

**ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

- and -

**DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE  
GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES  
WEST INC., and CROWN UTILITIES LTD.**

Respondents

**SECOND REPORT OF DELOITTE RESTRUCTURING INC. IN ITS CAPACITY AS  
RECEIVER OF DISTINCT INFRASTRUCTURE GROUP INC. AND ITS  
SUBSIDIARIES**

**RECEIVERSHIP UPDATE, EXPANSION OF POWERS AND DISTRIBUTIONS**

**APRIL 26, 2019**

## TABLE OF CONTENTS

INTRODUCTION AND PURPOSE OF THIS REPORT .....	3
TERMS OF REFERENCE.....	5
UPDATE ON THE CLOSING OF THE APA AND CROWN.....	6
UPDATE ON THE RECEIVER’S ACTIVITIES SINCE ITS APPOINTMENT.....	10
STATUS OF THE ONTARIO BUSINESS AND MARKETING PROCESS FOR THE ONTARIO ASSETS .....	13
ENGAGEMENT OF LEGAL COUNSEL .....	20
TERMINATION OF INSURANCE PREMIUM FINANCING ARRANGEMENT.....	21
UNION CLAIM .....	23
ASSET DISPOSITIONS SINCE THE DATE OF THE APPOINTMENT ORDER.....	24
ACCOUNTS RECEIVABLE COLLECTION EFFORTS .....	25
RECEIPTS AND DISBURSEMENTS.....	26
RECEIVER’S REQUEST TO MAKE AN INTERIM DISTRIBUTION .....	28
RECEIVER’S REQUEST FOR ENHANCED INVESTIGATIVE POWERS .....	30
RECEIVER’S PROFESSIONAL FEES .....	31
RECOMMENDATIONS .....	32

## APPENDICES

Appendix “A”	List of entities subject to receivership
Appendix “B”	Schedule of receipts and disbursements from March 11, 2019 to April 19, 2019 (redacted)
Appendix “C”	Auction Services Agreement with Maynards Industries Canada Ltd. (redacted)
Appendix “D”	Affidavit of Jordan Sleeth sworn April 26, 2019
Appendix “E”	Affidavit of Shakaira John sworn April 26, 2019
Appendix “F”	Affidavit of Ross McFayden sworn April 10, 2019
Confidential Appendix “1”	Unredacted Auction Services Agreement with Maynards Industries Canada Ltd.
Confidential Appendix “2”	Unredacted schedule of receipts and disbursements from March 11, 2019 to April 19, 2019

## INTRODUCTION AND PURPOSE OF THIS REPORT

1. On March 11, 2019, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed Receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Distinct Infrastructure Group Inc. (the “**Company**”) and its subsidiaries set out in Appendix “A” hereto (collectively with the Company, “**DIG**”) pursuant to an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. On March 18, 2019, the Receiver issued its first report (the “**First Report**”) to the Court to provide information with respect to the approval of the transaction contemplated by the Agreement of Purchase and Sale (the “**APA**”) dated March 15, 2019 between the Receiver and Crown Pipeline Ltd. (the “**Purchaser**”) and related relief, in connection with the sale of the assets of Crown Utilities Ltd. (“**Crown**”) (the “**Crown Transaction**”).
3. The Appointment Order, the First Report, and other orders, reports and information filed in connection with the receivership proceedings can be accessed on the Receiver’s Case Website at [www.insolvencies.deloitte.ca/en-ca/dig](http://www.insolvencies.deloitte.ca/en-ca/dig) .
4. The purpose of this second report (the “**Second Report**”) is to:
  - a. provide an update on the closing of the APA and the Crown Transaction;
  - b. provide the Court with an update in respect of the activities of the Receiver since its appointment, including with respect to asset recovery/return activities and the negotiation of an auction and liquidation services agreement dated April 22, 2019 (the “**Auction Services Agreement**”) between the Receiver and Maynards

- Industries Canada Ltd. (“**Maynards**”) to liquidate certain of DIG’s remaining property;
- c. provide the Court with an update on the Receiver’s engagement of legal counsel;
  - d. advise the Court regarding certain insurance matters;
  - e. advise the Court on the bankruptcy of DistinctTech Inc. (“**DistinctTech**”);
  - f. update the Court with respect to a claim against DistinctTech received from Laborer’s International Union of North America, Local 183 (“**LiUNA**”), the union for DistinctTech;
  - g. provide the Court with an update on the status of asset dispositions;
  - h. provide the Court with the results of the security opinions rendered to the Receiver by its independent counsel, Aird & Berlis LLP (“**A&B**”) and Thompson Dorfman Sweatman LLP (“**TDS**”), in respect of the security granted by DIG to Royal Bank of Canada (“**RBC**”) and, based on such opinions, seek the Court’s approval to make distributions to RBC on account of its security interest as funds are received by the Receiver;
  - i. provide the Court with an update on the Receiver’s receipts and disbursements for the period from March 11 to April 19, 2019;
  - j. provide the basis for an Order:
    - i. approving the Auction Services Agreement and the sale of assets subject to the terms therein (such assets collectively, the “**Auction Assets**”);

- ii. sealing the unredacted version of the Auction Services Agreement, attached hereto as Confidential Appendix “1”, for six months or until further Order of the Court;
- iii. authorizing an interim distribution to RBC;
- iv. granting the Receiver’s enhanced investigative powers; and
- k. approving the Receiver’s activities and the fees and costs of the Receiver and its legal counsel as described in this Second Report.

**TERMS OF REFERENCE**

5. In preparing this Second Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, DIG’s books and records, discussions with management of DIG (“**Management**”), and information from third-party sources (collectively, the “**Information**”). Except as described in this Second Report:

- a. Deloitte has reviewed the Information for reasonableness, internal 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 Auditing Standards (“**CAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information;

- b. As noted in the Pre-Filing Report, the Company has issued press releases and guidance to the financial markets advising that its financial statements are misstated and should not be relied upon. DIG has made material write downs to DIG's accounts receivable, work in progress, and inventory balances, and accordingly, Deloitte cautions that the financial information reported herein is subject to further verification and may require material revision; and
  - c. Deloitte has prepared this Second Report in its capacity as Receiver solely for the purposes noted 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. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian dollars.
7. Capitalized terms not defined herein shall have the meaning ascribed to them in the Appointment Order, the Pre-Filing Report of the Receiver dated February 28, 2019 (the "**Pre-Filing Report**"), or the First Report, as applicable.

#### **UPDATE ON THE CLOSING OF THE APA AND CROWN**

8. As detailed in the First Report, since March 11, 2019, the Receiver continued to take steps to ensure the business of Crown continued in the ordinary course which included:
- a. engaging hourly and salaried staff on a short-term, contractual basis;
  - b. communicating with major customers; and
  - c. arranging for payment of post-receivership expenses in the ordinary course.

9. To facilitate the ongoing operations of Crown, the Receiver also conducted the following activities on March 11, 2019, or immediately thereafter:
  - a. attended at Crown's leased head office located at 1076 Oxford Street West in Winnipeg, Manitoba (the "**Crown Office**") to take possession and control of the assets and secure the assets;
  - b. met with all employees of Crown and advised them that all employees were terminated effective March 11, 2019;
  - c. arranged to have certain former employees interested in continuing with operations retained by the Receiver on a contract basis;
  - d. secured manual and electronic books and records of Crown;
  - e. arranged for ongoing occupancy of the Crown Office; and
  - f. arranged for continued insurance coverage over the assets of Crown.
  
10. As detailed in the First Report, the Receiver entered into the APA with the Purchaser on March 15, 2019 for the sale of substantially all of the assets, properties, and undertakings of Crown.
  
11. Since execution of the APA, the Receiver has completed the following activities:
  - a. contacted lessors who were party to the Assigned Leases (as defined in the APA) to ascertain whether any of the lessors had a concern with the assignment of the Assigned Leases to the Purchaser. Based on the Receiver's discussions with the lessors, one lessor was opposed to having its lease assigned and was therefore excluded from assignment of lease provisions set forth in the Approval and Vesting Order ("**AVO**") ultimately granted by the Court

approving the Crown Transaction. All other lessors confirmed to the Receiver and the Purchaser that they would not oppose the assignment of its respective Assigned Lease to the Purchaser;

- b. engaged McDougall Auctions Ltd. (“**McDougall**”) to provide an independent desktop appraisal of the Excluded Assets (as defined in the APA);
- c. corresponded with the lessors of certain equipment included in the Excluded Assets and reviewed supporting lease documentation to confirm that two directional drills included therein were leased and were properly secured by the lessors. Arrangements were made for the return of one directional drill to its lessor and storage was arranged for the other directional drill pending return of this unit to the other lessor;
- d. completed a sale of the Excluded Assets to the Purchaser on April 2, 2019 for a purchase price of \$26,250 (i.e. \$25,000 plus applicable GST), in accordance with values ascribed to the Excluded Assets by McDougall;
- e. applied to the Court for the AVO which was granted by the Court on March 21, 2019;
- f. facilitated the closing of the Crown Transaction and delivered the Receiver’s Certificate on March 27, 2019, a copy of which was subsequently filed with the Court. Although pursuant to the terms of the APA, the Crown Transaction was to close within two business days following the date of the AVO, being on or before March 25, 2019, on that date, the Purchaser contacted the Receiver

and requested an extension. As the Purchaser was diligently attempting to close the Crown Transaction, the Receiver, the Purchaser and RBC agreed to mutually extend the Crown Transaction closing date to March 28, 2019. The Receiver received the balance of the purchase price on March 27, 2019 and, as such, delivered the Receiver's Certificate on that date;

- g. confirmed with the Purchaser that all of Crown's former employees retained by the Receiver on a contract basis had been offered employment with the Purchaser;
- h. compiled a schedule of all Crown's receipts and disbursements since March 11, 2019 to April 19, 2019 with the assistance of Management, attached hereto as Appendix "B";
- i. confirmed with the Purchaser that, in accordance with the APA, the Purchaser retained liability for all operating costs of Crown since March 11, 2019, and that the Purchaser indemnified the Receiver for any such costs;
- j. confirmed with the Purchaser that the Purchaser had no interest in assuming an outstanding letter of guarantee issued by RBC in favour of Crown customers, and that the Receiver would advise RBC of same. As of the date of this Second Report, the letter of guarantee remains outstanding; and
- k. retained TDS to review RBC's security registrations with respect to Crown's assets, and to assist the Receiver with obtaining a recognition Order in respect of the AVO in Manitoba, as required under the APA. On March 26, 2019, TDS

opined that based on their review and subject to the usual and customary qualifications, RBC had valid and enforceable security registrations with respect to the assets of Crown which would rank in priority to the interests of a trustee in bankruptcy.

12. Pursuant to the APA, after closing of the Crown Transaction, the Receiver is required to, on a best efforts basis, return 337,077 Class A Common shares of HD Petroleum Inc. (the “**Shares**”) to 10005661 Manitoba Ltd. (“**10005661**”). The beneficial interest of the Shares was sold by Crown to 10005661 pursuant to an agreement of purchase and sale dated November, 2017. However, pursuant to a three-year holding period, the Shares are currently being held by Crown as bare trustee pursuant to a Bare Trustee Agreement dated November 16, 2017.
13. Given the three-year holding period required, the Receiver is of the view that the Shares will continue to be held by Crown, as bare trustee, until they may be transferred to the 10005661 in accordance with the APA.
14. As part of the closing of the Crown Transaction, there are a number of annual returns that need to be filed, along with notifying parties of the name change from Crown to the Purchaser. These efforts are ongoing.

## **UPDATE ON THE RECEIVER’S ACTIVITIES SINCE ITS APPOINTMENT**

### *Statutory duties*

15. The Receiver undertook the following duties shortly after its appointment:

- a. completed and mailed out the notice and statement of the Receiver as required by the *Bankruptcy and Insolvency Act* (the “**BIA**”);
- b. set up a website, email inbox and telephone hotline to receive and respond to creditor queries;
- c. responded to employee and other stakeholder questions; and
- d. backed up all data and information located on DIG’s information technology systems.

*Wage Earner Protection Program Administration*

16. As part of its duties, the Receiver has been undertaking steps to comply with its responsibilities under the *Wage Earner Protection Program Act* (“**WEPPA**”). This includes the following:
  - a. calculating unpaid wage amounts for each employee;
  - b. assessing each employee’s eligibility for termination and severance;
  - c. calculating the vacation entitlement owed to each employee; and
  - d. entering all of this information into the Service Canada website used to administer WEPPA.
17. On March 20 and 21, 2019, the Receiver mailed out 403 packages related to potential employee WEPPA claims. This mailing contained the claim summary for each employee, a proof of claim and an instruction letter advising claimants how to submit their WEPPA claim to receive payment thereunder. As of April 19, 2019, the Receiver has received 271 proofs of claim from employees in respect of their WEPPA entitlement. The Receiver has been following up with those non-unionized employees who have not filed their WEPPA

proof of claim. The Receiver has also provided a listing of those employees that have not filed their WEPPA proof of claim to LiUNA's legal counsel, Koskie Minsky LLP ("**Koskie Minsky**") so that LiUNA can ensure that the WEPPA proofs of claim are sent to the Receiver.

18. The Receiver estimates that the quantum of the super-priority payable to Service Canada for unpaid wages and vacation pay pursuant to section 81.4 of the BIA to be approximately \$575,357. Such amount will rank in priority to all creditors and will be paid once Service Canada provides its proof of claim in respect of payments made by it pursuant to WEPPA.
19. In addition to the above steps, the Receiver provided Koskie Minsky with a sample of the WEPPA claim forms provided to former employees so that they were able to assist their members in completing the necessary paperwork. A&B has been in regular communication with Koskie Minsky in respect of the WEPPA process. The Receiver understands that LiUNA is assisting its members with the completion of the WEPPA forms prior to returning them to the Receiver.

*Safeguarding the Company's premises*

20. The Company's premises consist of a two-story office area and large warehouse with a storage yard at the back of the property. Prior to the receivership proceeding, the yard was used for the storage of vehicles and construction equipment that was not stored at job sites overnight. Many of the passenger vehicles were used by employees and parked at their homes at the end of each day. All such vehicles have been recovered from the relevant employees.

21. The Receiver changed the locks on the Company's former head office and de-activated all electronic pass cards that were previously used to enter the premises.
22. The Receiver is in the process of retaining hard copy records in order to collect DIG's accounts receivable. Such records will be boxed, inventoried and stored at the Receiver's office until they are no longer required and will then be sent to off-site storage.
23. The Receiver engaged representatives of Deloitte's forensic practice to make backups of DIG's document and email servers. Such individuals have also taken possession of certain laptops formerly used by DIG's senior executives.
24. The Receiver obtained insurance coverage for DIG's various leased and owned assets. Such insurance will be amended as the insured vehicles are returned and the quantum of required insurance decreases.
25. The Receiver paid rent at DIG's former head office for the months of April and May, 2019.

## **STATUS OF THE ONTARIO BUSINESS AND MARKETING PROCESS FOR THE ONTARIO ASSETS**

### *Rolling stock*

26. With the assistance of certain former employees, the Receiver began the process of retrieving leased and owned assets that were at various job sites around the Greater Toronto Area and the Niagara Region. This includes passenger vehicles, drills and other similar equipment. The Receiver retrieved assets from DIG's leased premises located on Disco Road, Etobicoke, Ontario, including four trucks and other rolling stock used by DIG.

27. In total, the Receiver was able to locate 196 passenger/plated vehicles and 61 pieces of equipment (drills, excavators etc.), a significant majority of which were leased or subject to a financing agreement. All such vehicles are currently being staged for return to the relevant lessor after any DIG-owned equipment is removed from them. The vehicles are being staged in a locked yard at DIG's former head office.
  
28. As part of the process to return vehicles to lessors, the Receiver is obtaining releases, in the case of a true lease, or acknowledgements, in the case of financing leases, from each lessor. In respect of the financing leases, each lessor is delivering an acknowledgement to the Receiver pursuant to which the lessor is responsible for providing the Receiver with an accounting of proceeds when the vehicle is sold, in accordance with the *Personal Property Security Act* (Ontario). In the event that the lessor resells or realizes a surplus over the amount owing to it by DIG under the applicable financing lease, such amounts will be paid to the Receiver.
  
29. Prior to returning leased assets to the relevant lessor, the Receiver's independent legal counsel A&B reviewed each lease to ensure that the lessor's security on the assets ranked in priority to RBC.
  
30. The only significant mobile assets owned by DIG are approximately 31 trailers, 18 compressor vans and four excavators. They will be sold along with all of the other assets once Maynards is formally engaged pursuant to the terms of the Auction Services Agreement (as further described below) should the Court approve the terms thereof.

*Ongoing business*

31. Immediately following the issuance of the Appointment Order, the Receiver contacted customers for whom DIG was actively doing work. The two primary customers were Rogers Communications Inc. (“**Rogers**”) and Bell Canada (“**Bell**”).
32. The purpose of these calls was for the Receiver to determine whether these customers wanted DIG, under the authority of the Receiver, to complete the projects that were ongoing as at the date of the Appointment Order. Bell, Rogers and all other customers for which DIG did work directed the Receiver to cease work on their sites. Accordingly, DIG’s operations ceased and those employees, whose employment had been terminated, were not asked to return to work (other than those that had been contracted by the Receiver directly to assist the Receiver with certain of its duties).
33. Based on the foregoing, the Receiver determined that there was no ongoing business to sell in Ontario. As such, the Receiver determined that the best method to realize on DIG’s assets would be to proceed to a liquidation once all assets had been recovered and leased assets returned to lessors.
34. DIG’s business activities in the Province of Alberta had ceased prior to the receivership proceeding and, as such, there are no assets located in that jurisdiction. The Receiver received two cheques from auctioneers for \$29,256 and \$8,281 (totalling \$37,537) in respect of vehicles that were owned by Distinct Infrastructure Group West Inc. (“**Distinct West**”) that were sold at auction in December 2018. The Receiver also received a tax refund cheque in respect of Distinct West for \$387. Given the nominal value of these assets, the Receiver has not obtained an independent security opinion as to the validity and enforceability of

RBC's security in the Province of Alberta. However, the Receiver has reviewed the Alberta Personal Property Registry and notes that RBC has registered its security thereunder against Distinct West and such registrations appear to be the first-in-time registrations in respect of a general security agreement. A summary of the registrations against Distinct West under the Alberta Personal Property Registry is located in the Compendium of Electronically Generated Summaries of the Personal Property Security Act searches dated February 27, 2019 filed with RBC's Application Record dated February 28, 2019 in respect of the Appointment Order. The Receiver will distribute these funds to RBC as part of the distribution relief sought herein.

*Liquidation efforts*

35. On April 9, 2019 after the Receiver had recovered the owned assets and organized them for sale, the Receiver contacted four liquidators to submit proposals to acquire or auction certain of DIG's remaining assets.
36. On April 11, 2019, the Receiver received six proposals from the liquidators, plus proposals from the Company's landlord and a competitor of the Company interested in acquiring or auctioning the Company's assets. Based on the proposals received, the Receiver has accepted a proposal from Maynards to auction and liquidate DIG's remaining assets in May 2019. A redacted copy of the Auction Services Agreement is attached as Appendix "C" which redacts commercially sensitive terms.
37. As mentioned above, an unredacted copy of the Auction Services Agreement is attached as Confidential Appendix "1". The Receiver is requesting that this Court grant an order sealing the unredacted version for a period of six months from the date of the Order or until further

Order of the Court. This is to protect the value of the assets in the event the Auction Services Agreement is not approved by the Court or not completed, and the estimated value of the assets.

38. The Appointment Order authorizes the Receiver to sell Property out of the ordinary course of business without the need for Court approval provided such transaction does not exceed \$500,000. As the total value of the Auction Assets will exceed \$500,000, the Receiver is seeking Court approval of the Auction Services Agreement and prior approval of the sale of the Auction Assets. Further, Court approval of the Auction Services Agreement is a condition to the Auction Services Agreement.

#### *DistinctTech Bankruptcy*

39. Paragraph 3(r) of the Appointment Order provides that the Receiver has the power “to make an assignment in bankruptcy on behalf of any or all of the Debtors”, which includes DistinctTech.
40. DistinctTech was the largest operating entity in the DIG family and was the primary generator of work in process and accounts receivable. As set out in the Pre-Filing Report, there were a number of accounting irregularities discovered at DistinctTech.
41. To further investigate the financial statement irregularities described in the Pre-Filing Report, the Receiver determined that it may be helpful to, through a bankruptcy, access the investigative powers of a licensed insolvency trustee set out in the BIA. The Receiver assigned DistinctTech into bankruptcy on March 22, 2019 (the “**Date of Bankruptcy**”) with

Deloitte named as the Trustee of the Estate of DistinctTech (in such capacity, the “**Trustee**”).

42. Since the Date of Bankruptcy, the Trustee has complied with the notice requirements set out in the BIA. The first meeting of creditors of DistinctTech (the “**FMOC**”) was held at DistinctTech’s premises on April 8, 2019. Deloitte’s role as trustee in bankruptcy was affirmed at the FMOC.
43. Prior to the FMOC, the Trustee issued a notice to the former chief executives of DIG (the “**Former CEOs**”) advising of their obligation to attend the meeting in order to provide information in respect of DistinctTech’s operations prior to the bankruptcy. On the day prior to the FMOC, the Former CEOs wrote to the Trustee to advise of their inability to attend the meeting.
44. Shortly after the commencement of the meeting, the Trustee received emails from the Former CEOs attaching letters from each of their physicians indicating that each of the Former CEOs was medically unable to attend the FMOC.
45. Prior to the correspondence in respect of the FMOC, the Trustee had received letters from the Former CEOs advising that they each had personal property in the office that they sought to collect. By letter dated April 2, 2019 the Trustee advised that each Former CEO had to complete and submit a Reclamation of Property Claim Form in order for them to recover any property in the possession of the Trustee. To date, the Former CEOs have not submitted the required proof of claims.

46. Prior to the Date of Bankruptcy DistinctTech was in a dispute with Canada Revenue Agency (“CRA”) regarding unpaid Harmonized Sales Tax (“HST”) for an 11-month period in 2014 and 2015 in the approximate amount of \$1.9 million. This claim, together with the Union POC (as defined below), will be addressed in the bankruptcy proceeding.

*Return of customer-owned equipment and collection of accounts receivable*

47. As part of its normal operations, DistinctTech regularly stored reels of fibre optic and copper cable at its facility in addition to other incidental pieces of equipment and materials to be used by DistinctTech in its provision of services for Bell and Rogers for installation on their projects. Following the Appointment Order, the Receiver has been in discussions with both Bell and Rogers regarding the ownership of such equipment. Bell and Rogers have each asserted an ownership interest in certain equipment and materials that are currently in the Receiver’s possession.
48. The Receiver has been working with both Bell and Rogers to obtain information that supports the ownership of the materials in the Receiver’s possession and the Receiver has received documentation sufficient to support both Bell and Rogers’ ownership interest. The Receiver has requested that both parties complete and submit a Reclamation of Property Claim Form and has received same from both. The Receiver is making arrangements with each of Bell and Rogers for them to collect their materials and equipment.
49. Each of Bell and Rogers have made significant payments to settle accounts receivable that were outstanding as at the date of the Appointment Order, and this process is ongoing. Further details in respect of billings since the Appointment Order are discussed further in this Second Report.

## ENGAGEMENT OF LEGAL COUNSEL

50. Paragraph 28 of the Appointment Order authorizes the Receiver to engage legal counsel, including Thornton Grout Finnigan LLP (“TGF”), which acts as counsel for RBC, in all cases where there is no conflict of interest. Given TGF’s familiarity with DIG’s operations and in view of the significant shortfall to be incurred by RBC, this has been done for cost saving purposes.
51. The Receiver has also retained A&B as its independent legal counsel, including for the following purposes:
- a. to provide an independent security opinion that, subject to the normal assumptions and qualifications, RBC’s security is valid and enforceable in accordance with its terms in the Province of Ontario;<sup>1</sup> and
  - b. to advise on matters where priority interests between RBC and other creditors may exist (e.g. lease claims, priority to insurance premium refunds and matters related to priority employee and/or LiUNA claims). These issues are discussed further below.
52. The Receiver engaged TDS for a security opinion with respect to the validity and enforceability of RBC’s security in the Province of Manitoba.<sup>2</sup> TDS also assisted with local issues related to the Crown Transaction given it is based in Manitoba.

---

<sup>1</sup> A copy of A&B’s security opinion in respect of RBC’s security is available to the Court upon request.

<sup>2</sup> A copy of TDS’s security opinion in respect of RBC’s security is available to the Court upon request.

53. Subject to the usual and customary assumptions contained in each opinion, both A&B and TDS are of the opinion that the security interests in favour of RBC in the Provinces of Ontario and Manitoba are valid and enforceable as against a Trustee in Bankruptcy.

#### **TERMINATION OF INSURANCE PREMIUM FINANCING ARRANGEMENT**

54. DIG obtained a number of insurance policies for:
- a. General liability;
  - b. Automobile/accident damage;
  - c. Crime;
  - d. Environmental contamination; and
  - e. Executive protection.
55. The cost of insurance premiums was approximately \$1 million per year and DIG financed the policy premiums with CAFO Inc. (“CAFO”). CAFO issued the full policy payment to the insurers and took security in the unearned premium refunds. Each month the Company would remit the monthly premiums, including interest, to CAFO.
56. DIG financed its policies in two separate agreements: Continuous Premium Installment Contract #1 dated August 3, 2018 (“PIC 1”) and Continuous Premium Installment Contract #2 dated December 6, 2018 (“PIC 2”). PIC 1 was for director and officer liability and employment practices liability while PIC 2 was for the balance of the policies (i.e. property, liability, crime, auto etc.). The monthly payment for PIC 1 was \$3,697 per month and the monthly payment for PIC 2 was \$88,572.

57. As a result of the stay of proceedings granted in the Appointment Order, the pre-authorized debits used to pay CAFO were returned on the Company's accounts. CAFO then contacted the Receiver to obtain new details in order to receive its monthly payment. The Receiver advised that, due to the stay imposed by the Appointment Order, no additional payments would be made. CAFO then advised that it would cancel the insurance policies held by the Company, the premiums of which were financed by CAFO. The Receiver advised that such termination would be in violation of the stay of proceedings pursuant to the Appointment Order.
58. CAFO advised the Receiver that it was of the view that it had security in the unamortized premiums that were held by the insurers and that such security was in priority to RBC. Discussions ensued between counsel for CAFO and A&B regarding CAFO's position.
59. In order to ensure that DIG's assets were insured, the Receiver took steps to obtain alternate coverage for DIG's assets with a brokerage that specializes in insolvency estates. Such coverage is currently in place at a cost of approximately \$37,000 per month. Such cost will decrease as leased vehicles are returned to the lessors and the corresponding coverage is no longer required.
60. Given that the Receiver was able to obtain coverage equivalent to that provided by PIC 2, it was agreed with CAFO's counsel that CAFO could cancel the policies financed by them as part of PIC 2 with any unamortized premiums returned to the Receiver to be held in trust until such time as the priority of the refund could be determined and the funds either returned to CAFO or the receivership estate.

61. The terms of PIC 1 were fully satisfied as the Receiver paid the premiums for the remainder of the policy year directly to the insurers in order to maintain coverage under these policies, primarily the executive protection coverage. This totaled approximately \$10,270.
62. The Receiver will seek direction from the Court as to the priority and distribution of these funds if the Receiver disputes CAFO's priority claim to these funds.

### **UNION CLAIM**

63. On April 5, 2019, the Receiver received a proof of claim in the bankruptcy proceedings of DistinctTech (the "**Union POC**") from Koskie Minsky on behalf of the unionized employees represented by LiUNA. The total quantum of the Union POC is \$2,050,299.

This amount is broken down as follows:

- a. an unsecured claim of \$839,477. Of this amount, LiUNA claims a preference pursuant to section 136(d) of the BIA. Of this amount, \$505,555 relates to a grievance settlement between DistinctTech and LiUNA and this amount is an allocation between wages and pension amounts;
- b. wage earner claims of \$369,349, which the Union POC claims a super priority under section 81.3 of the BIA. Koskie Minsky advises they expect \$240,709 of this amount to be subrogated to claims of Service Canada pursuant to WEPPA; and
- c. pension claims of \$841,473, which the Union POC claims a super priority under sections 81.5/81.6 of the BIA. Of this amount, \$216,666 relates to a grievance settlement between DistinctTech and LiUNA.

64. In total the Union POC purports that \$1,210,822 of its claim is in priority to RBC's security. The Receiver is working with A&B to assess this claim and consider any issues as to potential priority.

#### **ASSET DISPOSITIONS SINCE THE DATE OF THE APPOINTMENT ORDER**

65. Since the date of the Appointment Order, the Receiver has been recovering and gathering the various assets used in DIG's business prior to marketing them for sale. However, in addition to such assets, DIG has a number of other assets that can be realized upon. One such asset is DIG's interest in tickets for the Toronto Maple Leafs (the "**Leafs**") and the Toronto Raptors (the "**Raptors**") owned by DistinctTech.
66. Maple Leaf Sports and Entertainment ("**MLSE**") advised the Receiver that the Company has a one-third share in an executive suite at the Scotiabank Arena (the "**Arena**"). In addition, the Receiver has been advised by MLSE that the Company also holds four personal seat licenses ("**PSLs**") that enable the holder to become a season ticket holder for the Leafs and Raptors games in the Arena. The PSLs come with the annual obligation to purchase the tickets for all home games for both the Leafs and Raptors in the regular season and the playoffs.
67. The tickets for the remainder of the 2019 regular season for both the Leafs and Raptors tickets in the executive suite were prepaid, along with one playoff game for each team. The Receiver will attempt to sell these tickets for the best price it is able to achieve. To date, the Receiver has sold the box seats for one regular season game and two playoff games for total proceeds of \$6,400.

68. In order to keep the PSLs and executive suite interest in good standing, it was necessary to pay the last installment to MLSE (which was overdue). Therefore, on April 1, 2019, the Receiver made a payment to MLSE in the amount of \$7,274.85 to bring the account current to permit the Receiver to market and sell the PSLs for value that would flow to the estate.
69. Comparable PSLs listed on MLSE's PSL marketplace are currently listed at asking pricing ranging from \$49,500 to \$93,750 per seat. The Receiver will not purchase tickets for the 2019 playoffs for either the Leafs or the Raptors in order to resell them. Instead, the Receiver intends to market and sell the PSLs.

#### ACCOUNTS RECEIVABLE COLLECTION EFFORTS

70. As at the date of the Appointment Order, DIG (excluding Crown) had third party customer accounts receivable (i.e. excluding amounts owed between the DIG entities) of approximately \$3.1 million as set out in the table below:

<b>Entity as at March 31, 2019</b>	<b>Third party accounts receivable</b>
Distinct Infrastructure Group Inc.	\$nil
Distinct Infrastructure Group West Inc.	\$5,805
DistinctTech Inc.	\$2,578,877
iVac Services Inc.	\$548,035
iVac Services West Inc.	\$nil
<b>Total</b>	<b>\$3,132,719</b>

Note: The Receiver has not audited or verified the balances above and they are subject to revision.

71. In addition to the amounts above, the Receiver has issued a number of invoices since the date of the Appointment Order for work that had been performed by DistinctTech. Such invoices have, with one exception, been issued to either Bell or Rogers. The total invoices generated since the date of the Appointment Order total approximately \$988,488.

72. Since the date of the Appointment Order through April 19, 2019, the Receiver collected approximately \$3.1 million from customers. Certain of these payments were received in DistinctTech's bank accounts directly (as per the process prior to the receivership proceeding). Other payments (i.e. cheques) have been deposited to the Receiver's account. The Receiver is working with RBC to account for all such receipts to update customer accounts. The Receiver is reporting such collections and the opening balance in these accounts in its R&D (as defined below), but has not sought the return of these funds from RBC to the Receiver's accounts. In accordance with the distribution relief and the claims received to date which assert priority over the Bank's security described herein, the Receiver has obtained an undertaking from RBC to provide funding to the Receiver up to the amount of the funds deposited to RBC's accounts in the event that there are insufficient funds in the Receiver's accounts to satisfy these claims, if proven.
73. In addition to the relevant invoice, there are a number of other documents that are required by DIG's customers. These principally relate to "as-built" drawings so that each of Bell and Rogers have an accurate understanding of where various infrastructure has been installed per the services provided by DIG. This is important for each of these customers in the event that changes to their networks are required in the future. Several "as-built" drawings were not complete and the Receiver retained a former employee to complete these.

## **RECEIPTS AND DISBURSEMENTS**

74. Attached hereto as Appendix "B" is the Receiver's interim statement of receipts and disbursements for the receivership period from March 11, 2019 through April 19, 2019 (the

“**R&D**”). As set out in the R&D the Receiver has realized cash receipts from the following sources:

- a. payment of receivables from customers;
- b. proceeds of sale in respect of the Crown Transaction;
- c. miscellaneous receipts and cash on hand at the date of the Appointment Order;
- d. funding from Crown Pipeline Ltd.; and
- e. miscellaneous asset realizations such as tickets to sporting events.

75. Significant disbursements include:

- a. approximately \$282,000 in respect of various disbursements related to Crown’s operations that were incurred prior to the time period when the Purchaser assumed responsibility for covering the operating costs;
- b. approximately \$376,000 for employee costs, with the vast majority of such costs being incurred to pay Crown’s employees prior to the Purchaser becoming responsible for such costs;
- c. payments for rent in the amount of \$212,753; and
- d. approximately \$49,000 for insurance premiums.

76. As sufficient proceeds from the realization on the assets of DIG, including proceeds from the APA, are received, it is the Receiver’s intention to make distributions to permanently repay RBC’s secured advances to DIG, subject to Court approval. Such proposed distributions are further described herein.

## **RECEIVER'S REQUEST TO MAKE AN INTERIM DISTRIBUTION**

77. Based on the security opinions provided by each of A&B and TDS, and subject to the usual and customary conclusions therein, RBC has security with a first ranking charge over the assets of DIG located in the Provinces of Ontario and Manitoba and as a result, over the funds in the Receiver's trust accounts, subject to any claims with statutory or other priority that ranks ahead of RBC's claim. As mentioned above, given the nominal assets held by Distinct West in the Province of Alberta, the Receiver has not sought an independent security opinion in that province.
78. As shown in the Receiver's R&D, as at April 19, 2019, the Receiver is holding approximately \$2.5 million in its account for the Ontario-based entities of the Company. A portion of these funds, approximately \$890,000, are currently being held in the Receiver's trust accounts while the balance is held by RBC due to the fact that certain customers deposited accounts receivable payments directly in DistinctTech's bank account held at RBC, which is consistent with pre-receivership practices. There are certain claims against the funds that have or may have priority to RBC's security, as summarized in the table below. Certain amounts in the table below are redacted to preserve the confidentiality of the net sale proceeds in the Crown Transaction as this amount is sealed for six months after March 27, 2019 (being the closing date of the Crown Transaction) or further order of the Court.

Distinct Infrastructure Group					
Summary of priority charges					
As at April 19, 2019					
	Notes	Crown	Alberta <sup>5</sup>	DistinctTech	Total
Account balance			37,924	2,470,753	
Less: WEPPA claims	1	(204,233)	-	-	(204,233)
LiUNA claim at 110%	2	-	-	(1,331,094)	(1,331,094)
CAFO reserve	3	-	-	TBD	-
Expenses	4	(100,000)	-	(500,000)	(600,000)
<b>Available for distribution</b>	5		<b>37,924</b>	<b>639,659</b>	

**Notes**

1. WEPPA claims in respect of DistinctTech included in the LiUNA claim
2. LiUNA claim included at 110% of total secured claim amount to provide an excess amount to ensure this claim, if successful as filed, is fully provided for.
3. Amount not received but will be held in trust in any event.
4. Amount reserved for ongoing needs
5. Represents proceeds from Distinct Infrastructure Group West.

79. The following bullets set out the reason for each of the reserves noted above:
- a. the Receiver estimates that priority claims pursuant to section 81.4 of the BIA will be \$204,233 for amounts related to Crown’s former employees (the “**Crown WEPPA Reserve**”). Given that this claim will be in priority to RBC’s security, it is necessary to reserve for this amount until it is finally determined with the relevant employees and Service Canada;
  - b. as previously mentioned, LiUNA has submitted a claim in DistinctTech’s bankruptcy in the amount of \$2,050,299. Of this amount, LiUNA has claimed that \$1,210,822 is in priority to the security held by RBC pursuant to sections 81.3-81.6 of the BIA. In order to allow for this and potential other claims that may be advanced by LiUNA, the Receiver is proposing to reserve 110% of the secured claim made by LiUNA on behalf of its members, pending a resolution or Court determination of such priority claim. Such amount is \$1,331,094 (the

“**LiUNA Reserve**”). Koskie Minsky has advised that it will be filing an updated proof of claim with the Trustee in due course;

- c. the Receiver is not currently holding any funds in respect of a refund from cancelled prepaid insurance policies covered under PIC2 but would propose to reserve such amounts, if received, in a separate trust account until such time as priority to these funds is conclusively determined (the “**CAFO Reserve**”). The Receiver expects that such funds will be received in due course; and
- d. the Receiver will need additional funds to administer DIG’s estates. As such, a reserve of \$100,000 for Crown (the “**Crown Expense Reserve**”) and \$500,000 for DistinctTech (the “**DistinctTech Expense Reserve**”) and collectively with the Crown WEPPA Reserve, the LiUNA Reserve, CAFO Reserve and the Crown Expense Reserve, the “**Reserves**”) is being proposed to allow for sufficient operating funds.

80. The Receiver is seeking Court approval to distribute to RBC all funds and receipts currently held by the Receiver in respect of Crown and Distinct West on account of RBC’s secured claim,<sup>3</sup> less the amount of the Crown WEPPA Reserve and the Crown Expense Reserve as set out above.

## **RECEIVER’S REQUEST FOR ENHANCED INVESTIGATIVE POWERS**

81. As set out in the Pre-Filing Report, there have been a number of financial irregularities in

---

<sup>3</sup> As stated in the Affidavit of Gary Ivany sworn February 28, 2019, as at the close of business on February 21, 2019, the Company was indebted to RBC in the amounts of \$53,373,111.88 and USD\$8,099.16.

respect of the Company and its subsidiaries. Such irregularities led to the Company reporting that its consolidated statements of income and financial position should not be relied upon.

82. In order to carry out investigations to determine the causes of these irregularities and determine if there are any sources of recovery available to the Receiver, either through insurance claims or otherwise, the Receiver is seeking approval from the Court for enhanced investigative powers as set out in the draft Order attached to the Receiver's motion materials (if issued by the Court, the "**Investigation Order**").
83. In summary, the Receiver is seeking powers similar to those that would be available to a Licensed Insolvency Trustee of a bankrupt under the BIA, notwithstanding that not all of the Company's subsidiaries are currently bankrupt.
84. Although many of these powers are available to the Trustee of DistinctTech, the Receiver does not currently possess the expanded powers of the Trustee over the other entities subject to the Appointment Order so additional relief is being sought in this regard for the Receiver.

#### **RECEIVER'S PROFESSIONAL FEES**

85. The Receiver, and its legal counsel, A&B and TDS, have maintained detailed records of their professional time and costs since the date of the Appointment Order.
86. The total fees of the Receiver during the period from March 11, 2019 to April 20, 2019, total \$452,176.00, together with expenses and disbursements in the sum of \$19,186.49 and HST in the amount of \$61,277.12, totalling \$532,539.61, as more particularly described in the Affidavit of Jordan Sleeth sworn April 26, 2019 attached hereto as Appendix "**D**".

87. The total fees of A&B, in its capacity as counsel to the Receiver, during the period from February 26, 2019 to April 5, 2019, total \$79,250, together with expenses and disbursements in the sum of \$1,308 and HST in the amount of \$10,435, totalling \$90,994, as more particularly described in the Affidavit of Shakaira John sworn April 26, 2019 attached hereto as Appendix “E”.
88. The total fees of TDS, in its capacity as counsel to the Receiver, during the period from March 11, 2019 to April 9, 2019, total \$5,080.00, together with expenses and disbursements in the sum of \$293.08 and taxes in the amount of \$663.80, totalling \$6,036.88, as more particularly described in the Affidavit of Ross McFayden sworn April 10, 2019 attached hereto as Appendix “F”.
89. The Receiver is of the view that the fees and disbursements of its legal counsel are reasonable. The Receiver is currently seeking the approval of the Court of the Receiver’s activities and its fees and disbursements, including the fees and disbursements of its legal counsel, as described in this Second Report.
90. TGF also acts as counsel to the Bank. Accordingly, accounts issued by TGF are paid by RBC directly.

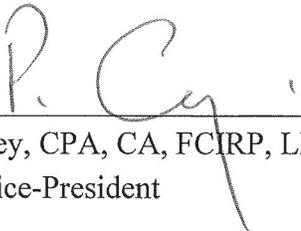
## **RECOMMENDATIONS**

91. For the reasons set out above, the Receiver respectfully requests that the Court approve the Receiver’s request for an Order:
  - a. approving the Auction Services Agreement and the sale of Auction Assets;

- b. sealing the unredacted version of the Auction Services Agreement for a period of six months or until further order of the Court;
- c. approving the proposed distribution to RBC from available surplus funds in the estates of Crown and Distinct West on account of the Bank's security interest;
- d. approving the enhanced investigative powers being sought by the Receiver;
- e. approving the R&D and the activities of the Receiver for the period from March 11 through April 19, 2019; and
- f. approving the activities of the Receiver as described herein and in the First Report as well as the professional fees and disbursements of the Receiver and those of its legal counsel as more particularly described at paragraphs 86 and 87 above and in the related Fee Affidavits, and authorizing the Receiver to pay all such fees and disbursements from available funds.

All of which is respectfully submitted at Toronto, Ontario this 26<sup>th</sup> day of April, 2019.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as the Court-appointed  
receiver of Distinct Infrastructure Group Inc.  
and its subsidiaries set out in Appendix "A"  
hereto, and without personal or corporate  
liability

Per:   
\_\_\_\_\_  
Paul Casey, CPA, CA, FCIRP, LIT  
Senior Vice-President

## **APPENDIX “A”**

**List of Subsidiaries**

Distinct Infrastructure Group West Inc.  
DistinctTech Inc.  
iVac Services Inc.  
iVac Services West Inc.  
Crown Utilities Ltd.

## **APPENDIX “B”**

**Redacted Statement of Receipts and disbursements from March  
11, 2019 to April 19, 2019**

**In the Matter of the Receivership of  
Distinct Infrastructure Group Inc.  
Statement of Receipts and Disbursements  
For the period March 11, 2019 to April 19, 2019**

Description in \$CAD	Notes	Actual March 11 to April 19			
		Ontario	Manitoba	Alberta	Total
<b>Receipts</b>					
Cash on hand		995	293,826	-	294,821
Accounts receivable	1	2,708,643	409,509	-	3,118,151
Sale of assets	2	-	██████████	37,538	██████████
Other		37,131	10,232	-	47,363
HST refund		17,333	-	396	17,729
Proceeds from purchaser - working capital	3	-	435,769	-	435,769
<b>Total actual receipts</b>		<b>2,764,102</b>	<b>██████████</b>	<b>37,934</b>	<b>██████████</b>
<b>Disbursements</b>					
Contract employees		(38,151)	(301,898)	-	(340,049)
Contract labour		(19,580)	-	-	(19,580)
Employee source deductions		(16,015)	-	-	(16,015)
Security services		(9,648)	(549)	-	(10,196)
Computer services		(2,000)	-	-	(2,000)
Fuel		-	(39,672)	-	(39,672)
Other disbursements	4	(7,382)	(282,431)	-	(289,812)
Occupation rent		(212,753)	-	-	(212,753)
Insurance		(46,181)	(2,405)	-	(48,586)
HST paid post-receivership		(34,136)	(865)	-	(35,001)
Legal counsel fees		-	(5,373)	-	(5,373)
<b>Total actual disbursements</b>		<b>(385,846)</b>	<b>(633,193)</b>	<b>-</b>	<b>(1,019,038)</b>
<b>Excess of Receipts over Disbursements</b>		<b>2,378,256</b>	<b>██████████</b>	<b>37,934</b>	<b>██████████</b>

**Notes**

- 1 The Receiver collected \$2.7 million from Ontario customers, of which \$1.6 million is held in RBC's bank account as customers paid into DistinctTech's account consistent with pre-receivership practice. The entire portion of Manitoba's accounts receivable collection is held in RBC's bank account.
- 2 On March 21, 2019, en bloc sale of Crown Utilities Ltd. was made for ██████████ to Crown Pipeline Ltd. (the "Purchaser"). The Receiver collected approximately \$38,000 of equipment proceeds from the sale of trucks from Alberta.
- 3 Working capital funded for Manitoba during the Period up to March 21, 2019 was funded by the Purchaser, consistent with the Asset Purchase Agreement.
- 4 Other disbursements relate to miscellaneous and operational disbursements related to Crown Utilities Ltd.

## **APPENDIX “C”**

**Redacted Auction Services Agreement dated April 22, 2019**

THIS Auction and Liquidation Services Agreement dated for reference the 22<sup>nd</sup> day of April, 2019

MADE BETWEEN:

**DELOITTE RESTRUCTURING INC.**, solely in its capacity as Receiver of Distinct Infrastructure Group Inc. including certain of its subsidiaries being iVac Services West Inc., Distinct Infrastructure Group West Inc., iVac Services Inc., DistinctTech Inc. and Crown Utilities Ltd., and not in its personal capacity

(hereinafter referred to as the “**Recevier**”)

OF THE FIRST PART

AND:

**MAYNARDS INDUSTRIES CANADA LTD.**

(hereinafter referred to as the “**Auctioneer**”)

OF THE SECOND PART

**WHEREAS:**

- A. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted on March 11, 2019, Deloitte Restructuring Inc. was appointed Receiver of the assets, property and undertakings of Distinct Infrastructure Group Inc. including certain of its subsidiaries being iVac Services West Inc., Distinct Infrastructure Group West Inc., iVac Services Inc., DistinctTech Inc. and Crown Utilities Ltd. (collectively, the “**Debtors**”);
- B. The Auctioneer submitted a proposal to the Receiver dated April 12, 2019 to liquidate the assets of the Debtors listed in **Schedule “A”** hereto (the “**Assets**”); and
- C. The Receiver wishes to retain the Auctioneer to sell the Assets, subject to the terms and conditions hereof.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that the Receiver and the Auctioneer agree as follows:

**1. RETENTION OF THE AUCTIONEER**

- 1.1 The Receiver hereby retains the Auctioneer to carry out, and the Auctioneer hereby agrees to carry out, a sales program and run an auction (the “**Auction**”) with respect to the Assets on the terms and conditions as set forth in this agreement.

- 1.2 The Receiver and the Auctioneer covenant and agree with each other to carry out their respective obligations under this Agreement, including without limitation the obligations as set forth in **Schedule “B”** to this Agreement.
- 1.3 The Auctioneer will not, and has no authority to, incur any liability or obligation on behalf of the Receiver or the Debtors, unless otherwise specifically set out herein or as authorized and approved by the Receiver.

## **2. THE AUCTION**

- 2.1 The Auctioneer has guaranteed and does hereby guarantee a net minimum payment to the Receiver of [REDACTED] subject to adjustment pursuant to Section 2.11 of this Agreement, (the “**NMG**”) regardless of the amount of proceeds received from sale of the Assets pursuant to this Agreement.
- 2.2 The Auctioneer will charge a 18% buyer’s premium with respect to the sales of the Assets (“**Buyer’s Premium**”) for its account.
- 2.3 The proceeds of sale of the Assets, net of applicable taxes and any Buyer’s Premium (together the “**Gross Sale Proceeds**”), shall be distributed as follows:
- (i) firstly, to the Receiver in the amount of [REDACTED] on account of the NMG;
  - (ii) secondly, to the Auctioneer the next [REDACTED] on account of its services and on its account; and
  - (iii) thirdly, any and all gross sale proceeds over [REDACTED] will be divided [REDACTED] to the Receiver and [REDACTED] to the Auctioneer.
- 2.4 If any of the Assets are removed from the sales process of the Auction, the NMG shall be reduced by an amount based on the Auctioneer’s high appraised value.
- 2.5 The Auctioneer will pay any amounts payable to the Receiver from the Gross Sale Proceeds within 10 calendar days following the applicable sale date by way of wire transfer to the account stipulated by the Receiver.

## **3. REPRESENTATIONS, WARRANTIES, AND COVENANTS WITH RESPECT TO THE ASSETS**

- 3.1 The Receiver shall, promptly following execution of this Agreement deliver to the Auctioneer a copy of all pertinent documents that are in the possession of the Receiver relating to the Assets, including, without limitation, all documents of title, operating manuals, warranties, and all documents respecting registrations. As set out herein in section 4.1, this Agreement remains subject to approval by the Court.
- 3.2 The Receiver shall provide, or make commercially reasonable efforts to provide, to the Auctioneer and its agents, employees and representatives, access to the Assets located at 77 Belfield Road, Suite 102, Toronto, ON M9W 1G6 (the “**Premises**”) for the purpose of this Auction from the date of approval of this Agreement by the Court (or such date

earlier as agreed to by the Receiver) until May 31, 2019, or such later date as agreed by the parties hereto (the “**General Deadline**”), for the purposes of showing the Assets to prospective purchasers, preparing for and conducting the auctions, completing all sales, and removing the Assets upon their sale. The Receiver agrees to pay, until the General Deadline at its sole cost, all applicable rent and shall be responsible for the continued supply of all utilities to the Premises including, without limitation, gas, water, heat and hydro, and for the maintenance of insurance coverage on the Premises and Assets (the “**Occupancy Costs**”). The Auctioneer agrees to pay all Occupancy Costs after the General Deadline for the period the Auctioneer occupies the Premises, if any.

- 3.3 The Receiver shall provide, and upon reasonable request by the Auctioneer, do, execute and deliver all further assurances, acts and documents for the purpose of conveying right, title, and interest of the Assets to any purchaser contemplated herein.
- 3.4 The Auctioneer shall sell the Assets on an “as is, where is” basis and neither the Receiver, the Debtors nor the Auctioneer shall make, vis-à-vis, any third party purchasers, any representations, conditions or warranties, and there are no representations, conditions or warranties. The Parties agree there are no terms or conditions whatsoever, whether expressed, implied, statutory or otherwise with respect to the Assets or any of them or any other matters whatsoever in any way related to the subject matter of this Agreement.
- 3.5 The Auctioneer has conducted its own due diligence, independent inspection, and investigation respecting the Assets and is satisfied with the Assets in all respects.
- 3.6 If there is a dispute respecting the ownership of any of the Assets sold by the Auctioneer or any claims relating thereto, the Auctioneer may pay the proceeds in respect of such Assets to the Receiver, to be held by the Receiver until the Court determines the party that is entitled to the proceeds.
- 3.7 Upon completion of the Auction contemplated hereby, the Auctioneer shall assist the Receiver for one week to oversee the removal or preparation of the removal of the Assets from the Premises. The Auctioneer shall otherwise have the right to abandon any remaining or unsold Assets. Any third party costs or expenses incurred in connection with the clean-up of the Premises or storage of the Assets on the Premises shall be the responsibility of the Receiver.

#### **4. COURT APPROVAL**

- 4.1 This Agreement shall be subject to approval by the Court (the “**Approval Order**”). The Receiver will apply to the Court for the Approval Order by no later than May 6, 2019.
- 4.2 The Receiver will make its best efforts, but is not obligated, to obtain a Sealing Order respecting this Agreement when it applies to the Court for the Approval Order

#### **5. DUTIES OF AUCTIONEER**

- 5.1 Except as otherwise provided for in this Agreement, the Auctioneer shall at its own cost and expense:

- (a) provide commercially reasonable best efforts to conduct the Auction in accordance with its terms and the terms of this Agreement;
- (b) provide sufficient licensed auctioneers and other personnel as is generally required for the holding of the Auction;
- (c) supervise the inspection of the Assets by potential purchasers prior to the Auction;
- (d) prepare for, arrange, conduct and conclude the Auction including, but not limited to, advertising, auction-related set-up, administrative services, collection of proceeds, banking, security/check out personnel, etc.;
- (e) advertise and promote the Auction. The Auctioneer shall seek the prior consent of the Receiver to the form and content of all advertising and such consent shall not to be unreasonably withheld;
- (f) organize, inventory, tag and lot the Assets for the Auction;
- (g) provide administrative services relating to the transfer of ownership of Assets to purchasers such that title to the Assets can be conveyed to the purchasers;
- (h) allow representatives of the Receiver to be present at the Auction and to have access to all of the Auctioneer's records concerning the sale of the Assets; and
- (i) provide the accounting described in Section 2 of Schedule "B" hereto.

## **6. ADDITIONAL REPRESENTATIONS, WARRANTIES AND CONDITIONS**

- 6.1 The Receiver represents and warrants to the Auctioneer that, subject to the approval of the Court described in Section 4.1 hereof, the Receiver has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement.
- 6.2 The Auctioneer represents, warrants and acknowledges to the Receiver that:
- (a) the Auctioneer is a corporation duly incorporated, organized and subsisting under the laws of Ontario;
  - (b) the Auctioneer has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement;
  - (c) this Agreement constitutes a valid and legally binding obligation of the Auctioneer, enforceable against the Auctioneer in accordance with its terms;
  - (d) the Auctioneer will, prior to conducting any sales pursuant to this agreement, be registered under Part IX of the *Excise Tax Act* (Canada) and shall have all necessary registrations and authority to collect, report and remit any applicable taxes on or with respect to any sale of any Assets by the Auctioneer pursuant to this agreement, in all applicable jurisdictions;

(e) the Auctioneer has not jointly elected with the Receiver pursuant to section 177(1.3) of the *Excise Tax Act* (Canada); and

(j) the Auctioneer holds all required permits and licenses required to perform its obligations under this Agreement.

6.3 The representations, warranties and covenants of the Auctioneer set forth in this agreement will survive completion of the transactions contemplated by this Agreement.

## 7. MISCELLANEOUS

7.1 All references to currency in this Agreement and in the schedules hereto are to lawful currency of Canada.

7.2 If the doing of any act pursuant to this Agreement falls on a day on a bank holiday or weekend, then the time for the doing of such act shall be deemed to be the next day that is not a bank holiday or weekend.

7.3 Any notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and effective when delivered by facsimile or by electronic mail to the addresses and/or email addresses set forth as follows:

### **The Receiver:**

Deloitte Restructuring Inc.  
Bay Adelaide East  
88 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Attention: Jordon Sleeth  
Email: jsleeth@deloitte.ca

### **The Auctioneer:**

Maynards Industries Canada Ltd.  
1585 West 4th  
Vancouver, British Columbia V6J 1L6  
Attention: Aaron Stewardson  
Email: astewardson@maynards.com

A party may from time to time change its address for service or its facsimile number for service by giving written notice of such change to the other party.

7.4 No waiver by either party of any of the conditions contained in this Agreement or of any breach of any of the covenants contained in this Agreement shall have effect or be binding upon that party unless expressed in writing and any waiver so given shall extend

only to the particular condition or breach so waived and shall not limit or affect any rights with respect to any other condition or breach or any future breach.

- 7.5 This Agreement and the attached schedules constitute the entire agreement between the parties relating to the subject matter hereof and supersedes all prior proposals, communications and agreements, whether written or oral.
- 7.6 This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
- 7.7 The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
- 7.8 All stipulations in this Agreement as to time are strictly of the essence.
- 7.9 This Agreement shall be governed by the laws in effect in the Province of Ontario and the parties hereby attorn to the jurisdiction of the Courts of that Province.
- 7.10 This Agreement may be executed in counterparts by the parties hereto, and executed counterparts may be delivered by electronic mail and such execution and delivery shall be valid for all intents and purposes and the executed counterparts shall together form one document.
- 7.11 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

EXECUTED at Toronto, Ontario, this 22<sup>nd</sup> day of April, 2019.

**DELOITTE RESTRUCTURING INC.**, solely in its capacity as Receiver of the property, assets and undertaking of Distinct Infrastructure Group Inc., iVac Services West Inc., Distinct Infrastructure Group West Inc., iVac Services Inc., DistinctTech Inc. and Crown Utilities Ltd., and not in its personal capacity

Per:   
Name: Jordan Steeth  
Title: Senior Vice President

**MAYNARDS INDUSTRIES CANADA LTD.**

  
Per: \_\_\_\_\_  
Name: Aaron Stewardson  
Title: COO

**Schedule A  
Asset Listing**

Qty	Yr	Make	Model	Description	SerNo
<b>EXCAVATORS</b>					
4	2017	John Deere	27D	Mini Excavators w/ push Blades Over 75 Excavator Buckets 12-24" Dig/ Scoop/ Frost, Planetary Auger Attachments Hydraulic Hammers- NPK PH-2, (2) NPK GH-2, NPK PH-07, NPK C20 Tamper	
	2017	Vermeer	D10X 15	<b>DIRECTIONAL DRILL</b> Navigator S3 Directional Drilling Machine, 1597 hrs.	
<b>COMPRESSORS</b>					
18	2017	Atlas Copco	XAS 185 JD7	Portable Compressor, all 75-500 Hrs.	
<b>EQUIPMENT TRAILERS</b>					
	2011	Miska		10 Ton, 20' Tri Axle Equipment trailer w/ Beaver Tails	
23	2015-17	Canada Trailer	Model CE 718-14k	7 Ton Tandem Axle Equipment trailers, 16' T/A w/ Beaver Tails	
<b>REEL TRAILERS</b>					
2	2013	Fabrique	FT-10R	Single Axle Reel Trailers	
2	2013	Fabrique	FT-8R	Single Axle Reel Trailers	
	2014	J&J		Extendable Pole Trailer	
		Home Made		26' Tri-Axle Material Trailer	
<b>CORE TRUCK</b>					
		Chev	C4500	Core Drilling Truck, Diesel, Utilor Core Drill w/ Remote Control	
<b>PICKUP TRUCK/ VANS</b>					
	2017	Dodge	Ram 3500 HD	Crew cab Pickup, Cummins Turbo diesel, 44,760km	
2	2013	Nissan	NV 3500	Service Vans w/ Service Cabints	
3	2012	Nissan	NV 3500	Service Vans w/ Service Cabints	
<b>FORKLIFTS</b>					
		Hyster	H100FT	10,000 lbs Cap. LGP Forklift, 175" Lift, Sideshift, 6376 hrs	N005V03391E
		Hyster	H50Ft	5,000m lbs Cap. LGP Forklift, 5557 hrs.	L177V04652H
<b>SWEEPER/ SCRUBBER</b>					
		Tenant	M20	Ride-On Sweeper Scrubber Truck	M20-1115
<b>TELECOM EQUIPMENT</b>					
10				Cable Cutters	
6		Swift	K7150929	Wire Splicers	
3		Fiberfox	View 5	Arc Fusion Splicers	
3		Toronics	IFS-15H	Fusion Splicers	
4		Fiberfox	6S/ IFS 10	Arc Fusion Splicers	
		Fujikura	70S	Arc Fusion Splicers	
				Volt and Calibration Testers	
		Rhino		Embossing Tools	
		Ema	CMA 400	Communications Analyzer	
		Dynatel	3322 and 3121	Wire ID Systems	
		Metrotech	660		
		Mcaughlin	Verifier	GS Digital Locator	
		Hilti	PS 1000	Concrete Scanner	
		Digital Control		FSD Tester	
		Vivax Metrotech		V Locator Series 2	
		Reed	R800	Video Inspection system	
		Kinetics		Fiber Optic Locator	
<b>CONSTRUCTION SUPPORT</b>					
30		Wacker Neuson	WM 80	Jumping Jacks	
15		Wacker Neuson		Walk Behind Plate Tampers	
100				Air Breakers and Chipping Hammers- Atlas copco, Milwaukee	
		Sawa		Over (70) Sawa/ Miller Self Retracting Lifelines to 85' Capacity	
100		Jameson/ Ideal		Portable Reel Fish Tapes/ Wire Guides to 600"	
		Wacker/ Neuson	GP 3800/ 5600	Over (40) Portable Generators	

**Schedule A  
Asset Listing**

Qty	Yr	Make	Model	Description	SerNo
75		Atlas Copco	LP 18-40	Portable Water Pumps from 1 1/2 to 3" Capacity Portable Power Pack Large Qty of Spill Kits	
15		Hilti/ Husqvarna		Portable Core Drills	
25		Stihl/ Makita	TS 420/ 800	Concrete Saws Large qty of Man-Hole Protection covers Portable Blowers Over (60) Featherlite Step/ Extension Ladder from 4-18' Job Boxes/ Tool Boxes/ Vidmar Cabinet	
	40	Bend Station	Pro	Conduit Bender Large Qty of Safety Gear Large qty of Air/ Hydraulic and flexible Hose Large Qty of Vertis/ Motorola 2 Way Radios, Chargers/ Inet DS Charging system Large Qty of Road and Safety Signs, Traffic Cones 40' Sea Cans	
2				<b>VEHICLE MAINTENEANCE</b> 30,000 lbs Cap. 4 Post Hyd. Vehicle Hoist 20,000 lbs Cap 2 Post Hyd. Vehicle Hoist Direct Drive Wheel Balancer Tire Changer 3-10 Ton Service Jacks Battery Chargers and testers Test Equipment including Fuel Preesure Kits/ Vectronix Test Equipment, Engine Scanning and Misc. Test Equipment Lincon Eagle 10,000 Gas Welder Over 60 New Truck/ Van tires Large Qty of Hydraulic Jacks and Jack Vehicle Stands	
		TLS	TLS		
		Mohawk	TP-20		
		Coats	1150-2P		
		Coats	70X-EH-1		
				<b>MISC. SUPPORT EQUIPMENT</b> Hundreds of Power Hand Tools- Impact Guns/ Drills/ Mag Drills/ Grinders/ Saws Tap and die Sets/ O Ring Sets/ Micrometers Shop Vacs/ Pallet Jacks/ Large qty of fire Extinguishers 5HP Vertical Tank Compressors 10HP Tank compressor Welder Plasma Welder Levels and Tri Pods Portable Shop Fans	
3		Sanborn			
		Ingersoll Rand			
		Miller	Millermatic 252		
		Crossfire			
				<b>INVENTORY</b> Large qty of PVC Pipe/ Elbows/ Joint and Misc. Fittings PVC and HDPE Tube inventory- 3/3" to 6" on Reels. Qty of Concrete Mix/ Road salt/ Pavement binding Composite	
			C	<b>COMPUTER/ OFFICE EQUIPMENT</b> Over (80) Laptop Computer Large Qty of Cell Phones and Tablets Large Screens to 55" 50 Plus Cisco Phones HP Desing Jet T2500/ T1120 Format Printers (75) Work Stations	

**SCHEDULE "B"**  
**THE RECEIVER'S AND AUCTIONEER'S RESPONSIBILITIES**

The following sets out the Receiver's and Auctioneer's respective responsibilities with respect to the disposition of the Assets. The parties acknowledge and agree that:

***General***

1. The Auctioneer is acting only in its capacity as an independent contractor dealing with the Receiver and is otherwise not the Receiver's employee or assign, nor is it assuming the legal responsibilities, duties or obligations of the Receiver or of a "Secured Party".
2. The Auctioneer will carry out the Auction in an orderly and professional manner, in accordance with industry practices. The Auctioneer shall, promptly following the Auction, provide the Receiver with a detailed written accounting in respect of the sales and the Gross Sale Proceeds in a form satisfactory to the Receiver acting reasonably.
3. The Auctioneer will determine the best way of selling the Assets, whether by private or public sale or by auction or otherwise.
4. The Auctioneer will not be responsible for the following costs, claims, or liabilities, even if such are payable:
  - (a) lease payments to third parties under any leases of the Assets;
  - (b) any pre-existing environmental costs;
  - (c) any legal costs associated with dealing with liens against the Assets; and
  - (d) any product warranties, conditions, or liabilities, including without limitation those set forth in the *International Sale of Goods Contracts Convention Act* (Canada).

***Taxes***

5. The Auctioneer shall collect, and promptly pay to the applicable authority and confirm such payment to the Receiver, all social services tax, provincial sales tax (if applicable), goods and services tax and any other tax resulting from any sale transaction entered into by the Auctioneer with respect to any of the Assets.
6. The Auctioneer shall indemnify and hold the Receiver harmless from any and all demands, liabilities or claims, including, but not limited to, fines, penalties, losses, costs and expenses, which the Receiver may sustain, incur or be subject to, arising out of, or by reason of, any failure by the Auctioneer to collect, pay or remit any applicable taxes under, or in accordance with, the provisions of the *Excise Tax Act* (Canada) in relation to the sale of the Assets in accordance with the Auction (including without limiting the generality of the foregoing in respect of the buyers premium described in Section 2.7 of this Agreement).

### ***Insurance***

7. The Auctioneer will maintain insurance, and will provide to the Receiver proof of insurance, with respect to any public liability which could flow from the Auctioneer's activities, naming the Receiver as beneficiary of such insurance, providing for coverage of not less than \$5,000,000 per occurrence and otherwise in a form satisfactory to the Receiver acting reasonably.
8. Proceeds received on any insurance claim in respect of any insured Assets that otherwise would have been sold during the Auction shall be considered Gross Sale Proceeds.

### ***Event of Force Majeure***

9. If the Auctioneer is materially delayed, interrupted or precluded from completing the Auction in accordance with this Agreement by reason of *force majeure* which includes, without limitation, any event or circumstance of any nature whatsoever that is beyond the reasonable control of the Auctioneer, including earthquake, flood or other act of God, fire, explosion or accident, howsoever caused, any act or omission or delay by any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, or seasonal or climactic conditions, the Auctioneer shall be held harmless from any and all liability if such disaster shall affect the conduct or timing of any actions contemplated by this Agreement. The Auctioneer shall give immediate written notice of any circumstance which may constitute an indemnifiable event to the Receiver. The Auctioneer shall be entitled to be paid so much of the amounts payable to it pursuant to this Agreement to which it has become entitled as at the date of the event of *force majeure*. In the event that, acting reasonably, the parties hereto are unable to negotiate a settlement, the matter will be determined in accordance with directions from the Superior Court of Ontario.

## **APPENDIX “D”**

**Affidavit of Jordan Sleeth sworn April 26, 2019**

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

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

---

---

AFFIDAVIT OF JORDEN SLEETH  
(Sworn April 26, 2019)

---

---

I, JORDEN SLEETH of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court appointed receiver and manager (the “Receiver”) of all of the assets, undertakings and properties of Distinct Infrastructure Group Inc. (the “Company”) and its subsidiaries set out in **Exhibit “A”** hereto (collectively with the Company, “DIG”). As such, I have personal knowledge of the matters to which I hereinafter refer.

2. Attached hereto as **Exhibit “B”** is a summary of the accounts of the Receiver with respect to DIG for the periods March 11 to 31, 2019 and April 1 to 20, 2019 (the “Billing Period”) along with the detailed accounts issued in respect of the Billing Period which include detailed descriptions of the activities, number of hours worked, applicable hourly rates, and total

hours and fees. The Receiver's average hourly rate charged over the Period is approximately \$412. I confirm that these accounts accurately reflect the services provided by the Receiver in this proceeding for the Billing Period.

3. Based on my review of the accounts referred to herein and my personal knowledge of this matter, the accounts referred to herein represent a fair and accurate description of the services provided and the amounts charged by the Receiver.

4. I swear this affidavit in support of the Receiver's Motion for, among other things, approval of its fees and disbursements and for no other or improper purpose.

SWORN before me at the City of Toronto,  
in the Province of Ontario, on April 26, 2019

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
Rachel Bengird

)  
)  
)  
)

  
\_\_\_\_\_  
**JORDEN SLEETH**

**Exhibit "A"**

**List of Subsidiaries**

Distinct Infrastructure Group West Inc.  
DistinctTech Inc.  
iVac Services Inc.  
iVac Services West Inc.  
Crown Utilities Ltd.

**Exhibit "B"**

**Accounts of the Receiver for the period March 11, to April 20, 2019**

**In the matter of the Receivership of Distinct Infrastructure Group Inc. et al.**  
Summary of invoices issued by Deloitte Restructuring Inc.  
For the period March 11, 2019 to April 20, 2019

<b>Invoice #</b>	<b>Period</b>	<b>Hours</b>	<b>Fees</b>	<b>Expenses</b>	<b>HST</b>	<b>Total</b>
8000541068	March 11-31, 2019	699.30	\$294,756.50	\$11,798.61	\$39,852.16	\$346,407.27
8000541066	April 1-20, 2019	396.80	157,419.50	7,387.90	21,424.96	186,232.36
	<b>Total</b>	<b>1,096.1</b>	<b>\$452,176.00</b>	<b>\$19,186.51</b>	<b>\$61,277.12</b>	<b>\$532,639.63</b>



**Invoice 8000541068**

**Deloitte Restructuring Inc.**  
Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Paul Casey  
Deloitte Restructuring Inc., Court appointed receiver of Distinct  
Infrastructure Group Inc. et al  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9  
Canada

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

Date: April 26, 2019  
Client No.: 1136959  
WBS#: ROY00277  
Engagement Partner: Paul Casey  
HST Registration: 122893605RT0001

**For professional services rendered**

**Fees**

For professional services rendered by Deloitte Restructuring Inc. for the period March 11 to 31, 2019, in respect of the receivership of Distinct Infrastructure Group Inc. et al pursuant to an order of the Court dated March 11, 2019.

Please see the attached appendices for details.

	HST applicable	294,756.50
<b>Expense</b>		
	HST applicable	2,955.91
	Administrative Expense	8,842.70
<b>Sales Tax</b>		
	HST at 13.00%	<u>39,852.16</u>
	<b>Total Amount Due (CAD)</b>	<b><u>346,407.27</u></b>

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.

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Deloitte Restructuring Inc., Court appointed receiver of Distinct Infrastructure Group Inc. et al	1136959	8000541068	346,407.27	Payment for invoice 8000541068

**Contact:**

Please send payment confirmation by email to: [receivablesdebiturs@deloitte.ca](mailto:receivablesdebiturs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

**1. EFT Payments(remittance email mandatory):**

**Preferred Method**

The Bank of Nova Scotia  
Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002  
**Account Number:** 1590219

**For USD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002  
**Account Number:** 1363514

**2. Wire Payment:**

The Bank of Nova Scotia  
Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**Account Number:** 476961590219  
**Swift Code:** NOSCCATT

**For USD Dollar (\$) Payments, pay:**

**Account Number:** 476961363514  
**Swift Code:** NOSCUS33

**3. Online Payment:**

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

**4. Cheque payments, please mail to:**

**For CAD Dollar (\$) Payments, pay:**  
DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay:**  
DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1



## Appendix # 1

### Summary of Fees

Name	Level	Office	DIG / Crown	Hours	Rate	Amount
Paul Casey	Partner	Toronto	DIG & Crown	41.2	625	25,750.00
Jorden Sleeth	Partner	Toronto	DIG & Crown	114.5	625	71,562.50
Brent Warga	Partner	Winnipeg	Crown	40.1	500	20,050.00
Todd Ambachsheer	Senior Manager	Toronto	DIG	118.7	500	59,350.00
John Fritz	Senior Manager	Winnipeg	Crown	72.6	375	27,225.00
Anna Koroneos	Senior Manager	Toronto	DIG - WEPPA	13.2	500	6,600.00
Brian Casey	Manager	Toronto	DIG - IT preservation	6.0	420	2,520.00
Stacey Greenbaum	Manager	Toronto	DIG	29.7	420	12,474.00
Nate Anderson	Senior	Winnipeg	Crown	46.1	250	11,525.00
Golnaz Haghiri	Senior	Toronto	DIG - WEPPA	9.9	290	2,871.00
Devin Watson	Senior	Toronto	DIG	90.4	290	26,216.00
Soo Woo (John) Youn	Senior	Toronto	DIG	52.2	290	15,138.00
Sean Jack	Analyst	Toronto	DIG - WEPPA	8.0	175	1,400.00
Nabela Lodhy	Analyst	Toronto	DIG - IT preservation	15.5	175	2,712.50
Elijah Pardinas	Analyst	Toronto	DIG - IT preservation	12.5	175	2,187.50
Rose Brown	Consultant	Toronto	Estate admin	28.7	250	7,175.00
Total Professional hours and fees				699.3		294,756.50
Administrative Expenses						8,842.70
Out-of-pocket expenses: Airfare						1,094.51
Out-of-pocket expenses: Ground Transportation						1,639.68
Out-of-pocket expenses: Lodging						221.72
Total Fees and Expenses						306,555.10

## Appendix # 2

Date	Name	Crown / DIG	Description	Hours
3/11/2019	Ambachtsheer, Todd	DIG	Discussions on WIP; final receivership preparations; hold meeting with employees advising of receivership; answer questions on receivership; coordinate filings to be sent out; questions from employees.	10.20
3/11/2019	Anderson, Nate	Crown	Meeting with Crown's management, drafting WEPP letters, meeting with employees.	6.20
3/11/2019	Brown, Rose	Estate	Website update: text and Documents, send email to open two RBC Bank Accounts; review with J. Youn; confirm accounts are open and ready for deposits; prepare wire instruction sheets and send to J. Youn.	2.20
3/11/2019	Casey, Paul	DIG	Attend court for appointment order; multiple conference calls and emails with J. Sleeth and team regarding first day activities and priorities; reporting call with Bank and counsel; web postings, correspondence from prospective purchasers and company office.	3.50
3/11/2019	Fritz, John	Crown	Various meetings with Management, day one receivership proceedings, ongoing operation items, employee notices and meeting.	8.60
3/11/2019	Sleeth, Jordan	DIG	Respond to various DIG staff and Deloitte team queries; tour premises with Locksmith to ensure secure.	2.00
3/11/2019	Sleeth, Jordan	DIG	Onsite attendance at DIG re receivership: meetings with management and staff; meet with LiUNA representatives; calls with Deloitte team; prepare for and attend status update call with RBC and TGF; arrange security on premises.	9.80
3/11/2019	Warga, Brent	Crown	Day 1 receivership proceedings; meeting with management; employee meeting; meeting with prospective purchaser and advisors; review of draft operating cash flows; call with RBC and counsel; calls with Toronto team.	8.70
3/11/2019	Watson, Devin	DIG	At DIG site; assist T. Lawrence in the moving of iVac trucks from the Disco property to the Belfield Rd. location; provide employees with termination letters, document recovery of vehicle keys, tablets, gas cards; respond to suppliers seeking payment.	8.20
3/11/2019	Youn, Soo Won	DIG	Receivership site attendance; various employee matters (termination letter, answering questions, recovering vehicle keys and tablets, cell phones); security of assets; lock change; banking matters; answering questions from vendors and subcontractors.	9.80
3/12/2019	Ambachtsheer, Todd	DIG	Coordination of asset retrievals; calls to customers; discussions with A&B and TGF; internal planning; coordinate waste removal; discussions with S. Greenbaum re: WEPPA administration; meetings with employees to retain (negotiate rates, term).	10.50
3/12/2019	Anderson, Nate	Crown	Meet with employees and distribute new contracts, meetings with Crown's management, follow up on outstanding contract, internal status calls, correspondence with J. Youn.	5.80
3/12/2019	Brown, Rose	Estate	Liaise with bank to have deposit processes, input deposit in Ascend after accounts opened, prepare banking folders, work on address for creditors.	2.60
3/12/2019	Casey, Paul	DIG	Conference call with team; emails; discussion regarding Crown opportunity and teleconference counsel; review offer; correspondence from Engineers union.	3.50
3/12/2019	Fritz, John	Crown	Employee matters, collection of company information including cash flows, meeting with interested party's legal counsel.	6.40
3/12/2019	Koroneos, Anna	DIG	WEPPA coordination.	2.50
3/12/2019	Lodhy, Nabela	DIG	Project Diglett: collections and preservation of IT records and server files.	3.00
3/12/2019	Casey, Brian	DIG	IT Data recovery (servers, laptops); meetings with DIG IT staff and T. Ambachtsheer and J. Sleeth.	4.00
3/12/2019	Sleeth, Jordan	DIG	Tour premises re: returned equipment and security of premises/equipment; various discussions with former staff; calls to potential purchasers; update calls with P. Casey and R. English.	2.00
3/12/2019	Sleeth, Jordan	DIG	Onsite attendance at DIG: review buyer list, teaser, meet with retained staff re HR requirements, WIP to invoice process, retrieving equipment; calls with LiUNA re claims, retaining staff.	9.00
3/12/2019	Warga, Brent	Crown	Call with J. Sleeth and P. Casey re Crown update; calls with J. Fritz re: on-site matters; discussions with Crown Management re cash flows and LOI; review of submitted offer; email correspondence with P. Casey and J. Sleeth.	5.60
3/12/2019	Watson, Devin	DIG	Assist T. Clements in moving all of the remaining trucks from the Disco property to Belfield; updated invoices for employees who are assisting in the collection of assets, HR duties (issue additional termination letters, recovery keys and gas cards).	7.80
3/12/2019	Youn, Soo Won	DIG	Sale process matters (data room set up, marketing materials, tracking of prospective purchasers; answering questions); answer questions from equipment lessors; secure equipment and other assets; compilation of employee information.	10.20
3/13/2019	Ambachtsheer, Todd	DIG	Respond to employee and creditor queries; discussions on planning with employees that were retained; WEPPA coordination and review of information; calls to Bell and Rogers re: projects; discussions with Deloitte Forensic group re: data to be backed up; emails to landlord re: status update, occupation, lease and rent due.	9.80
3/13/2019	Anderson, Nate	Crown	Leases and meeting with Crown's team; compile information to support sale efforts.	5.60
3/13/2019	Brown, Rose	Estate	Update creditor mailing lists.	3.10
3/13/2019	Casey, Paul	DIG	Telephone call J. Sleeth; on-site admin; prepare analysis and review appraisal.	1.00
3/13/2019	Casey, Paul	DIG	On-site attendance for Receivership administration; prepare call with B. Warga and team; attend call with Crown Purchaser G. Gauthier and advisors; amend agreement of purchase and sale with Crown Pipeline; teleconferences counsel regarding agreement; leased assets.	7.00

Date	Name	Crown / DIG	Description	Hours
3/13/2019	Fritz, John	Crown	Compilation of NRV analysis, meetings with interested party and counsel, bank update and agreement items; ongoing operational items, employees, etc.	8.30
3/13/2019	Koroneos, Anna	DIG	Review of Notice and Statement of Receiver; send to T. Ambachtsheer; with R. Brown on changes and creditors listing edits; calls with former employees on WEPP.	2.00
3/13/2019	Lodhy, Nabela	DIG	Project Diglett: collections and preservation of servers, IT records, laptops.	5.00
3/13/2019	Pardinas, Elijah	DIG	Project Diglett: collections and preservation of servers, IT records, laptops.	5.00
3/13/2019	Sleeth, Jorden	DIG	Sale process: calls with prospective purchasers, review NDA revisions; call with K. Plunkett re: Crown APA and progress update; call with T. Ambachtsheer and J. Youn re on-site activities - bankruptcy filing, insurance, asset retrievals, WEPPA status; calls with Maynards re asset appraisals; prepare ERV schedule for call with RBC re: Crown offer; call with RBC re Crown offer and go forward strategy.	6.50
3/13/2019	Warga, Brent	Crown	Onsite attendance re Crown: attend meetings with G. Gauthier re: Crown operations and funding thereof; discussions re acquisition of Crown, structuring such a transaction; direct onsite team re supplier/customer notices, asset retrievals/returns.	6.60
3/13/2019	Watson, Devin	DIG	Filing and review of mail, prepare deposit of cheques received and arrange deposit; compile information for the WEPPA process; tour premises and meet with M. Shabotynsky to discuss the organization of the inventory and onsite assets.	7.70
3/13/2019	Youn, Soo Won	DIG	Draft of NDA and data room disclaimer; site attendance; answer questions from employees, vendors and shareholders; receivership administration matters; lease reviews; sale process matters.	9.40
3/14/2019	Ambachtsheer, Todd	DIG	Calls and email exchanges with insurers and inquire re claims filed to date, advise of Receiver appointment; review leased assets status; direct employees re: T4s, ROEs, WEPPA information.	3.60
3/14/2019	Ambachtsheer, Todd	DIG	Calls to Winnipeg re Crown proceeding; attend to asset retrieval; respond to employee and creditor queries; discussions on billings to be issued to customers; call customers to inquire re payment; respond to interested parties re assets.	4.70
3/14/2019	Anderson, Nate	Crown	Meetings with management, internal meetings, and work on leases.	5.40
3/14/2019	Brown, Rose	Estate	Work on Creditor listing for importing into Ascend; Bankruptcy: open estate in Ascend.	3.10
3/14/2019	Casey, Paul	DIG	On-site attendance at Ballfield location; pipeline transactions; Bankruptcy assignment; teleconference J. Sleeth regarding status; sales process; other receivership admin; OSC correspondence; meeting T. Ambachtsheer regarding various; draft Court Report.	5.00
3/14/2019	Fritz, John	Crown	Crown information compilation, meetings with interested party and counsel, schedule compilation, secured (leased/financed) equipment review.	5.70
3/14/2019	Koroneos, Anna	DIG	Review of NSR with R. Brown; edit WEPP Letter; send precedents to P. Casey and T. Ambachtsheer; calls with former employees.	1.50
3/14/2019	Lodhy, Nabela	DIG	Project Diglett: collections and preservation.	5.50
3/14/2019	Pardinas, Elijah	DIG	In-office imaging remaining laptops and MacBook acquisitions.	5.50
3/14/2019	Sleeth, Jorden	DIG	Attend to NDA queries from prospective purchasers; calls with prospective purchasers; review real property lease analysis from A&B, call with K. Plunkett; call with J. Youn re onsite activities, sale process; call with T. Ambachtsheer re insurance, landlord arrangements, DistinctTech Inc.; update call with P. Casey re Crown APA.	5.50
3/14/2019	Warga, Brent	Crown	Attend to Crown transaction matters: various discussions with onsite Deloitte team re: action plans to resolve purchaser funding and operation of the business; various discussions with P. Casey re: possible transaction with Gilles (former owner); discussions with former owner and counsel re: transaction options, assets to acquire.	5.10
3/14/2019	Watson, Devin	DIG	Meet with E. Brooks to discuss the collection of assets and the number of them still outstanding; begin work on matching the leases with the vehicle list.	4.60
3/14/2019	Youn, Soo Won	DIG	Site attendance; preparation of creditor listing; sale process matters; answer questions from employees and vendors; letters to the CRA; answer questions from auctioneers; secure leased assets.	9.30
3/15/2019	Ambachtsheer, Todd	DIG	Deal with calls from creditors and employees; direct employees re assets; review WIP and billings including discussions with Soheil, consider as built drawing resolutions; calls to insurance broker; calls with TGF and A&B; WEPPA discussions with A. Koroneos.	7.60
3/15/2019	Anderson, Nate	Crown	Work on leases, correspondence with J. Youn, correspondence with R. Bengino.	3.10
3/15/2019	Brown, Rose	Estate	Finalize mailing listing, photocopy and stuff envelope for mailing, prepare labels; input AP creditors and Assets, prepare draft reports for T. Ambachtsheer.	5.50
3/15/2019	Casey, Paul	DIG	Draft Receiver's First Report to Court for approval of Crown transaction; emails regarding APA; Lease assignment.	3.00
3/15/2019	Fritz, John	Crown	Management enquiries, closing items and correspondence with legal counsel; meetings with Interested Party and legal counsel.	6.20
3/15/2019	Jack, Sean	DIG	Attend to WEPPA claims.	1.10
3/15/2019	Koroneos, Anna	DIG	Call with D. Watson and T. Ambachtsheer on WEPP administration.	0.50
3/15/2019	Lodhy, Nabela	DIG	Project Diglett: data consolidation and evidence management.	2.00
3/15/2019	Pardinas, Elijah	DIG	Evidence management.	2.00
3/15/2019	Sleeth, Jorden	DIG	Calls with T. Ambachtsheer and J. Youn re onsite activities; draft court report rider re OSC auditor reporting requirements.	1.80
3/15/2019	Sleeth, Jorden	DIG	Various: attend to weekend security coverage; review Crown APA; calls with potential purchasers; call with G. Ivany re Crown bank balances, review Mar 11-15 bank statement and reconciliation, circulate to B. Warga.	5.00

Date	Name	Crown / DIG	Description	Hours
3/15/2019	Warga, Brent	Crown	Finalization and closing of the Purchase Agreement with Crown Pipeline; various calls with legal counsel and counsel to the Purchaser; review and sending of various email correspondence to/from legal counsel; calls with field staff re file matters.	6.80
3/15/2019	Watson, Devin	DIG	Continue to work through the lease contracts and matching them to the fixed asset listing; assist J. Youn with updating the permissions to the data room; continue to organize mail received; meet with M. Shabotynsky for update on inventory.	8.50
3/15/2019	Youn, Soo Won	DIG	Site attendance; DIG WEPPA; sale process matters; receivership administration; answer questions from former employees, vendors, auctioneers and prospective purchasers.	8.20
3/16/2019	Casey, Paul	DIG	Compile comparative liquidation analysis.	1.00
3/16/2019	Casey, Paul	DIG	Review and edit correspondence to Purchasers regarding Crown Closing and Ontario business; draft Receiver's First Report, consolidate comments from team and issue to counsel; emails J. Sleeth regarding Third Party Property.	4.00
3/16/2019	Fritz, John	Crown	Report and NRV review and edits.	1.30
3/16/2019	Sleeth, Jorden	DIG	Receive updates from J. Youn and T. Ambachtsheer regarding benefits post receivership and buyer contacts.	0.80
3/16/2019	Sleeth, Jorden	DIG	Review sale process update draft for prospective purchasers; calls with potential purchasers regarding Crown; review and comment, revise draft receiver report regarding Crown sale; update email exchange with P. Casey.	4.00
3/16/2019	Warga, Brent	Crown	Review and comments on Receiver's First Report.	2.30
3/17/2019	Casey, Paul	DIG	Emails with Counsel regarding Report; Order and motion materials.	0.20
3/17/2019	Fritz, John	Crown	Correspondence and compilation of lease contacts.	0.90
3/17/2019	Sleeth, Jorden	DIG	Review counsel's comments on Receiver's report; liaise with TGF regarding OSC reporting requirement given DIG auditor resignation; review Crown leased asset contact listing for report service; review draft approval and vesting order.	5.00
3/18/2019	Ambachtsheer, Todd	DIG	Coordinate benefit cancellations; review receivership package to be mailed out; statement of affairs for bankruptcy.	1.10
3/18/2019	Ambachtsheer, Todd	DIG	Attend to leased assets (retrieval, identification, direct DIG staff on staging and recovery); coordinate IT backups with forensic team; respond to creditors and employees; WEPPA review and discussions; direct employees that have been retained; work on court report; review and discuss WIP and billings; correspondence with insurers.	5.30
3/18/2019	Anderson, Nate	Crown	Review of email correspondence with Toronto, discussion with Crown's management.	0.90
3/18/2019	Casey, Paul	DIG	Finalize Receivership's First Report to Court and issue; web posting instructions; review update from J. Sleeth and planning; follow up regarding lease assignments and other Crown APA closing matters.	1.50
3/18/2019	Jack, Sean	DIG	Input WEPP claims; save PDF files of claims.	2.80
3/18/2019	Fritz, John	Crown	Lessor calls with purchaser, report and Court hearing items, attendance at Crown and addressing sale enquiries.	3.80
3/18/2019	Haghiri, Golnaz	DIG	Work on WEPP administration.	4.10
3/18/2019	Koroneos, Anna	DIG	WEPP administration: review claims and receive updates from J. Haghiri, S. Jack	1.50
3/18/2019	Sleeth, Jorden	DIG	Various: status update call with P. Casey; on-site attendance: update calls with potential purchasers re status of realization activities; call with Atwell plastics re possible 30-day goods claim; attend to finalization of Receiver report re Crown sale; calls with J. Fritz re sale updates: reach out to lessors, call with Manitoba Hydro; updates from team re asset retrievals, develop action plan for staging assets on site; review notice of motion; redact final Crown APA, compile appendices to report for TGF.	5.70
3/18/2019	Sleeth, Jorden	DIG	Review RBC account information and meet with J. Youn re development of an R&D; discussions with Deloitte IT team re server and computer back ups; receive and consider insurance updates from T. Ambachtsheer; circulate update on HD petroleum shares per Crown APA.	2.30
3/18/2019	Warga, Brent	Crown	Review of various email correspondence; discussions with J. Fritz.	1.20
3/18/2019	Watson, Devin	DIG	Fill out invoice with details regarding pay for the prior week employees; enter employee information into the CRA website for WEPPA.	6.90
3/19/2019	Ambachtsheer, Todd	DIG	Respond to creditor and employee questions; direct employees; customer billing discussions with Soheil; calls with TGF and A&B; calls to Bell and Rogers; respond to queries re sale process; emails to insurers re claims.	5.20
3/19/2019	Anderson, Nate	Crown	Work spent on R&D, follow up with Crown, and the McDougall appraisal.	2.20
3/19/2019	Casey, Paul	DIG	Emails regarding leases and other crown closing matters; CAFO insurance correspondence and claim; emails from TD and instructions.	1.50
3/19/2019	Fritz, John	Crown	Calls with legal counsel and J. Sleeth re Lease and Customer assignments, calls with Lessors, customer call, R&D and forecast update, excluded asset items.	4.80
3/19/2019	Haghiri, Golnaz	DIG	Work on WEPP administration.	5.80
3/19/2019	Sleeth, Jorden	DIG	Review purchaser's affidavit re financial wherewithal to assume leases, review and provide comments on attached 2019-20 financial plan; call with Ritchie Bros re auction reports on December 2018 auction sales; review correspondence with Koskie Minsky; receiver status update from J. Youn on R&D and Cash flow; meet with H. Croft from MOE re iVac trucks and complaint investigation.	4.30

Date	Name	Crown / DIG	Description	Hours
3/19/2019	Sleeth, Jordan	DIG	Various: review correspondence with insurers; lease issues: review TD leases and liaise with S. John (A&B) and T. Ambachtsheer re: same; call with Manitoba Hydro and TGF re APA and receiver report; respond to prospective purchaser inquiries; review lessor release documents; calls with K. Plunkett and S. John re: equipment lease analysis and retrieval strategy; review draft SOA with T. Ambachtsheer.	4.70
3/19/2019	Warga, Brent	Crown	Review of various email correspondence.	0.30
3/19/2019	Watson, Devin	DIG	Match the leases that Deloitte has with the asset listing; format the employees for WEPPA; compile to total employee salary for the prior week and the pro form for the current week.	7.30
3/20/2019	Ambachtsheer, Todd	DIG	Emails and calls from creditors and employees; answer WEPPA questions and review final packages including detailed review of unpaid wage and vacation pay calculations; review financial records (asset listings and related detail, creditor lists; discussions with employees; calls with A&B and TGF re insurance premiums (CAFO claim).	8.90
3/20/2019	Anderson, Nate	Crown	Follow up on leased unit from TD Finance, discussions regarding EDITDA schedule, phone call with J. Sleeth regarding the Somerville Lease.	0.80
3/20/2019	Casey, Brian	DIG	Data backup and quality control review	2.00
3/20/2019	Casey, Paul	DIG	Review additional Court materials; teleconference team regarding status and planning; update call with RBC and counsel; update call with Robb English regarding Union CAFO.	2.50
3/20/2019	Fritz, John	Crown	Preparation of items for Court hearing, locations of equipment and discussions with stakeholders; correspondence with Purchasers, J. Sleeth and T. Ambachtsheer.	4.40
3/20/2019	Koroneos, Anna	DIG	WEPPA claims review, follow ups with S. Jack, S. Greenbaum.	2.20
3/20/2019	Sleeth, Jordan	DIG	Insurance issue: review and consider correspondence from counsel to CAFO, discuss same with K. Plunkett and T. Ambachtsheer, review precedent decisions provided by Counsel to CAFO; update call with P. Casey.	0.80
3/20/2019	Sleeth, Jordan	DIG	Various: circulate agenda for status update call and attend same with RBC and TGF; liaise with J. Fritz re: Crown transaction and preparation for court attendance on Mar 21, attend to Sommerville lease issue (opposing assignment); review A&B lease analysis against fixed asset listing against Ritchie Bros auction report to locate leased assets to advise lessors to attend and retrieve goods; lease analysis call with K. Plunkett and S. John from A&B, circulate Sommerville lease copies to A&B; tour facility re status of equipment return and staging.	6.70
3/20/2019	Warga, Brent	Crown	Review of various email correspondence.	0.30
3/20/2019	Watson, Devin	DIG	WEPPA Claims processing: review several (35) claims, upload to Service Canada site, liaise with creditors for additional or clarifying information where needed.	5.20
3/21/2019	Ambachtsheer, Todd	DIG	Deal with RoE and T4; request data from employees; billing discussions with Soheil and Nicole.	3.20
3/21/2019	Ambachtsheer, Todd	DIG	Discussions re leased asset returns with D. Watson; respond to creditors and employees; WEPPA discussions; discussions re leased assets; direct employees; work with forensic group; emails re Crown court attendance; insurance discussions.	3.50
3/21/2019	Anderson, Nate	Crown	Discussion with G. Gauthier regarding wire transfer instructions, discussion and email follow up with N. Alegria, email correspondence with J. Fritz and time spent DIG leased units that are MIA, email correspondence with J. Fritz regarding MLT Aikins.	2.40
3/21/2019	Casey, Paul	DIG	Attend before Mr. Justice Hainey for Crown Pipeline AVO; teleconferences Bank and closing timetable; CAFO insurance premiums and instructions; meeting J. Sleeth regarding Statement of Affairs and court Report; web postings; teleconference counsel regarding Security opinions.	3.00
3/21/2019	Fritz, John	Crown	Arrangement for closing items and ongoing operations.	3.70
3/21/2019	Sleeth, Jordan	DIG	Status update and action plan meeting with P. Casey; lessor issues: correspond with lessors (Coast and Vault) re equipment on site (and not on site); review and circulate releases to lessors; review account information from A. Lopes and compile into bank account histories; attend to leased vehicles: arrange for retention of general labourers to empty vehicles; review Coast/Traveller's claim to leased assets, circulate internally; call with A&B re status of AVO, leased assets, CAFO resolution.	5.80
3/21/2019	Watson, Devin	DIG	Send out release forms to lessors; refine and update vehicle list and walk through the yard with DIG employee to go through assets; meet with Addison to take them through their leases.	7.80
3/22/2019	Ambachtsheer, Todd	DIG	Respond to stakeholder questions; lease discussions; direct employees; insurance discussions and emails re CAFO; landlord discussions and emails; receive status updates from D. Watson and J. Youn, determine action plans to resolve lease returns and asset recovery from leased vehicles.	6.20
3/22/2019	Anderson, Nate	Crown	Email correspondence with J. Fritz and A. Grenier; discussion with safety coordinator.	0.60
3/22/2019	Casey, Paul	DIG	Emails counsel regarding security review; telconference Litsos, A&B; set up meeting with TGF; Bankruptcy administration.	2.00
3/22/2019	Greenbaum, Stacey	DIG	Onsite at company, monitoring contractors re removal of owned assets from leased vehicles and preparation for return to lessors.	6.80
3/22/2019	Sleeth, Jordan	DIG	Call with Bell Canada regarding status of A/R, WIP submitted and recovery of consignment inventory, develop plan to advance payments and settle claims between Bell and DIG.	0.90
3/22/2019	Sleeth, Jordan	DIG	Call with MLSE regarding status of DIG tickets and opportunity to realize value; confirm security coverage for weekend.	1.00
3/22/2019	Sleeth, Jordan	DIG	Review correspondence regarding MB counsel to seek recognition of AVO; review CAFO memo from R. English and consider same.	0.60
3/22/2019	Watson, Devin	DIG	Oversee the return of leased assets to Travelers/Coast; tour premises to assess status of recovered and returned vehicles, review status of asset removals; direct DIG staff on staging of equipment in yard	6.70
3/23/2019	Fritz, John	Crown	Meeting with TDS re recognition order affidavit.	0.20

Date	Name	Crown / DIG	Description	Hours
3/24/2019	Anderson, Nate	Crown	Meeting with Crown management, RBC representatives, and legal counsel; correspondence with D. Watson.	2.70
3/24/2019	Sleeth, Jordan	DIG	Draft and send banking email to G. Ivany regarding proceeds in RBC vs. Receiver accounts; review Manitoba recognition order of AVO.	0.70
3/25/2019	Ambachtsheer, Todd	DIG	Coordinate with Bell re equipment removal, WIP to AR in Bell system, payment terms; discussions re WEPPA; address mailbox queries; discussions re billing of customers; correspondence with potential liquidators; discussions re vehicles to be returned; supervise warehouse staff; respond to creditor queries; discussions with counsel re leases; discussions re: insurance; discussions re union claims.	8.30
3/25/2019	Anderson, Nate	Crown	Meeting with M. Dennehy, D. Miller, J. Sleeth, and G. Gauthier; discussions with S. Manak regarding Vermeer leased unit; further discussions with M. Dennehy throughout the day.	2.30
3/25/2019	Brown, Rose	Estate	Receivership: calculate payroll deductions and print employee and employer copy, update payroll summary schedule.	1.80
3/25/2019	Brown, Rose	Estate	Bankruptcy: Update Ascend and print Amended EIS and revised SOA reports.	1.10
3/25/2019	Casey, Paul	DIG	Emails J. Sleeth regarding status of Crown closing; draft Second Report of Receiver; teleconferences J. Sleeth.	1.50
3/25/2019	Fritz, John	Crown	Various closing matters.	6.30
3/25/2019	Greenbaum, Stacey	DIG	Onsite at DIG, WEPPA, vehicle coordination; attend to chemical removals - calls with suppliers to retrieve chemicals, source removal companies.	6.20
3/25/2019	Koroneos, Anna	DIG	With T. Ambachtsheer on employee POC and WEPP submission, forward to T. Ambachtsheer; forward vmail to DIG team; draft Globe advertisement; send for publication on April 1.	1.00
3/25/2019	Sleeth, Jordan	DIG	Call with G. Ivany re bank accounts, closing updates; draft and circulate update memo on Receiver activities to March 22; review insurance issues (CAFO financing and FCA replacement coverage); review outstanding balance payable to MLSE on Distinct tickets.	3.10
3/25/2019	Sleeth, Jordan	DIG	Crown closing matters: draft ITA declaration for Receiver and purchaser, circulate same; circulate Crown closing action plan to TGF and Deloitte team; execute and circulate receiver certificate re: Crown closing; liaise with lessors re assignment of leases under Crown APA; calls with J. Fritz re status of closing; calls with purchaser and TGF re: financing issue; draft email summary of closing issues to RBC and TGF.	5.60
3/25/2019	Watson, Devin	DIG	Organize the pickup of all the fixed assets; calculate the payroll owed to DIG contract employees for the prior week.	5.80
3/26/2019	Ambachtsheer, Todd	DIG	Lease discussions; review of amounts to be provided to LiUNA's counsel; respond to creditor queries; calls with Rogers and Bell re: accounts; deal with leased vehicles; discussions with former employees re: personal property; insurance discussions; discussions on Crown; discussions with A&B re priority of CAFO insurance, potential LiUNA priorities.	7.70
3/26/2019	Brown, Rose	Estate	Receivership: Disbursement cheques, courier slip and mail out cheques.	1.90
3/26/2019	Fritz, John	Crown	Closing matters, various correspondence with purchaser management, Counsel and Receiver's Counsel.	4.70
3/26/2019	Greenbaum, Stacey	DIG	Onsite at DIG, WEPPA, vehicle coordination; organization of owned assets removed for auction; coordinate chemical removals.	4.80
3/26/2019	Koroneos, Anna	DIG	Teleconference with creditors; forward vmail to D. Watson.	0.70
3/26/2019	Sleeth, Jordan	DIG	Call with J. Fritz regarding purchaser deposits vs. closing proceeds.	0.30
3/26/2019	Sleeth, Jordan	DIG	Crown closing issues: update call with G. Ivany, determine strategy to close with P. Casey; call with J. Fritz and purchaser (status update, possible solutions); draft and circulate update memo to RBC, TGF.	2.00
3/26/2019	Sleeth, Jordan	DIG	Meeting with DJ Miller and J. Finnigan regarding litigation realization strategy.	1.70
3/26/2019	Sleeth, Jordan	DIG	Call with R. English regarding CAFO insurance cancellations.	0.80
3/26/2019	Sleeth, Jordan	DIG	Various: attend to insurance; issues regarding CAFO (sign cheques, call with K. Plunkett re same); review banking activity in RBC accounts; review and consider lessor queries and direct D. Watson regarding responses to lessors.	1.00
3/26/2019	Watson, Devin	DIG	Organize the retrieval of fixed assets by the lessors and responded to WEPPA queries; upload WEPPA claims to Service Canada site.	6.80
3/27/2019	Ambachtsheer, Todd	DIG	Deal with landlord; deal with IT issues and obtain license for software; discussions re: leased vehicles; discussions re: potentially interested acquisition parties; deal with insurance matters; calls with customers and provide necessary information; discussions re: customer claims; calls to former employees re WEPPA.	8.20
3/27/2019	Anderson, Nate	Crown	Meeting with M. Dennehy, correspondence with A. Grenier, meeting with the bailiff, internal status calls.	2.60
3/27/2019	Brown, Rose	Estate	Website update.	0.50
3/27/2019	Brown, Rose	Estate	Prepare creditor package for 68 and 66, POC.	2.40
3/27/2019	Casey, Paul	DIG	Review Trustee's Report on Preliminary Administration and other filing matters; email reports regarding Crown closing, insurance, correspondence from principals.	0.60
3/27/2019	Fritz, John	Crown	Finalize closing, meetings with purchaser management and their counsel.	4.30
3/27/2019	Jack, Sean	DIG	WEPP claims processing.	2.20
3/27/2019	Koroneos, Anna	DIG	Review of notices and amend; review of creditor mailing pkg and comment; with J. Sleeth on signature; teleconference with former employees: S. Little, Dana, and M. Amaral on WEPP.	1.00

Date	Name	Crown / DIG	Description	Hours
3/27/2019	Sleeth, Jordan	DIG	Crown closing: revise, execute and circulate receiver certificate, liaise with J. Fritz regarding closing matters (payroll bank draft return, deposit of proceeds); draft and circulate closing update to RBC and TGF.	0.80
3/27/2019	Sleeth, Jordan	DIG	Insurance: receive email from K. Plunkett regarding cancellation of 2nd excess D&O policy, calls regarding same; review and execute insurance information for FCA to bind receiver insurance.	1.40
3/27/2019	Sleeth, Jordan	DIG	Draft and circulate status and action plan update memo for P. Casey.	0.70
3/27/2019	Sleeth, Jordan	DIG	Email memo to G. Ivany re DIG accounts at RBC and transfer of funds to Receiver account; email memo to TGF regarding lease issues with real property; review letter from J. Lanni and A. Agius regarding return of personal property.	1.00
3/27/2019	Warga, Brent	Crown	Discussions with J. Fritz re file matters; review of various email correspondence.	0.60
3/27/2019	Watson, Devin	DIG	Update schedules to be sent with the release forms to lessors; review schedules that lessors changed and compared them to the leases Deloitte has on file; answer calls about WEPPA questions.	7.10
3/28/2019	Ambachtsheer, Todd	DIG	Calls with employees for WEPPA; review billings to customers; calls with former suppliers; deal with leased vehicles and discussions re: same; correspondence re insurance; correspondence with former CEOs; discussions with customers other than Bell and Rogers; logistics re equipment moves; landlord correspondence.	7.90
3/28/2019	Anderson, Nate	Crown	Correspondence with J. Fritz, A. Grenier, J. Youn, and N. Alegria; R&D analysis and correspondence with H. Gutierrez.	3.10
3/28/2019	Brown, Rose	Estate	Trust banking: disbursement cheques and transfers.	1.40
3/28/2019	Casey, Paul	DIG	Teleconference J. Sleeth regarding status and priorities.	0.20
3/28/2019	Fritz, John	Crown	Call with MB Counsel to the Receiver re closing, recognition order and name change, leased and excluded equipment items, operating expenses.	1.50
3/28/2019	Greenbaum, Stacey	DIG	Onsite at DIG, WEPPA, vehicle coordination; supplier calls; chemical removal; owned asset recovery from vehicles for auction	5.30
3/28/2019	Jack, Sean	DIG	WEPP claims processing.	1.90
3/28/2019	Koroneos, Anna	DIG	Calls from former employees; forward vmail to D. Watson.	0.30
3/28/2019	Sleeth, Jordan	DIG	Status update and action plan meeting with Deloitte team: iVac sampling and asset returns, property claims, equipment returns, owned asset recovery from vehicles; various: calls with TD Finance re iVac trucks and required testing; tour premises with landlord, discuss receivership status and anticipated exit plan; call with M. Newstadt re: leased server equipment.	5.40
3/29/2019	Ambachtsheer, Todd	DIG	Correspondence with landlord re April rent; calls to and from former suppliers re: charges; discussions with former employees re: WEPPA; direct retained staff; calls to customers re: outstanding amounts; calls on leased vehicles; calls from potential purchasers of assets; calls with DIG's former counsel; discussions re priority; discussions re ABL property.	6.80
3/29/2019	Anderson, Nate	Crown	Email correspondence with J. Youn, J. Fritz, and B. Warga; cash flow analysis (R&D), coordination with the bailiff, and discussion of WEPPA with Crown employees.	2.40
3/29/2019	Brown, Rose	Estate	Trust banking administration: wire and cheque, update Website, re-send out WEPP mail that was returned.	3.10
3/29/2019	Casey, Paul	DIG	Review reporting email.	0.20
3/29/2019	Fritz, John	Crown	Discussion of Excluded Equipment with management, update to RBC, direction to N. Anderson re R&D.	1.50
3/29/2019	Greenbaum, Stacey	DIG	Onsite at DIG, WEPPA, vehicle coordination (Asset removal, return to lessors).	6.60
3/29/2019	Sleeth, Jordan	DIG	Revise letter to former Co-CEOs re expense repayments, goods retrievals; review status of leased asset returns and liaise with S. John at A&B re same; various discussions with on-site team re: asset removals, iVac contents testing; liaise with MLSE re seat licenses and o/s amounts; draft update report to RBC, TGF re: status of receivership activities.	5.80
3/29/2019	Warga, Brent	Crown	Discussion with J. Fritz re file matters; email correspondence with N. Anderson re file matters; call with Norm (Crown); call with Alex (Crown) re excluded assets; review of various email correspondence.	2.60
3/29/2019	Youn, Soo Won	DIG	Site attendance, cash flow R&D (Ontario and Alberta entities), security over memorabilia.	5.30
<b>Total</b>				<b>699.30</b>



**Invoice 8000541066**

**Deloitte Restructuring Inc.**

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

ATTN: Paul Casey  
Deloitte Restructuring Inc., Court appointed receiver of Distinct  
Infrastructure Group Inc. et al  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9  
Canada

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

Date: April 26, 2019  
Client No.: 1136959  
WBS#: ROY00277  
Engagement Partner: Paul Casey  
HST Registration: 122893605RT0001

**For professional services rendered**

**Fees**

For professional services rendered by Deloitte Restructuring Inc. for the period April 1 to 20, 2019, in respect of the receivership of Distinct Infrastructure Group Inc. et al pursuant to an order of the Court dated March 11, 2019.

Please see the attached appendices for details.

**Expense**

**Sales Tax**

HST applicable	157,419.50
HST applicable	2,665.31
Administrative Expense	4,722.59
HST at 13.00%	<u>21,424.96</u>
<b>Total Amount Due (CAD)</b>	<b><u>186,232.36</u></b>

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.

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Deloitte Restructuring Inc., Court appointed receiver of Distinct Infrastructure Group Inc. et al	1136959	8000541066	186,232.36	Payment for invoice 8000541066

**Contact:**

Please send payment confirmation by email to: [receivablesdebiteurs@deloitte.ca](mailto:receivablesdebiteurs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

**1. EFT Payments(remittance email mandatory):**

**Preferred Method**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1590219

**For USD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1363514

**2. Wire Payment:**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**Account Number:** 476961590219

**Swift Code:** NOSCCATT

**For USD Dollar (\$) Payments, pay:**

**Account Number:** 476961363514

**Swift Code:** NOSCUS33

**3. Online Payment:**

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

**4. Cheque payments, please mail to:**

**For CAD Dollar (\$) Payments, pay:**  
DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay:**  
DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1



## Appendix # 1

### Summary of Fees

Name	Level	Office	DIG / Crown	Hours	Rate	Amount
Paul Casey	Partner	Toronto	DIG & Crown	3.0	625	1,875.00
Jorden Sleeth	Partner	Toronto	DIG & Crown	48.9	625	30,562.50
Brent Warga	Partner	Winnipeg	Crown	3.0	500	1,500.00
Todd Ambachsheer	Senior Manager	Toronto	DIG	111.2	500	55,600.00
John Fritz	Senior Manager	Winnipeg	Crown	6.4	375	2,400.00
Anna Koroneos	Senior Manager	Toronto	DIG - WEPPA	5.4	500	2,700.00
Stacey Greenbaum	Manager	Toronto	DIG	11.5	420	4,830.00
Nate Anderson	Senior	Winnipeg	Crown	4.3	250	1,075.00
Golnaz Haghiri	Senior	Toronto	DIG - WEPPA	5.9	290	1,711.00
Devin Watson	Senior	Toronto	DIG	67.5	290	19,575.00
Soo Woo (John) Youn	Senior	Toronto	DIG	103.9	290	30,131.00
Sean Jack	Analyst	Toronto	DIG - WEPPA	13.2	175	2,310.00
Rose Brown	Consultant	Toronto	Estate admin	12.6	250	3,150.00
Total Professional hours and fees				396.8		157,419.50
Administrative Expenses						4,722.59
Out-of-pocket expenses: Ground Transportation						1,639.68
Out-of-pocket expenses: Office Supplies						191.69
Out-of-pocket expenses: Other						833.94
Total Fees and Expenses						164,807.39

# Deloitte

## Appendix # 2

Date	Name	Crown / DIG	Description	Hours
4/1/2019	Ambachtsheer, Todd	DIG	Correspondence to former executives (receive emails, consider and draft response); calls to and from former employees; discussions re tickets to sell (MLSE, Cher); discussions re WEPPA; insurance matters: review history of policy binding, calls to broker re DIG submissions on insurance.	7.50
4/1/2019	Anderson, Nate	Crown	R&D update, correspondence with J. Youn, WEPPA follow up.	0.80
4/1/2019	Brown, Rose	Estate	Trust banking administration: deposit, Payroll Administration and prepare cheques.	2.00
4/1/2019	Fritz, John	Crown	Correspondence with purchaser's counsel re excluded assets.	0.40
4/1/2019	Greenbaum, Stacey	DIG	WEPP: processing claims (review and upload to Service Canada), telephone calls with former employees re WEPP claims.	3.90
4/1/2019	Jack, Sean	DIG	WEPP processing and entering claims to Service Canada site.	1.70
4/1/2019	Koroneos, Anna	DIG	Emails, calls and mail review with S. Jack.	1.00
4/1/2019	Sleeth, Jorden	DIG	Call with prospective purchaser of DIG assets.	0.20
4/1/2019	Sleeth, Jorden	DIG	Various: follow up with MLSE re seat licenses and suite playoff tickets delivered, meeting with K. Obanian at MLSE re: monetizing seat licenses; review letter to former Co-CEOs re asset retrieval, liaise with TGF re same; discussions with T. Ambachtsheer, J. Youn and D. Watson re asset recovery and return to lessors, MOE concerns re: iVac trucks; arrange sale of Leafs tickets in Suite.	2.90
4/1/2019	Warga, Brent	Crown	Call with M. Dennehy re sale of Excluded Assets.	0.60
4/1/2019	Youn, Soo Won	DIG	Receivership field work; A/R collection efforts; WEPP administration; employee matters; cancellation of phone lines, cell phones; reconciliation of A/R by entity as at April 1, 2019; ABL intercompany receivables and payable analysis.	7.40
4/2/2019	Ambachtsheer, Todd	DIG	calls re WEPPA; deal with retained staff; union claim matters; various discussions with former employees; respond to suppliers re status; deal with MoE and vac trucks; arrange for testing; customer discussions	8.50
4/2/2019	Anderson, Nate	Crown	Correspondence with S. Greenbaum regarding WEPP and Crown employees; follow up calls with three Crown employees.	0.70
4/2/2019	Fritz, John	Crown	Call with purchaser's counsel re excluded asset sale, drafting and provision of Bill of Sale.	0.60
4/2/2019	Jack, Sean	DIG	WEPP processing and entering claims to Service Canada site.	2.30
4/2/2019	Sleeth, Jorden	DIG	Sommerville leased asset releases - calls with T. Ambachtsheer and D. Watson re released assets.	0.60
4/2/2019	Sleeth, Jorden	DIG	Call with J. Finnigan re D&O insurance, review policy correspondence from Chubb and CNA; guidance to D. Watson re: employee bonus request; memo to R. Bengino re CEO asset returns, ABL intercompany receivables; update call with DJ Miller; review and approve security invoices for payment.	2.50
4/2/2019	Watson, Devin	DIG	Answer calls about WEPPA questions, sent out WEPPA packages and updated addresses of employees; update WEPPA database for claims received; calls with A&B and lessors re asset returns.	7.70
4/2/2019	Youn, Soo Won	DIG	Receivership field work; compilation of material contracts; A/R balance update as at April 1, 2019; answer questions from potential purchasers and auctioneers; employee matters.	7.50
4/3/2019	Ambachtsheer, Todd	DIG	Review lease documentation; discussions re legal proceedings; correspondence to Lanni and Agius; coordinate Bell counting; calls to WEPPA claimants; inquire re payroll cheques; address supplier queries.	6.80
4/3/2019	Anderson, Nate	Crown	Correspondence with J. Youn, D. Watson, and H. Gutierrez concerning CRA payroll remittances.	0.20
4/3/2019	Brown, Rose	Estate	Trust banking administration: update payroll schedules, prepare letter to CRA to remit source deductions and prepare disbursement cheques.	1.90
4/3/2019	Fritz, John	Crown	Correspondence with Purchaser re post closing items, reporting items.	2.00
4/3/2019	Greenbaum, Stacey	DIG	WEPP: processing claims (review and upload to Service Canada), telephone calls with former employees re WEPP claims.	2.90
4/3/2019	Jack, Sean	DIG	WEPP processing and entering into government of Canada website.	2.10
4/3/2019	Koroneos, Anna	DIG	Attend to employee calls or forward; with team on claims filed to date; forward WEPP requests by email to S. Greenbaum.	1.20
4/3/2019	Sleeth, Jorden	DIG	Call with J. Finnigan and Jay Vieira re D&O insurance coverage history.	0.40
4/3/2019	Sleeth, Jorden	DIG	Sommerville leased asset release: review leases and release schedule, discussion with D. Watson and T. Ambachtsheer re release process, review PPSA registrations, call with K. Plunkett re same.	2.00
4/3/2019	Sleeth, Jorden	DIG	Call with MLSE legal re PSL, ability to sell, timing, requirements to sell; call with Crown re: letter of guarantee and excess cash balances to return to Crown per APA, debrief with J. Fritz, follow up with RBC re a/c balance and transfers to Receiver and Crown; call with T. Ambachtsheer re supplier claims, insurance documentation follow ups, lease release reviews.	3.60
4/3/2019	Warga, Brent	Crown	Email correspondence with J. Sleeth and discussions with J. Fritz re reporting.	0.50
4/3/2019	Watson, Devin	DIG	Draft schedules for release forms for lessors; coordinate with lessors to pick up assets; answer phone calls about WEPPA; assist in on-site inspections of leased assets; provide status updates to J. Sleeth and T. Ambachtsheer.	6.90

Date	Name	Crown / DIG	Description	Hours
4/3/2019	Youn, Soo Won	DIG	Receivership field work; draft and compilation of A/R demand letters; answer questions from former customers; WEPP administration.	7.20
4/4/2019	Ambachtsheer, Todd	DIG	Discussions on union claim; review payments received from customers; follow up on outstanding amounts; respond to creditor queries; deal with inventory to be removed; discussions with staff on equipment; customer discussions; WEPPA queries.	7.50
4/4/2019	Anderson, Nate	Crown	Compile and draft aspects of the Second report.	1.50
4/4/2019	Brown, Rose	Estate	Trust banking administration: deposit; update address and resend creditor package for WEPP; complete the letter, cheques for Source Deductions and mail to CRA.	1.70
4/4/2019	Fritz, John	Crown	Call with purchaser and J. Sleeth re costs during receivership period, excluded assets, etc.; finalization of sale of excluded assets.	1.50
4/4/2019	Greenbaum, Stacey	DIG	WEPP processing, telephone calls, environmental waste coordination.	2.80
4/4/2019	Koroneos, Anna	DIG	Respond to calls or forward; emails to team as required; discussions with R. Brown on claims.	1.50
4/4/2019	Sleeth, Jorden	DIG	Court report: review outline, discuss same with T. Ambachtsheer and J. Fritz.	0.80
4/4/2019	Sleeth, Jorden	DIG	Sommerville leased assets, review letter to Sommerville, calls with D. Moore re information required of released vehicles, review registration information provided, update Sommerville leased asset releases and provide to Sommerville, update D. Watson re same; meet with M. McIntosh of Maynards re site tour and asset valuations.	3.70
4/4/2019	Warga, Brent	Crown	Call with Crown Pipeline, J. Sleeth and Winnipeg team re final file matters.	0.50
4/4/2019	Watson, Devin	DIG	Draft schedules for release forms for lessors; coordinate with lessors to pick up assets; answer phone calls about WEPPA; oversee on-site inspections of leased assets and recovery by lessors.	7.60
4/4/2019	Youn, Soo Won	DIG	Receivership field work; equipment lease due diligence; monitoring of accounts receivable collection; WEPP administration.	7.80
4/5/2019	Ambachtsheer, Todd	DIG	Respond to creditor queries; discussion re union claim with K. Esaw; WEPPA discussions with Deloitte team; emails and calls re leased assets; discussion re paycheques for employees; discussions re legal proceedings in Alberta; deal with MoE; landlord.	7.20
4/5/2019	Anderson, Nate	Crown	Update the SRD, correspondence with J. Youn, review of Second report draft.	0.80
4/5/2019	Brown, Rose	Estate	Trust banking administration: disbursement cheques and pick draft at RBC.	1.10
4/5/2019	Fritz, John	Crown	Name change documents and call with R. McFadyen.	0.50
4/5/2019	Greenbaum, Stacey	DIG	WEPP: processing claims (review and upload to Service Canada), telephone calls with former employees re WEPP claims.	1.90
4/5/2019	Jack, Sean	DIG	WEPP processing and entering into government of Canada website.	2.70
4/5/2019	Sleeth, Jorden	DIG	Status review and action plan meeting with T. Ambachtsheer, D. Watson, J. Youn re return of leased assets, A/R collections, WIP acceptance by Bell, Rogers, liquidator proposals, court report, receivership claims, WEPPA administration, direct team on next steps; review lessor release forms, discuss returns of completed Schedule Bs with D. Watson.	2.70
4/5/2019	Watson, Devin	DIG	Draft schedules for release forms for lessors; coordinate with lessors to pick up assets; answer phone calls about WEPPA; assist in on-site inspections of leased assets; provide status updates to J. Sleeth and T. Ambachtsheer.	2.30
4/5/2019	Youn, Soo Won	DIG	Receivership field work; WEPP administration; receivership R&D, review bank statements and update R&D, confirm AR receipts with Soheli; CRA correspondence; answer questions from former employees, vendors and customers.	7.30
4/6/2019	Warga, Brent	Crown	Review and updates to Second Receiver's Report.	1.40
4/7/2019	Watson, Devin	DIG	Update master vehicle schedule with owned vehicles; add all of the dates assets were released, filing of duly executed lease releases	3.30
4/8/2019	Ambachtsheer, Todd	DIG	Discussions re leases; calls from former suppliers; WEPPA discussions; discussions with TD Equipment Finance; discussions with M. Romano re claim; review R&D; discussions and review of data re customer owned equipment claims; direct former employees; review items to be collected.	8.60
4/8/2019	Anderson, Nate	Crown	Phone discussion with J. Youn regarding R&D of Crown Pipelines.	0.30
4/8/2019	Brown, Rose	Estate	Prepare payroll schedule and deduction sheet for employees and input cheque request into Ascend; re-mailing notices that where returned; send bank draft to Winnipeg Office for Crown.	2.00
4/8/2019	Haghiri, Golnaz	DIG	Work on WEPP administration (upload claims, review, follow up with claimants).	1.70
4/8/2019	Jack, Sean	DIG	WEPP processing: review claims, post to Service Canada site, calls to certain claimants.	3.10
4/8/2019	Sleeth, Jorden	DIG	Memo to A. Stewart regarding record retention for forensic review.	0.20
4/8/2019	Sleeth, Jorden	DIG	Calls with J. Finnigan and S. Romano and J. Nashmi regarding D&O insurance and second excess policy; review correspondence from Bell and discuss same with T. Ambachtsheer, provide comments on Bell letter to DJ Miller.	1.80
4/8/2019	Sleeth, Jorden	DIG	Various: review leased asset releases (Sommerville, John Deere); review R&D and provide comments to J. Youn; coordinate delivery of excess cash in Crown Utilities accounts to Crown Pipelines.	2.20
4/8/2019	Watson, Devin	DIG	Update release forms and the master asset spreadsheet; communicate with lessors on timing, location and status of their assets.	6.60
4/8/2019	Youn, Soo Won	DIG	Receivership field work; A/R collection efforts; WEPP administration; employee matters; administration of auction process; equipment lease review and due diligence.	7.20
4/9/2019	Ambachtsheer, Todd	DIG	Discussions re ongoing litigation and how to respond; calls from employees re: WEPPA; discussions with former employees; emails and calls to former customers to discuss receivables and equipment retrieval; drafting report; deal with various equipment issues; discussions re liquidators.	8.20

Date	Name	Crown / DIG	Description	Hours
4/9/2019	Brown, Rose	Estate	Payroll cheques print and prepare for courier to office location; hand deliver cheque to RBC.	1.60
4/9/2019	Haghiri, Golnaz	DIG	Work on WEPP administration (upload claims, review, follow up with claimants).	0.80
4/9/2019	Koroneos, Anna	DIG	Teleconference with N. Fusco and V. Randy Charlery on WEPP claims; email to DIG team.	0.20
4/9/2019	Sleeth, Jorden	DIG	Review lease release documents, email exchange with D. Watson regarding asset release status; call with TGF regarding Bell letter and response.	1.30
4/9/2019	Sleeth, Jorden	DIG	Call with T. Ambachtsheer and L. Correia regarding record retention; review draft letter to auctioneers inviting proposals, provide comments to T. Ambachtsheer.	0.80
4/9/2019	Watson, Devin	DIG	Manage the contract employees in charge of fleet organization - oversee removal of owned assets, liaise with lessors re: releases and equipment retrieval; answer questions on WEPPA from former employees, process WEPPA claims.	7.50
4/9/2019	Youn, Soo Won	DIG	Receivership field work; WEPP administration; employee matters; administration of auction process; equipment lease review and due diligence; IT equipment due diligence.	6.70
4/10/2019	Ambachtsheer, Todd	DIG	review and discuss records to be retained; discussions re: leases; updates for accounts receivable; discussions re insurance; calls from customers; calls from lessors; WEPPA employee discussions; correspondence with landlord; arrange for record retention.	8.50
4/10/2019	Haghiri, Golnaz	DIG	Work on WEPP administration (upload claims, review, follow up with claimants).	1.00
4/10/2019	Sleeth, Jorden	DIG	Review draft receiver report and provide comments.	1.30
4/10/2019	Sleeth, Jorden	DIG	Follow up with K. Plunkett regarding status of CAFO premium refund; review offer for assets from DTS.	0.50
4/10/2019	Sleeth, Jorden	DIG	Call with OE Group regarding DIG sale update; review response letter to Bell; review lease correspondence and released asset status; review updated R&D and comments thereon from J. Youn.	2.00
4/10/2019	Sleeth, Jorden	DIG	Crown closing: call with purchaser regarding distribution of excess funds, renewal of L/G, follow up call regarding L/G with G. Ivany.	0.70
4/10/2019	Watson, Devin	DIG	Sent out release forms to lessors, follow up calls to lessors to confirm receipt and accuracy, process amendments where required; various discussions with DIG staff re: status of asset removals and staging in warehouse; provided status updates to T. Ambachtsheer.	7.60
4/10/2019	Youn, Soo Won	DIG	Receivership field work; WEPP administration; employee matters; administration of auction process; equipment lease review and due diligence; IT equipment due diligence; A/R collection efforts and reconciliation.	7.80
4/11/2019	Ambachtsheer, Todd	DIG	Work on second report; respond to calls re WEPPA; correspondence to landlord; discussions re legal proceedings; staffing discussions; review CRA correspondence; discussions with Service Canada; deal with customers for asset retrieval and payment.	8.40
4/11/2019	Haghiri, Golnaz	DIG	Work on WEPP administration (upload claims, review, follow up with claimants).	0.50
4/11/2019	Sleeth, Jorden	DIG	Review Infinity auction proposal and provide comments to T. Ambachtsheer, call with J. Youn and T. Ambachtsheer regarding auction proposal analysis and required follow ups with auctioneers, liaise with Maynards to obtain proposal.	2.00
4/11/2019	Sleeth, Jorden	DIG	Review status of leased asset returns, supplier queries, holdback receivable analysis; update call with onsite team to develop plans to resolve outstanding items.	1.20
4/11/2019	Watson, Devin	DIG	Verified assets that were on site and under lease; performed a count of inventory that was removed from vehicles and updated master asset schedule.	7.20
4/11/2019	Youn, Soo Won	DIG	Receivership field work; WEPP administration; CRA matters; equipment lease review and due diligence; A/R collection efforts and reconciliation; general labourer administration; auction proposal review.	7.60
4/12/2019	Ambachtsheer, Todd	DIG	discussions with auctioneers re opportunity; discussions with parties wishing to pick up goods; calls with Toronto Hydro re accounts; discussion and identification of small encumbered assets; review of customer contracts; discuss ongoing litigation with counsel; discussion re auction bids; discussions with WEPPA claimants.	8.10
4/12/2019	Brown, Rose	Estate	Prepare disbursement cheque and check with the bank for incoming wires.	0.50
4/12/2019	Haghiri, Golnaz	DIG	Work on WEPP administration (upload claims, review, follow up with claimants).	0.90
4/12/2019	Jack, Sean	DIG	WEPP processing and entering claims to Service Canada site.	1.30
4/12/2019	Sleeth, Jorden	DIG	Call with Bell Canada regarding status of AR, WIP and equipment returns.	0.20
4/12/2019	Sleeth, Jorden	DIG	Review liquidator proposals and Deloitte analysis.	0.80
4/12/2019	Watson, Devin	DIG	Update release forms and the master asset spreadsheet; communicate with lessors on timing, location and status of their assets; manage the contract employees in charge of fleet organization; provide updates to J. Youn.	5.30
4/12/2019	Youn, Soo Won	DIG	Receivership field work; WEPP administration; CRA matters; equipment lease review and due diligence; general labourer administration; auction proposal review.	7.70
4/14/2019	Sleeth, Jorden	DIG	Review draft Receiver 2nd report and provide comments to T. Ambachtsheer.	2.50
4/15/2019	Ambachtsheer, Todd	DIG	Various discussions re leased assets; follow up on WEPPA claims and discuss same with former employees; respond to creditor queries; review hotline and mailbox; discussions with counsel re various matters; call with Bell; discussions re billings and plan to transition; discussions with fuel suppliers; respond to shareholder calls; work on report.	8.30
4/15/2019	Brown, Rose	Estate	Update address on WEPP return mail.	0.20
4/15/2019	Haghiri, Golnaz	DIG	Work on WEPP administration and respond to several emails in respect of same.	1.00
4/15/2019	Koroneos, Anna	DIG	Teleconference with former employee; search schedule and email to team on status of POC.	0.20

Date	Name	Crown / DIG	Description	Hours
4/15/2019	Sleeth, Jorden	DIG	Call with M. McIntosh of Maynards regarding awarding auction work; status update call with T. Ambachtsheer regarding onsite staffing, vehicle returns, auction assistance.	0.40
4/15/2019	Sleeth, Jorden	DIG	Various: attend to MLSE playoff ticket sale; memo to P. Casey regarding file update, distribution motion, call with DJ Miller regarding auction proposals; review auction proposal analysis prepared by J. Youn and provide comments regarding same.	2.00
4/15/2019	Sleeth, Jorden	DIG	Review updated draft Receiver 2nd report, make revisions and recirculate with comments to T. Ambachtsheer.	2.20
4/15/2019	Watson, Devin	DIG	Review contract employee hour submissions; coordinate with lessors; meeting with J. Youn to transition file responsibilities.	3.50
4/15/2019	Youn, Soo Won	DIG	WEPP administration; employee matters; general labourer administration; equipment lease due diligence; A/R collection efforts; CRA matters.	6.00
4/16/2019	Ambachtsheer, Todd	DIG	Drafting of Second report; respond to WEPPA claimants and discuss same; internal planning calls and discussions; review leased assets to be returned; discussion with counsel re status.	8.50
4/16/2019	Brown, Rose	Estate	Trust banking administration: payroll cheques and deposit; confirm incoming wire received.	1.40
4/16/2019	Casey, Paul	DIG	Meeting J. Sleeth to discuss status; remaining issues; auction proposals and recommendation, staffing; Court report.	1.00
4/16/2019	Koroneos, Anna	DIG	Retrieve mail including several SC payment letters; discuss process with team and meet with S. Jack to instruct on entries; second set of SC letters received and instruct S. Jack; call with Scott a former employee on his POC.	1.00
4/16/2019	Sleeth, Jorden	DIG	Receive updates from J. Youn and T. Ambachtsheer regarding CRA refunds, equipment returns (and review correspondence with S. John regarding lease returns).	0.50
4/16/2019	Sleeth, Jorden	DIG	Status update meeting with P. Casey; review, revise auction proposal memo for circulation to RBC; circulate original Crown receiver certificate to R. Bengino; call with Titan Security regarding labourers.	2.00
4/16/2019	Youn, Soo Won	DIG	WEPP administration; employee matters; equipment lease due diligence and vehicle release; auction administration matters; A/R collection efforts; CRA matters; general labourer administration; receipts and disbursements review.	8.00
4/17/2019	Ambachtsheer, Todd	DIG	Discussions with liquidators; WEPPA discussions; respond to creditor queries; billing discussions re requirements; work on report.	6.80
4/17/2019	Brown, Rose	Estate	Prepare payroll cheque and send by courier to office location.	0.20
4/17/2019	Casey, Paul	DIG	Conference call with TGF; review Court Report and comments to J. Sleeth, T. Ambachtsheer; open points.	2.00
4/17/2019	Fritz, John	Crown	Correspondence with J. Sleeth re various post closing matters; correspondence with Manitoba Counsel re post closing items and provision of documents.	1.40
4/17/2019	Sleeth, Jorden	DIG	Email exchange with J. Fritz regarding Crown closing status updates; call with J. Youn regarding auctioneer complaint.	0.10
4/17/2019	Sleeth, Jorden	DIG	Call with DJ Miller, R. Bengino and P. Casey regarding funds in RBC accounts, litigation update, TGF comments on draft 2nd receiver report; update discussion with G. Ivany regarding auctioneer proposals, funds in RBC accounts.	2.00
4/17/2019	Youn, Soo Won	DIG	WEPP administration; employee matters; records review for ownership of assets, transactions out of the normal course; equipment lease due diligence and vehicle release; auction administration matters; A/R collection efforts; CRA matters; general labourer administration.	7.40
4/18/2019	Ambachtsheer, Todd	DIG	Drafting Second Report and processing changes; respond to calls re WEPPA; discussions with liquidators; emails to Bell and Rogers; discussions with counsel re various matters.	8.30
4/18/2019	Koroneos, Anna	DIG	Calls with employees discussion with S. Jack on WEPP; forward emails, calls.	0.30
4/18/2019	Sleeth, Jorden	DIG	Update call with T. Ambachtsheer and J. Youn, develop action plans regarding Bell, Rogers, auction planning.	0.80
4/18/2019	Sleeth, Jorden	DIG	Review auction agreement and provide comments to TGF, circulate same to Maynards; review revised 2nd report or receiver, update and provide comments to T. Ambachtsheer.	2.00
4/18/2019	Youn, Soo Won	DIG	WEPP administration; employee matters; records review for ownership of assets, transactions out of the normal course; equipment lease due diligence and vehicle release; auction administration matters; A/R collection efforts; CRA matters.	8.30
4/20/2019	Watson, Devin	DIG	Review emails received by employees and lessors and forward them to J. Youn for review and processing.	2.00
<b>Total</b>				<b>396.80</b>