with F. Landau; email to Platinum re auction.	1.5
22-Apr-21	Bricks, Hartley	Review of schedules prepared by J. Chu and update report	2.0
23-Apr-21	Bricks, Hartley	Continue drafting of report including review of Amsen receivership documents	2.5
27-Apr-21	Bricks, Hartley	Review of files and draft third report to court; disc. with J. Chu re certain matters in report	5.0
28-Apr-21	Bricks, Hartley	Review and revise third report and forward to J. Chu for comments	5.3
28-Apr-21	Chu, Jonathan	Update Third Report; review customer and creditor claims; call with Bennington.	4.3
29-Apr-21	Bricks, Hartley	Further drafting of court report, various disc. with J. Chu re sections; provide draft to M. Forte for comments	4.5
29-Apr-21	Chu, Jonathan	Correspondence to counsel re fee estimate and Bennington equipment matter.	0.2
30-Apr-21	Bricks, Hartley	Review M. Forte comments on report and revise same; corresp. with TGF re timing for report	1.5
30-Apr-21	Chu, Jonathan	Review Bennington matters; call with Bennington; review claims table.	0.5

Date	Name	Narrative	Hours
03-May-21	Bricks, Hartley	Revise report and forward to TGF for comments	1.8
03-May-21	Chu, Jonathan	Update R&D to April 30, 2021; review previous disbursements and update HSBC borrowing amount; comments to H. Bricks.	1.8
13-May-21	Chu, Jonathan	Comments on Receiver's Third Report	0.5
13-May-21	Bricks, Hartley	Review comments from TGF and revise Third Report	1.0
14-May-21	Bricks, Hartley	Further revisions to report	0.5
Total		-	66.0

Appendix "U"

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

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

HSBC BANK CANADA

Applicant

- and -

ROYAL CANADIAN BEDROCK INC.

Respondent

AFFIDAVIT OF MARIO J. FORTE

(Sworn June 30, 2021)

- I, Mario J. Forte, of the City of Toronto, hereby MAKE OATH AND SAY:
- 1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am counsel to the law firm of Goldman Sloan Nash & Haber LLP ("GSNH") and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
- 2. GSNH are lawyers of record for Deloitte Restructuring Inc. ("Deloitte") in its capacity as Court appointed Receiver (the "Receiver") of Royal Canadian Bedrock Inc. ("RCBI").
- 3. Attached as **Exhibit** "A" to this affidavit are copies of the invoices rendered by GSNH to Deloitte in its capacity as Receiver for fees and disbursements incurred by GSNH in the course of the proceedings between November 27, 2018 and April 30, 2021 (the "Period"). The total fees charged by GSNH during the Period were \$34,855.00, plus total disbursements of \$1,635.71 plus total Harmonized Sales Tax (HST) in the amount of \$4,861.40 for a total of \$41,172.11.

- 4. Attached as **Exhibit "B"** is a summary of all invoices rendered by GSNH to Deloitte for fees and disbursements incurred by GSNH in the course of the proceedings during the Period.
- 5. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

))))

SWORN before me at the City of Toronto, in the Province of Ontario this 30th day of June, 2021

A Commissioner for taking oaths, etc.

Robert J Brake

MARIO J. FORTE

This is **Exhibit "A"** referred to in the Affidavit of Mario Forte sworn before me this <u>30th</u> day of June, 2021

A Commissioner for taking oaths, etc.



Suite 1600 480 University Avenue Toronto, Ontario M5G1V2

Telephone: (416) 597-9922 Facsimile: (416) 597-3370

Deloitte Restructuring Inc. Bay Adelaide Centre 22 Adelaide St. West, Suite 200 Toronto, ON M5H 0A9 Canada

Attention: Hartley Bricks

Client ID: 010004 Matter ID: 0008

RE: Royal Canadian Bedrock Inc.

Billing Lawyer Mario Forte
Invoice No. HST # 12233 6290 RT0001
Invoice Date January 11, 2019

FOR PROFESSIONAL SERVICES RENDERED for the period November 27, 2018 to December 27, 2018

Date	Professional	Narrative	Hours	Rate	Amount
11/27/18	KP	Preparing copies of application record; briefly reviewing security documents received;	0.60	250.00	150.00
11/27/18	MJF	Discussions concerning receivership application; discussions with Fuller concerning AG issues etc.;	0.60	585.00	351.00
11/28/18	KP	Reviewing security documents; preparing draft of security opinion;	2.20	250.00	550.00
11/28/18	MJF	Discussions and advice re: opinion matters and applications issues;	0.40	585.00	234.00
11/29/18	ΚP	Continued review of loan and security documents; drafting and revising draft security opinion including schedule of PPSA registrations; discussion with M. Forte regarding lease agreement; preparing memo summarizing same;	8.50	250.00	2,125.00
12/02/18	MJF	Review of Security opinions and revisions thereto	0.30	585.00	175.50
		;			
12/03/18	MJF	Discussions re: aspects of security opinion; discussions with counsel re: receivership issues;	0.30	585.00	175.50



Page: 2

Date	Professional	Narrative	Hours	Rate	Amount
12/04/18	KP	Finalizing security opinion and circulating to H. Bricks and A. Whittingham;	0.20	250.00	50.00
12/04/18	MJF	Discussions re: logistic matters and applications issues;	0.10	585.00	58.50
12/05/18	MJF	Discussions with counsel re: aspects of receivership order etc.;	0.20	585.00	117.00
12/06/18	MJF	Discussions re: receivership matters;	0.20	585.00	117.00
12/06/18	MJF	Discussions and update re: receivership hearing and related matters;	0.40	585.00	234.00
12/07/18	MJF	Discussions among receiver and AG counsel, advising on various aspects of access etc.;	2.30	585.00	1,345.50
12/08/18	MJF	Discussions with counsel to deal with logistics of access etc.;	0.70	585.00	409.50
12/10/18	MJF	Dealing with counsel on access indemnity etc., addressing and discussing receivership process with counsel; addressing TD security issues;	3.10	585.00	1,813.50
12/11/18	MJF	Dealing with settlement of indemnity access etc.;	1.40	585.00	819.00
12/12/18	MJF	Dealing with settlement of indemnity and other access issues;	1.30	585.00	760.50
12/13/18	MJF	Discussions re: access; discussions concerning indemnity matters etc.;	0.80	585.00	468.00
12/18/18	KР	Reviewing leasing agreement; preparing security opinion regarding same; discussion with M. Forte regarding master leasing agreement; revising security opinion and forwarding same to M. Forte;	2.10	250.00	525.00
12/18/18	MJF	Discussions re: receivership previous matters; dealing with TD counsel re: security document and inter request;	0.30	585.00	175.50
12/19/18	MJF	Discussions with TD counsel re: security review etc.; discussions re: process for dealing with deficient response to enquiries;	0.40	585.00	234.00
12/21/18	ΚP	Reviewing master lease agreement; revising draft opinion; reporting to M. Forte;	0.50	250.00	125.00
12/27/18	MJF	Revise and finalize TD opinion and related matters; dealing with receivership process and compliance matters.	1.10	585.00	643.50

Sub-Total Fees:

11,656.50

HST on Fees:

1,515.35

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Katie Parent	14.10	250.00	3,525.00
Mario Forte	13.90	585.00	8,131.50
	28.00	******	11,656.50

DISBURSEMENTS

Laser Copies

273.00

Sub-Total Disbursements:

273.00

Disbursements marked with * indicate exempt

HST on Disbursements:

35.49

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$1,550.84 HST):

\$ 13,480.34

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP

Per: Mario Forte

E. & O. E.



Suite 1600 480 University Avenue Toronto, Ontario M5G1V2

Telephone: (416) 597-9922 Facsimile: (416) 597-3370

Deloitte Restructuring Inc. Bay Adelaide Centre 22 Adelaide St. West, Suite 200 Toronto, ON M5H 0A9 Canada

Attention: Paul Casey

Client ID: 010004 Matter ID: 0008

RE: Royal Canadian Bedrock Inc.

Billing Lawyer Mario Forte
Invoice No. 173788
HST # 12233 6290 RT0001
Invoice Date April 17, 2019

FOR PROFESSIONAL SERVICES RENDERED for the period January 8, 2019 to April 16, 2019

Date	Professional	Narrative	Hours	Rate	Amount
01/08/19	MJF	Discussions re: file update etc.;	0.30	585.00	175.50
01/08/19	KP	Revising and finalizing security opinion; forwarding same to H. Bricks and A. Whittingham;	0.40	250.00	100.00
01/09/19	MJF	Review 1st Report and comment thereon; discussions re: process to comply in order etc.;	0.90	585.00	526.50
01/10/19	MJF	Dealing with and addressing various process issues and advice thereon;	0.50	585.00	292.50
01/11/19	MJF	Addressing cooperation and other matters re: compliance;	0.30	585.00	175.50
01/14/19	MJF	Continuing to address compliance issues and discussions with counsel therein;	0.40	585.00	234.00
01/15/19	KP	Preparing request form for 9:30 a.m. attendance on January 16; circulating to L. Elllis and other counsel; submitting same to Court; review of First Report; drafting and revising Notice of Motion seeking advice and direction; discussion with M. Forte; finalizing motion record, including First Report; serving same on service list; preparing and swearing affidavit of	4.00	250.00	1,000.00



Date	Professional	Narrative	Hours	Rate	Amount
		service; attendance at Court to file motion record; reporting to M. Forte;			
01/15/19	MJF	Discussions with counsel concerning compliance and motion thereon;	0.50	585.00	292.50
01/16/19	KP	Circulating endorsement to service list;	0.10	250.00	25.00
01/16/19	MJF	Attendance to address compliance matters and follow up;	1.20	585.00	702.00
01/17/19	MJF	Discussions to address follow-up issues;	0.20	585.00	117.00
01/22/19	MJF	Review compliance progress;	0.10	585.00	58.50
01/24/19	KP	Preparing letter to Justice Hainey; circulating same to parties; delivering same to Commercial List Court;	0.70	250.00	175.00
01/24/19	MJF	Revise letter to Hainey J re: compliance etc. reporting;	0.30	585.00	175.50
01/28/19	MJF	Review of the issues and related documentation;	0.20	585.00	117.00
01/29/19	MJF	Discussions and update and advice on process matters; commence process of security review issues;	0.80	585.00	468.00
01/31/19	KP	Reviewing PPSA summary for Add Capital registration; forwarding same, along with lease agreement to M. Forte; correspondence with M. Forte regarding same;	0.20	250.00	50.00
01/31/19	MJF	Review and advise on PPSA diligence issues;	0.10	585.00	58.50
02/04/19	MJF	Commence review of various PPSA lease/security documents;	0.80	585.00	468.00
02/06/19	MJF	Prepare draft storage agreement re: addressing access issues and discussions thereon;	1.00	585.00	585.00
02/07/19	MJF	Discussions with engagement lessor concerning completeness of documentation and related issues of disclosure;	0.20	585.00	117.00
02/12/19	MJF	Revise storage agreement etc. and provide to counsel;	0.20	585.00	117.00
02/13/19	MJF	Commence preparation of opinions on security etc.;	0.80	585.00	468.00
02/20/19	MJF	Following up on storage issues;	0.10	585.00	58.50
02/24/19	MJF	Complete analysis of security/lease issues and revise and prepare drafts of opinions to address each specific circumstance;	6.90	585.00	4,036.50
02/25/19	MJF	Discussions regarding outstanding opinion matters;	0.20	585.00	117.00
03/04/19	MJF	Contacting lessors re: further information to advance	0.10	585.00	58.50

Date	Professional	Narrative	Hours	Rate	Amount
		opinion;			
03/04/19	MJF	Discussions regarding storage arrangements;	0.10	585.00	58.50
03/25/19	MJF	Addressing opinion issues and attempting to obtain further information from lessors, reviewing lessor info;	0.70	585.00	409.50
04/04/19	MJF	Advising counsel of process to clarify terms of priority dispute between board and lessor;	0.40	585.00	234.00
04/09/19	MJF	Advising and recommending process for expediting priority matters; review draft storage agreement;	0.40	585.00	234.00
04/10/19	MJF	Advising on response to storage arrangements;	0.20	585.00	117.00
04/12/19	MJF	Revising storage arrangements and adjusting for sale/auction process;	0.30	585.00	175.50
04/16/19	MJF	Revise form of order (approval etc).	0.20	585.00	117.00

Sub-Total Fees: 12,114.00

HST on Fees: 1,574.82

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY	AMOUNT
		RATE	
Katie Parent	5.40	250.00	1,350.00
Mario Forte	18.40	585.00	10,764.00
	23.80	_	12,114.00

DISBURSEMENTS

01/15/2019	Laser Copies Minister of Finance - Filing Motion Record *	134.25 160.00
04/16/2019	Minister of Finance - Filing Fee *	320.00

Sub-Total Disbursements: 614.25

Disbursements marked with * indicate exempt

HST on Disbursements: 17.45

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$1,592.27 HST): \$ 14,320.52

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GOLDMAN SLOAN NASH & HABER LLP

Per: Mario Forte

E. & O. E.



Suite 1600 480 University Avenue Toronto, Ontario M5G1V2

Telephone: (416) 597-9922 Facsimile: (416) 597-3370

Remittance Advice

Deloitte Restructuring Inc. Bay Adelaide Centre 22 Adelaide St. West, Suite 200 Toronto, ON M5H 0A9 Canada

Attention: Paul Casey

Invoice No. 173788 Invoice Date: April 17, 2019

Client ID: 010004 Matter ID: 0008 Billing Attorney: MJF

Current Billing: 14,320.52

Previous Balance: 13,480.34

Total Amount: 27,800.86

Amount Remitted: \$ _____



Suite 1600 480 University Avenue Toronto, Ontario M5G1V2

Telephone: (416) 597-9922 Facsimile: (416) 597-3370

Deloitte Restructuring Inc. Bay Adelaide Centre 22 Adelaide St. West, Suite 200 Toronto, ON M5H 0A9 Canada

Attention: Paul Casey

Client ID: 010004 Matter ID: 0008

RE: Royal Canadian Bedrock Inc.

Billing Lawyer Mario Forte Invoice No. 185342

HST # 12233 6290 RT0001 Invoice Date May 3, 2021

FOR PROFESSIONAL SERVICES RENDERED for the period February 23, 2019 to April 30, 2021

Date	Professional	Narrative	Hours	Rate	Amount
02/23/19	MJF	Advance security opinions on various lease/security agreements;	1.20	585.00	702.00
04/10/19	KP	Correspondence with Commercial List regarding Justice Hainey's availability; preparing request form for April 26, 2019;	0.30	250.00	75.00
04/15/19	MJF	Discussion to address sale approval and storage matters etc.;	0.50	585.00	292.50
04/16/19	KP	Instructions from M. Forte regarding draft motion materials; preparing same; drafting and revising draft Approval and Vesting Order; beginning draft of Notice of motion;	3.70	250.00	925.00
04/17/19	KP	Finalizing drafts of Notice of Motion and Approval and Vesting Order; preparing shell of fee affidavit; discussions with M. Forte regarding materials; circulating draft fee affidavit to H. Bricks; reviewing revised draft of second report and revising motion materials;	4.30	250.00	1,075.00



Date	Professional	Narrati∨e	Hours	Rate	Amount
04/18/19	KP	Reviewing service list; revising draft motion materials; revising same as per M. Forte comments; preparing draft letter for courier service; preparing draft affidavit of service; discussions with D. Sakhrani regarding finalizing materials for service; discussion with M. Forte regarding same;	3.50	250.00	875.00
04/23/19	KP	Reviewing final second report; final revisions to Notice of Motion and draft orders; preparing motion record for service; serving same; preparing hard copies for service by courier; preparing and swearing affidavit of service; attendance at Commercial List to file motion record returnable April 26, 2019; reporting to M. Forte;	3.50	250.00	875.00
04/24/19	MMC	Conduct Corporate Profile Search against 2496582 Ontario Inc.;	0.20	200.00	40.00
04/24/19	KP	Attendance to service list updates; correspondence to Bennington re: Bodkin equipment; discussion with M. Forte regarding same;	0.40	250.00	100.00
04/25/19	· KP	Finalizing approval and vesting order and administrative order for April 26 Court attendance; reporting to M. Forte;	0.30	250.00	75.00
04/26/19	KP	Finalizing order for today's attendance; attendance at Court for hearing; attendance at Registrar's counter to have orders issued and entered; circulating same to the service list; preparing copies for delivery by courier;	2.80	250.00	700.00
06/11/19	JT	Participate on a call with client and counsels re: upcoming material steps in course of file and strategy; discuss same with M. Forte.;	0.30	285.00	85.50
06/28/19	MJF	Providing advice and guidance on information requests and related enquiries of AG and review of correspondence thereon;	0.20	585.00	117.00
07/04/19	MJF	Review reply from AG and advise on further response etc.;	0.10	585.00	58.50
07/29/19	MJF	Discussion on progress and process for accounting for and establishing likely whereabouts and recoverability of various equipment and AG purchases;	0.30	585.00	175.50
07/31/19	MJF	Comments on further correspondence with AG to address open issues;	0.10	585.00	58.50
08/12/19	MJF	Dealing with issues raised by AG and their impact on the timing of auction and inclusion of property and addressing with counsel;	0.20	585.00	117.00
08/13/19	MJF	Resolving issues affecting return of property for auction, access and timing issues with AG;	0.20	585.00	117.00

Page: 3

Date	Professional	Narrative	Hours	Rate	Amount
08/14/19	MJF	Advising on correspondence with AG to deal with equipment and sale issues;	0.10	585.00	58.50
08/19/19	MJF	Dealing with further compliance matters with AG and counsel;	0.10	585.00	58.50
08/26/19	MJF	Addressing more compliance issues related to the equipment etc.;	0.10	585.00	58.50
08/28/19	MJF	Reviewing AG correspondence and advising on response and handling of issues;	0.20	585.00	117.00
09/05/19	MJF	Dealing with and advising on location of equipment, missing items and related matters with lessor and bank counsel;	0.10	585.00	58.50
09/18/19	MJF	Following up on location of equipment; dealing with counsel on priority dispute items and resolution of inclusion in sale etc.;	0.20	585.00	117.00
09/19/19	MJF	Advising on sale matters and related equipment issues;	0.20	585.00	117.00
10/16/19	MJF	Advising on handling missing equipment issues;	0.10	585.00	58.50
10/18/19	MJF	Reviewing AG response and advising and dealing with follow up on equipment missing equipment issues;	0.20	585.00	117.00
11/23/19	MJF	Discussion on file process matters;	0.10	585.00	58.50
01/09/20	MJF	Advising and dealing with HST issues;	0.20	595.00	119.00
01/10/20	MJF	Follow up to resolving HST issues;	0.20	595.00	119.00
01/13/20	MJF	Negotiating resolution of HST issues;	0.20	595.00	119.00
01/14/20	MJF	Finalizing negotiation of HST deal;	0.10	595.00	59.50
01/17/20	MJF	Follow up on settlement of HST issues;	0.20	595.00	119.00
01/18/20	MJF	Follow up with HSBC counsel to confirm HST resolution etc.;	0.10	595.00	59.50
01/20/20	MJF	Review and approve terms of settlement documents;	0.10	585.00	58.50
02/14/20	MJF	Review litigation proceedings commenced in breach of stay and advising and dealing with these;	0.20	585.00	117.00
08/25/20	MJF	Advising on outstanding procedural matters and possible motion for discharge and related relief;	0.20	585.00	117.00
08/27/20	MJF	Advising counsel on litigation matter in connection with receivership and position on process;	0.10	585.00	58.50
04/30/21	MJF	Review of draft report and advice and report on outstanding matters;	0.30	595.00	178.50

Date	Professional	Narrative	Hours	Rate	Amount
04/30/21	MJF	Estimated work to be performed in preparing for motion to approve activities, fee approvals and attendance thereon and work required prior to discharge	4.50	595.00	2,677.50
			Sub-Tota	l Fees:	11,084.50
			HST on	Fees:	1,440.99

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
May May Co	0.20	200.00	40.00
Katie Parent	18.80	250.00	4,700.00
Joel Turgeon	0.30	285.00	85.50
Mario Forte	4.80	585.00	2,808.00
Mario Forte	5.80	595.00	3,451.00
	29.90		11,084.50

DISBURSEMENTS

 Laser Copies
 314.00

 Courier
 420.26

 On Corp. Fee
 14.20

Sub-Total Disbursements:

748.46

Disbursements marked with * indicate exempt

HST on Disbursements:

97.30

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$1,538.29 HST):

\$ 13,371.25

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP

Per: Mario Forte

E. & O. E.



Suite 1600 480 University Avenue Toronto, Ontario M5G1V2

Telephone: (416) 597-9922 Facsimile: (416) 597-3370

Remittance Advice

Deloitte Restructuring Inc. Bay Adelaide Centre 22 Adelaide St. West, Suite 200 Toronto, ON M5H 0A9 Canada

Attention: Paul Casey

Invoice No. 185342 Invoice Date: May 3, 2021

Client ID: 010004 Matter ID: 0008 Billing Attorney: MJF

Current Billing: 13,371.25

Previous Balance:

0.00

Total Amount:

13,371.25

Amount Remitted:

\$

This is **Exhibit "B"** referred to in the Affidavit of Mario Forte sworn before me this <u>30th</u> day of June, 2021

A Commissioner for taking oaths, etc.

Calculation of Average Hourly Billing Rates of Goldman Sloan Nash & Haber LLP for the period August 2, 2016 to July 27, 2020

Invoice No	Fees	Costs	HST	Hours	Average Rate	Total
171946 (27-Nov- 18 to 27-Dec-18)	\$11,656.50	\$273.00	\$1,550.84	28.00	\$417.50	\$13,480.34
173788 (8-Jan-19 to 16-April-19)	\$12,114.00	\$614.25	\$1,592.27	23.80	\$417.50	\$14,320.52
185342 (23-Feb- 19 to 30-April-21)	\$11,084.50	\$748.46	\$1,538.29	29.90	\$383.00	\$13,371.25
Total	\$34,855.00	\$1,635.71	\$4,681.40	81.70		\$41,172.11

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of Goldman Sloan Nash & Haber LLP for the period August 2, 2016 to July 27, 2020

Invoice No	Fees	Costs	HST	Hours	Average Rate	Total
171946 (27-Nov- 18 to 27-Dec-18)	\$11,656.50	\$273.00	\$1,550.84	28.00	\$417.50	\$13,480.34
173788 (8-Jan-19 to 16-April-19)	\$12,114.00	\$614.25	\$1,592.27	23.80	\$417.50	\$14,320.52
185342 (23-Feb- 19 to 30-April-21)	\$11,084.50	\$748.46	\$1,538.29	29.90	\$383.00	\$13,371.25
Total	\$34,855.00	\$1,635.71	\$4,681.40	81.70		\$41,172.11

HSBC BANK CANADA and ROYAL CANADIAN BEDROCK INC.

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

Proceeding commenced in TORONTO

AFFIDAVIT OF MARIO J. FORTE (sworn June 30, 2021)

GOLDMAN SLOAN NASH & HABER LLP 480 University Avenue, Suite 1600 Toronto, ON MSG 1V2

Mario Forte (LSO #27293F) Tel: 416-597-6477 Email: forte@gsnh.com

Lawyers for Receiver