

Notice and Statement of Receiver

(Subsection 245(1) & 246(1) of the *Bankruptcy and Insolvency Act*)

In the Matter of the Court Appointed Receivership of
Keller & Sons Farming Ltd. and Keller Holdings Ltd.

The Receiver gives notice and declares that:

1. On the 8th day of October, 2015, ERNST & YOUNG INC. was appointed Receiver and Manager (the "Receiver") in respect of the property of **Keller & Sons Farming Ltd. and Keller Holdings Ltd.**, (hereinafter collectively referred to as the "Companies") which is described below:

Net Book Value	
<u>as at October 8, 2015¹</u>	
Cash/bank accounts	66,000
Accounts receivable ²	Unknown
Inventories ²	Unknown
Prepaid expenses	47,000
Investments in subsidiaries	2,381,000
Property, plant and equipment	31,560,000
Total	<u>34,054,000</u>

Note 1 - Keller Holdings Ltd's only assets are certain land parcels of the Companies, and a partnership interest in a related party.

Note 2 - The books and records of the Companies are in the process of being updated.

2. Ernst & Young Inc. became a Receiver and Manager in respect of the property described above by virtue of an Order of the Court of Queen's Bench of Manitoba (court file CI 15-01-98054), dated October 8, 2015 (the "Court Order"). A copy of the Court Order is available on the Receiver's web-site: www.ey.com/ca/keller.
3. The Receiver took possession of the above assets on the 8th day of October, 2015.
4. The intended action plan of the Receiver is to sell the remaining assets of the Companies which include equipment, property and buildings, and collect outstanding accounts receivable.
5. The following information relates to the Receivership:

- (a) Address of insolvent person: Box 760 Carberry, Manitoba R0K 0H0
- (b) Principal line of business: Commercial potato and other cash crop venture
- (c) Location of business: NW 33-10-16W
HWY 1 and HWY 464
Carberry, Manitoba

- (d) Amounts owed by the Companies to each creditor, according to books and records as at October 8, 2015, are shown below:

	<u>Claim Amount</u>
Secured Creditors (See attached Appendix A)	\$24,391,679.81
Unsecured Creditors (See attached Appendix A)	\$ 2,203,144.98
Total	<u>\$26,594,824.79</u>

- (e) The attached list of creditors could include overstated claim amounts and/or parties who are not creditors of the Companies due to the comingling of payables between the Companies and creditors of related companies and a corporation that leases the Companies' land, buildings and farming equipment which are not subject to receivership proceedings.

- (f) The Receiver's Contact is:

Ernst & Young Inc.
2700 - 360 Main Street, Winnipeg, MB R3C 4G9

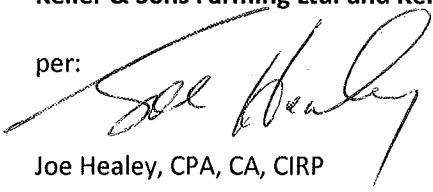
Attention: Marcus Matychuk, CPA, CA
Telephone: 1-204-933-0296
Facsimile: 1-204-956-0138

6. Notwithstanding that the net book value of the Companies' assets is greater than the amounts owed to secured creditors, the Receiver is currently unable to determine whether or not there will be any funds available for distribution to unsecured creditors.
7. The Receiver has established a web-site to post documents relevant to these proceedings including court materials, Receiver reports and other relevant documents. The web-site address is: www.ey.com/ca/keller. Creditors that wish to be added to a service list, in order to obtain copies of materials filed with the Court of Queen's Bench should contact the Receiver.

Dated at Winnipeg, Manitoba this 18th day of October, 2015.

ERNST & YOUNG INC.,
In its capacity as Receiver and Manager of
Keller & Sons Farming Ltd. and Keller Holdings Ltd.

per:


Joe Healey, CPA, CA, CIRP

APPENDIX A
IN THE MATTER OF THE RECEIVERSHIP OF KELLER & SONS FARMING LTD. AND KELLER HOLDINGS LTD.
AMOUNTS OWED TO CREDITORS

SECURED CREDITORS

Royal Bank of Canada	15,901,643.17
National Bank of Canada	8,407,703.91
RM of Cornwallis	12,613.61
RM of North Cypress	21,932.01
RM of Oakland	9,421.63
RM of South Cypress	38,365.48
Calidon Equipment Leasing	unknown
John Deere Financial Inc.	unknown
Redfern Farm Services Ltd.	unknown
Paccar Financial Ltd.	unknown
Gallant Sales	unknown
Farm Credit Canada	unknown
General Bank of Canada	unknown
CNH Capital Canada Ltd.	unknown
Concentra Financial Services Association	unknown
TOTAL UNSECURED CREDITORS	24,391,679.81

UNSECURED CREDITORS

Abey Sand & Gravel	319.70
Accel Towing	258.30
Acklands-Grainger	495.76
Action Vac and Septic Service	551.25
Aikins MacAulay	77,002.81
Atom Jet	1,088.61
BDO Canada LLP	22,744.33
Bluestar Construction Ltd.	5,161.28
Brandon Bearing	16,950.44
Brandon Rad & Auto Service Ltd.	1,139.25
Brandt Tractor	899.10
Canada Gap	575.00
Canadian Linen	10.55
Canadian Linen- 1048	976.03
Canadian Spectrum Equipment	316.96
Canpro Gator Centre	1,464.24
Carberry Sandhills Electric Ltd	33,075.63
CentecElectric and Controls	14,814.49
CIBC Visa	1,436.94

Based on the books and records of the company, which were in the process of being updated as at the date of the Receivership.

APPENDIX A
IN THE MATTER OF THE RECEIVERSHIP OF KELLER & SONS FARMING LTD. AND KELLER HOLDINGS LTD.
AMOUNTS OWED TO CREDITORS

CNH Industrial Capital	13,257.35
Cobalt Industries Ltd.	3,608.55
Custom Truck Sales	194.03
D & C Commodities	2,438.05
Diamond Water Express	185.00
Eecol Electric Corp.	1,235.03
Enns Brothers Ltd	23,893.25
Fastenal	103.05
Filmore Riley	17,583.08
Fountain Tire	9,942.68
GEM Services	3,150.00
Gen Ag	560.24
Geo.H. Young & Co. Ltd	365.43
Grand Valley Mechanical	2,507.81
H2 Services	13,125.00
Integrated Power Services	5,314.33
Kaltire	6,576.02
KGS Group	33,915.99
Leech Printing	539.86
Lightway Transport Inc.	57,892.99
Manitoba Crop Insurance	59,655.40
Maple Leaf Foods Inc.	22,555.00
MarDee Enterprises	571,119.69
Mark Keller	120,328.01
MarketLink Brokerage Solutions	23,461.57
Mazer Implements	2,785.48
MB Hydro	Unknown
Meighen Haddad & Co	1,490.16
Mid Plains	14,428.88
Midwest Industrial Services	1,048.69
MNP	62,906.46
Morningstar Metal	1,471.31
MTS	1,066.85
MTS Mobility	3,001.95
Murray ChevOlds	1,135.86
Nickel Electric	6,453.32
Norman G. Jensen, Inc	442.80
Overland Waste & Recycling	4,753.25
Penner Farm Services	544.64
PHI Financial Services Canada Limited	147,075.52
Piston Ring	283.19

Based on the books and records of the company, which were in the process of being updated as at the date of the Receivership.

APPENDIX A
IN THE MATTER OF THE RECEIVERSHIP OF KELLER & SONS FARMING LTD. AND KELLER HOLDINGS LTD.
AMOUNTS OWED TO CREDITORS

PrairieMobile Communications	620.37
Productivity Plus Account	1,657.06
Pumps & Pressure	378.79
RCB Truck & Trailer	1,139.79
Ready Oxygen	3,041.64
Rocky Mountain Equipment	1,478.28
Royal Bank of Canada LOC	16,319.85
SkillPath Seminars	40.40
Smart Electrical Services Ltd.	19,906.56
Springbrook Construction	9,478.88
Staples Canada	534.55
Sun Life	4,737.18
The Competitor Fire Extinguishers	1,403.01
Trinity Trailer Mfg.Inc.	3,954.65
Welders Supplies	699.20
Wes- Trans	4,334.27
Westman Aerial Spraying	674,859.61
Workers Compensation Board of Manitoba	33,823.97
Wurtz Bros.	2,741.82
Yvon's Pump Service Ltd.	318.66
TOTAL UNSECURED CREDITORS	2,203,144.98
TOTAL	26,594,824.79

Based on the books and records of the company, which were in the process of being updated as at the date of the Receivership.