

COURT FILE NUMBER           1603 09140  
COURT                            COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE           EDMONTON  
PLAINTIFF                   ROYAL BANK OF CANADA  
DEFENDANT                   GRAHAM BROTHERS CONSTRUCTION  
                                  GROUP LTD.  
DOCUMENT                   **EIGHTH REPORT OF THE RECEIVER,  
                                  DELOITTE RESTRUCTURING INC.,  
                                  DATED FEBRUARY 21, 2017**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
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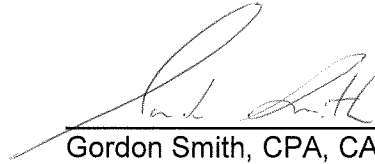
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**Service will be accepted by delivery or fax. No  
other form of service will be accepted.**

1. On March 18, 2016, the Defendant, Graham Brothers Construction Group Ltd. ("Graham Brothers") filed a Notice of Intention to Make a Proposal, at which time Deloitte Restructuring Inc. ("Deloitte") was named as Proposal Trustee. Graham Brothers subsequently failed to file a proposal, and was deemed bankrupt on May 17, 2016, at which time Deloitte became the Trustee in Bankruptcy of Graham Brothers.
2. By way of Order granted on May 25, 2016, Deloitte (the "Receiver") was appointed Receiver over the property of Graham Brothers in this Action. A second Order was granted at that time which provided that the rights and obligations of Deloitte as Trustee are transitioned to this Action and become the rights and obligations of Deloitte as Receiver.
3. This is the eighth report of the Receiver, the purpose of which is to seek Court approval for receipt of funds relating to the sale of assets owned by Daysland Backhoe and Trucking Ltd. ("Daysland").

4. Effective September 3, 2014 Graham Brothers entered into an agreement with Mike Mickla wherein Graham Brothers was to pay \$206,800 to Mike Mickla for the acquisition of 100% of the outstanding shares of Mickla Contracting Ltd. ("Mickla") (Appendix A). As noted on page 1 of Appendix A the purpose of acquiring these shares was "WHEREAS the Corporation holds 48 shares in the issued capital of Daysland Backhoe and Trucking Ltd." and "WHEREAS Graham wishes to acquire the Daysland Shares by acquiring the Mickla Shares from Mickla."
5. Graham Brothers paid \$103,000 of the \$206,800 purchase price to Mike Mickla. The remaining balance of \$103,800 was not paid.
6. Through the acquisition of shares of Mickla, Graham Brothers indirectly acquired 48% ownership of the common shares of Daysland. In addition to common shares outstanding, Daysland had/has \$386,718 outstanding preferred shares owned by another shareholder.
7. On or about May 25, 2016 the Receiver became aware that most of the remaining assets of Daysland were to be sold by public auction.
8. On June 7, 2016 the Receiver obtained an Order from the Court of Queen's Bench requiring that the auction proceeds from the sale of Daysland's assets, net of expenses, be paid into Court.
9. On June 28, 2016 the auctioneer paid \$358,234.66 into Court. This being the net auction sale proceeds.
10. Attached as Appendix B is an analysis prepared by Daysland's accountant which indicates that 48% of the common shares of Daysland are of no value.
11. Although the Receiver does not dispute that 48% of the common shares might be of no value, the Receiver expressed concerns to the shareholder of Daysland that owned the other 52% common shares and preferred shares as to the business need for certain expenditures incurred subsequent to Graham Brothers acquiring the shares of Mickla.
12. The Receiver has negotiated with the other shareholder respecting Graham Brothers' entitlement to a portion of Daysland's assets. An agreement has been reached whereby Graham Brothers will receive \$40,000 from the sale proceeds being held by the Court.
13. The Receiver seeks a Court Order wherein \$40,000 shall be paid by Daysland to the Receiver from auction sale proceeds currently being held by the Court in exchange for the Receiver, Graham Brothers and Mickla agreeing to make no further claim to the assets of Daysland.

All of which is respectfully submitted.

**DELOITTE RESTRUCTURING INC.,**  
In its capacity as Court appointed Receiver of  
Graham Brothers Construction Group Ltd.  
and not in its personal capacity.

A handwritten signature in black ink, appearing to read "Gordon Smith", is written over a horizontal line.

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