Clerk's Stamp

JUDICIAL CENTRE OF EDMONTON
FILED
Mar 31, 2020
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CLERK OF THE COURT
Pauline

COURT FILE NUMBER	1803-22289
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	ATB FINANCIAL
DEFENDANT	D.L.M. OILFIELD ENTERPRISES LTD.
DOCUMENT	RECEIVER'S FOURTH SUPPLEMENT TO THE THIRD REPORT MARCH 27, 2020
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**RECEIVER** ERNST & YOUNG INC. EPCOR Tower 10423 - 101 Street, Suite 1400 PO Box 44 Edmonton, Alberta T5H 0E7 Attention: Matt McCulloch / Dan McCulloch Telephone: 780-638-6642 / 780-441-4695 Fax: 780-428-8977 Email: matt.mcculloch@ca.ey.com dan.mcculloch@ca.ey.com **COUNSEL** MLT AIKINS LLP Dana M. Nowak / Catrina Webster 2200, 10235 - 101 Street Edmonton, AB T5J 3G1 Telephone: 780-969-3506 / 403-693-4347 Fax: 780-969-3549 Email: dnowak@mltaikins.com cwebster@mltaikins.com

FIAT

Permit the Clerk of the Court to insert the Receiver's Notes to end of Schedules A, B, and C respectively, which notes Receiver's counsel provided to the Clerk of the Court electronically on April 3, 2020

M.C.Q.B.A.
Vital O. Ouellette

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SCHEDULES

INTRODUCTION AND PURPOSE OF THE REPORT

1. On February 8, 2019, pursuant to an application made by ATB Financial ("**ATB**"), Ernst & Young Inc. ("**EY**" or the "**Receiver**") was appointed as Receiver and Manager over the properties, assets and undertakings of D.L.M Oilfield Enterprises Ltd. ("**DLM**") by virtue of an order (the "**Receivership Order**") granted by the Court on that date.

2. Over the course of the receivership proceedings, there have been a number of applications to the Court by the Receiver and, more recently, an application was made by the Receiver to make certain distributions to creditors, repay the Receiver's borrowings, approve the Receiver's actions as set out in the Receiver's Third Report, and seeking various other relief. This application was set to be heard on December 12, 2019, however, due to a priority concern raised by Bond Capital regarding the proposed distribution to ATB, the application was ultimately adjourned.

3. The purpose of this brief report (the "**Receiver's Fourth Supplement to the Third Report**") is to provide the Court and DLM's stakeholders with the following in advance of an application to be set down at the Court's earliest convenience in accordance with Appendix "C" of the Amended Master Order #2 Relating to Court's Response to the Covid-19 Virus ("**Proposed Application**"):

   (a) new details in relation to the non-ELSA equipment;

   (b) an updated statement of receipts and disbursements; and

   (c) the Receiver's third revised proposed distribution.

DISCLAIMER

4. In preparing the Receiver's Fourth Supplement to the Third Report, the Receiver has relied upon DLM's unaudited financial information, DLM's books and records, certain financial information prepared by DLM, and discussions with Management, as well as security interest documentation provided to it by ATB, Paccar and Bond Capital. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information provided. Accordingly, the Receiver expresses no opinion or other form of assurance on the information contained in this report or relied upon in its preparation.

5. This report should be read in conjunction with any other materials filed before the date of the Proposed Application. All reports and Orders, save for items directed to be sealed for confidentiality purposes, are available on the Receiver's website established for these proceedings that is located at www.ey.com/ca/dlm.

6. Unless otherwise stated, all references to monetary amounts contained herein are expressed in Canadian currency. Capitalized terms used herein, not otherwise defined, are as defined in the previous reports of the Receiver or other materials filed in connection with these proceedings.

REVISION TO THE NON-ELSA EQUIPMENT

7. Further to the Receiver's reporting in its Supplement to the Third Report dated December 4, 2019, at paragraph 26(b) and at Schedule "J", the Receiver has reviewed feedback provided by legal counsel for ATB regarding the Non-ELSA Equipment and concluded that this list contains three pieces of equipment which are subject to the ATB Specific Security, as follows:

   (a) a 2007 Freightliner FLD120SD bearing serial number 1FVPALAV67DY45840 (the "**2007 Freightliner**") is subject to ELSA 1, pursuant to an Amending Agreement dated December 29, 2017, evidence of which is set out in in the Affidavit of Trina Holland sworn on December 10, 2018 (the "**Holland Affidavit**") at Exhibit "A";

   (b) a 2010 Custom Vac Tri-Drive TR bearing serial number 2D9M40D36A1091076 (the "**2010 Vac Tri-Drive**") is subject to ELSA 1, evidence of which is set out in the Holland Affidavit at Exhibit "A". The Receiver notes that it has corrected a typo in respect of the first digit of the serial number of the 2010 Vac Tri-Drive in its amended Schedule "J", which is further described below;

   (c) a 2009 Peterbilt 365 bearing serial number 1XPSDU0X59D787727 (the "**2009 Peterbilt**") is subject to ELSA 4, pursuant to an Amending Agreement dated December 29, 2017, evidence of which is set out in in the Holland Affidavit at Exhibit "D"; however a 2000 Westech Tridem trailer bearing serial number 2AESSWKH9YE000229 (the "**2000 Trailer**") does not form part of the ATB Specific Security notwithstanding that it was attached to (and sold by Maynards along with) the 2009 Peterbilt.

8. The Receiver has amended Schedule "J" to reflect the removal of the 2007 Freightliner, 2010 Vac Tri-Drive, and the 2009 Peterbilt and to adjust the value of the Non-ELSA Equipment accordingly and is attached as **Schedule "A"** to this report.

9. In respect of the allocation to the sale proceeds as between the 2009 Peterbilt and the 2000 Trailer, the Receiver allocated the sale proceeds as follows:

VIN	Description	Estimated Values per NMG	% of Estimated Values per NMG Applied to Sale Proceeds	Sale Value	Adjusted Sale Value
1XPSDU0X59D787727	2009 Peterbilt	30,000.00	93.75%	23,437.50	26,024.62
2AESSWKH9YE000229	2000 Trailer	2,000.00	6.25%	1,562.50	1,734.97
		32,000.00		25,000.00	

STATEMENT OF RECEIPTS AND DISBURSEMENTS AND PROPOSED DISTRIBUTION

Receiver's Updated Statement of Receipts and Disbursements

10. Attached as **Schedule "B"** to this report is a copy of the Receiver's Updated Statement of Receipts and Disbursements up to and including March 15, 2020. The Receiver has provided explanatory notes for certain items outlined in Schedule B, where it felt further explanation or details were merited.

11. It is the Receiver's position that the receipts and disbursements to March 15, 2020 as noted in Schedule B are reasonable and appropriate in these circumstances.

Receiver's Third Revised Proposed Distribution

12. As a result of the Receiver's Updated Statement of Receipts and Disbursements, the changes and updated information noted within this report, and previously filed Supplements, attached as **Schedule "C"** to this report is the Receiver's Third Revised Proposed Distribution. The Receiver has provided explanatory notes for certain items outlined in Schedule C, where it felt further explanation or details were merited.

13. For the Court's ease of reference, the Receiver's Third Revised Proposed Distribution provides for $5,120,486.31 of payments from the estate which is comprised of the following amounts:

- Repayment of the Receiver's Certificate to ATB of $415,000.00;
- Payment to Service Canada for the WEPPA priority claim of $20,199.74;
- Payment to BMO for the BMO Asset of $56,050.00, details of which were provided in paragraph 8(a) of the Receiver's Third Supplement to the Third Report;
- Payment to Ritchie Bros Auctioneers ("**RBA**") of $1,682.50, details of which were provided in paragraph 8(b) of the Receiver's Third Supplement to the Third Report;
- Payment to Diamond International, of $17,297.48, to satisfy its garage keepers' lien;
- Payment to Lash Enterprises, of $2,782.50, to satisfy its garage keepers' lien;
- Payment to J.C. Inspections, of $13,012.31, to satisfy its garage keepers' lien;
- Net of costs, payments to other secured creditors as follows:

ATB:	$3,916,600.53 (**discussed below**)
ARI:	$2,388.84
De Lage:	$118,400.50
GMFCLL:	$22,227.83
Greatwest:	$49,934.34
PACCAR:	$375,498.70
RCAP:	$3,119.70
Triton:	$106,291.33

14. In regard to the proposed payment to ATB in the amount of $3,916,600.53, the total

anticipated net distribution to ATB currently is actually $5,341,568.23 (excluding the repayment of the Receiver's Certificates). Given that the priority dispute between Bond Capital and ATB remains a live issue and has yet to been resolved, and pursuant to discussions with counsel for ATB and Bond Capital, the Receiver recommends an interim distribution to ATB in the amount of $3,916,600.53 which is net of the repayment of the Receiver's Certificates and also net of the following additional holdbacks:

i.) a reserve of $100,000.00 to cover unbilled WIP and future costs of the Receiver and its counsel in relation to completing the administration of this proceeding;

ii.) $200,000.00 in relation to the Bond Capital's forbearance advance;

iii.) $113,069.01 being an amount Bond Capital alleges was owing by DLM to Bond Capital just prior to the Receivership, but which ATB allegedly improperly reversed; and,

iv.) $1,011,898.69 from the funds proposed to be distributed to ATB above, with respect to the priority dispute between ATB and Bond Capital in respect of the revised Non-ELSA equipment.

15. Upon the resolution of the priority dispute between Bond Capital and ATB, the Receiver will distribute the amounts withheld as noted above to the appropriate stakeholder(s).

16. The Receiver also advises that GST returns have been filed to date and, as a result, the Receiver anticipates the estate will receive additional refunds totaling approximately $19,682.12 which will be distributed to the creditors of the estate, in due course after this amount has been confirmed by CRA and paid to the Receiver.

17. The Receiver advises that there is a significant shortfall between the amounts realized for DLM's assets and the claims of its secured creditors, and as such, there will be no distributions to the unsecured creditors of this estate.

18. The Receiver is of the view that the Third Revised Proposed Distribution is fair and reasonable to all stakeholders in these circumstances, and respectfully requests it be approved by the Court.

CONCLUSION

19. Based on the matters outlined in this brief report, the Receiver respectfully:

a) recommends that the revision to Schedule J Non-ELSA Equipment be approved;

b) recommends that the Receiver's updated statement of receipts and disbursements be approved; and

c) reiterates its recommendations to the Court set out at paragraph 75 of the Receiver's Third Report, subject to the adjustments to the Receiver's Proposed Distribution as particularized in this supplemental report.

Respectfully submitted this 27th day of March 2020.

Ernst & Young Inc.
In its capacity as Receiver of
D.L.M. Oilfield Enterprises Ltd.
and not in its Personal Capacity

Per:

Matt McCulloch, CA, CPA, CIRP, LIT,
Senior Vice President

SCHEDULE “A”

Schedule "A" - Revised Schedule J of Non-ELSA Equipment

VIN	Description	Estimated Values per NMG (Note 1)	% of NMG	Sale Value (Note 2)	Adjusted Sale Value (Note 3)	Estimated Value of Assets Not Sold (Note 4)	Total Estimated Value (Note 5)	
1FVPALAV67DY45840	2007 FREIGHTLINER FLD120SD	45,000.00	0.67%	21,500.00	39,036.93	0.00	39,036.93	
1HTXYSJT1DJ466891	2013 International	55,000.00	0.82%	50,000.00	47,711.81	0.00	50,000.00	
1XPWD40X8ED246084	2014 Peterbilt 388 T/A	90,000.00	1.33%	0.00	0.00	78,073.87	78,073.87	
1XPTD40XXED220783 2AEFSWKH6EE000170	2014 Peterbilt 388 T/A w/ 2014 Advance Tridem Trailer	115,000.00	1.70%	95,000.00	99,761.05	0.00	99,761.05	
1XPTP4EX8ED220782	2014 Peterbilt 367 Tri/Dr.	130,000.00	1.93%	92,500.00	112,773.36	0.00	112,773.36	
1XKDP4TX5FJ976408 2P9ST3MUXFA015459	2015 Kenworth T800 Tri/DR w/ 2015 Magnum Tridem Trailer	175,000.00	2.59%	0.00	0.00	151,810.30	151,810.30	
1XKDP4TX7FJ976409 2P9SY3MU6FA015474	2015 Kenworth T800 T/A w/ 2015 Magnum Tridem Trailer	175,000.00	2.59%	110,000.00	151,810.30	0.00	151,810.30	
1XP5DB9X46D884921	2006 Peterbilt 379 T/A	15,000.00	0.22%	6,000.00	13,012.31	0.00	13,012.31	
1XKWDB0X97R995136	2007 Kenworth T800 T/A	30,000.00	0.44%	10,500.00	26,024.62	0.00	26,024.62	
1XKDDB0X89J940217	2009 Kenworth T800	30,000.00	0.44%	23,670.37	26,024.62	0.00	26,024.62	(Note 8)
2E9H45D3883903483	2009 Custom Vac Tri-Drive TR	10,000.00	0.15%	10,400.00	10,400.00	0.00	10,400.00	(Note 9)
2D9M40D36A1091076	2010 Custom Vac Tri-Drive TR	25,000.00	0.37%	14,772.73	21,687.19	0.00	21,687.19	(Note 10)
1G9HY3922CA116014	2012 Foremost Semi Trailer	15,000.00	0.22%	10,000.00	13,012.31	0.00	13,012.31	
2E9H45D34V3003749	1997 Westech Semivac trailer	2,000.00	0.03%	32,500.00	32,500.00	0.00	32,500.00	
1XPSDU0X59D787727	2009 PETERBILT 365	30,000.00	0.44%	23,437.50	26,024.62	0.00	26,024.62	(Note 11)
2AESSWKH9YE000229	2000 Westech Tridem trailer	2,000.00	0.03%	1,562.50	1,734.97	0.00	1,734.97	(Note 11)
1XPCDP0XXED250349	2014 Peterbilt 367 T/A	75,000.00	1.11%	47,500.00	65,061.56	0.00	65,061.56	
1XKDD40X8DJ960102	2013 Kenworth T800 T/A	35,000.00	0.52%	38,000.00	38,000.00	0.00	38,000.00	
3C6UR5GLXEG119074	2014 Dodge	0.00	0.00%	12,000.00	12,000.00	0.00	12,000.00	
1C6RR7PTXES288912	2014 Dodge	0.00	0.00%	9,500.00	9,500.00	0.00	9,500.00	
1FTFW1ET7CFC84620	2012 Ford 150	8,000.00	0.12%	250.00	6,939.90	0.00	6,939.90	
3C6UR5DL9EG236455	2014 Dodge	8,000.00	0.12%	16,000.00	16,000.00	0.00	16,000.00	
3C6UD5GL9CG287901	2012 Dodge	8,000.00	0.12%	5,250.00	6,939.90	0.00	6,939.90	
1C6RR7TTXES111251	2014 Dodge	15,000.00	0.22%	0.00	0.00	13,012.31	13,012.31	
3C63D3NL5CG252484	2012 Dodge	0.00	0.00%	9,500.00	9,500.00	0.00	9,500.00	
1D7RV1CT8BS639275	2011 Dodge 2500 Diesel	6,000.00	0.09%	4,000.00	5,204.92	0.00	5,204.92	
3C6UR5DL7EG236454	2014 Dodge 2500	0.00	0.00%	5,500.00	5,500.00	0.00	5,500.00	
1FTWW31YX8EC90728	2008 Ford F350	6,000.00	0.09%	275.00	5,204.92	0.00	5,204.92	
1FTWW31Y18EB65004	2008 Ford F350	0.00	0.00%	250.00	250.00	0.00	250.00	
1FT8W3B69BEA43777	2011 Ford F350	0.00	0.00%	100.00	100.00	0.00	100.00	
3GTEC14X66G258845	2006 GMC 1500	0.00	0.00%	900.00	900.00	0.00	900.00	
1FVHC5CV17HZ36451	2007 Freightliner	35,000.00	0.52%	50,847.46	50,847.46	0.00	50,847.46	
							1,098,647.43	

NMG per Auction Agreement		Adjusted NMG
6,745,000.00		5,851,202.54
(Note 6)		(Note 7)

LESS:

1FVPALAV67DY45840	2007 FREIGHTLINER FLD120SD	-39,036.93	(Note 12)
2D9M40D36A1091076	2010 Custom Vac Tri-Drive TR	-21,687.19	(Note 12)
1XPSDU0X59D787727	2009 PETERBILT 365	-26,024.62	(Note 12)

ADJUSTED TOTAL ESTIMATED VALUE OF NON-ELSA EQUIPMENT: 1,011,898.69

Schedule "A" - Notes

NOTE

1 The NMG amounts noted relate to the individual amounts that Maynards estimated and allocated to each asset to determine the NMG of $6,745,000.

2 The Sale Value is the amount that Maynards received from the sale of the asset.

3 The Adjusted Sale Value was calculated by applying the % of NMG to the Adjusted NMG *(Note 6)* for any assets where the sale price was lower than the individual NMG figure. Where the Sale Value exceeded the individual NMG figure, the actual Sale Value was used.

4 Where the asset did not sell, the individual NMG figure was adjusted by applying the % of NMG to the Adjusted NMG *(Note 6)*.

5 This amount is the greater of the Sale Value and the Adjusted Sale Value, or the Estimated Value of Assets Not Sold.

6 This amount is Maynards NMG and was used to determine the % of NMG for each asset.

7 This amount was calculated by the Receiver by deducting from the NMG the Sale Value of any asset that sold for more than Maynards' individual estimated NMG amount which totalled $893,797.46. This amount was then multiplied by the % of NMG amounts to determine the Adjusted Sale Value of each asset.

8 The four assets listed below were sold together for $228,813.56. However, only the 2009 Kenworth T800 Truck is listed in Schedule J as Non-ELSA Equipment. The following methodology was used to determine the Adjusted Sale Value of $23,670.37 for the 2009 Kenworth T800 Truck:

VIN	Description	Estimated NMG	% NMG	Adjusted Sale Value
1NPXL49X8FD274683	2015 Peterbilt Truck	100,000.00	34.48%	78,901.23
5KKPALDR4CPBF4841	2012 Western Star	80,000.00	27.59%	63,120.98
1XKDDB0X89J940217	2009 Kenworth T800	30,000.00	10.34%	**23,670.37**
5KKPALDR6DPBS9137	2013 Western Star	80,000.00	27.59%	63,120.98
		290,000.00		228,813.56

9 The 2009 Custom Vac Trailer and 2009 Kenworth T800 Truck were sold together for $26,000. However, only the 2009 Custom Vac Trailer is listed in Schedule J as Non-ELSA Equipment. The following methodology was used to determine the Adjusted Sale Value of $10,400 for the 2009 Custom Vac Trailer:

VIN	Description	Estimated NMG	% NMG	Adjusted Sale Value
2E9H45D3883903483	2009 Custom Vac Trailer	10,000.00	40.00%	**10,400.00**
1XKDD40X89R938271	2009 Kenworth T800 Truck	15,000.00	60.00%	15,600.00
		25,000.00		26,000.00

10 The 2010 Custom Vac Trailer and 2010 Kenworth T800 Truck were sold together for $32,500. However, only the 2010 Custom Vac Trailer is listed in Schedule J as Non-ELSA Equipment. The following methodology was used to determine the Adjusted Sale Value of $14,772.73 for the 2010 Custom Vac Trailer:

VIN	Description	Estimated NMG	% NMG	Adjusted Sale Value
SD9M40D36A1091076	2010 Custom Vac Trailer	25,000.00	45.45%	**14,772.73**
1XKDD40X4AJ944636	2010 Kenworth T800 Truck	30,000.00	54.55%	17,727.27
		55,000.00		32,500.00

11 The 2009 Peterbilt 365 Truck and 2000 Westech Tridem Trailer were sold together for $25,000. The following methodology was used to determine the Sale Value of $23,437.50 for the 2009 Peterbilt 365 Truck:

VIN	Description	Estimated Values per NMG	% of Estimated Values per NMG Applied to Sale Proceeds	Sale Value
1XPSDU0X59D787727	2009 Peterbilt 365 Truck	30,000.00	93.75%	**23,437.50**
2AESSWKH9YE000229	2000 Westech Tridem Trailer	2,000.00	6.25%	1,562.50
		32,000.00		25,000.00

12 Per counsel for ATB, these assets are subject to ATB specific security and have been removed as non-ELSA equipment.

SCHEDULE “B”

Schedule "B"
D.L.M Oilfield Enterprises Ltd. - In Receivership
Ernst & Young Inc., Receiver
Statement of Receipts and Disbursements
For the Period February 8, 2019 to March 15, 2020

		Notes
Receipts:		
Sale of assets	6,745,000.00	2
Accounts receivable	794,324.91	
Receiver's certificate	415,000.00	
Insurance proceeds from claims	139,560.00	1
Receipts pertaining to BMO asset issue	57,732.50	6
Insurance refund	33,449.50	
GST collected	24,392.37	
GST refund	22,870.88	
Sale of coil tubing	5,000.00	
Workers compensation board refund	2,957.51	
Government of Alberta refund	2,173.50	
Interest	1,077.33	
Utilities refund	426.32	
Canada Post refund	29.05	
Total Receipts	**8,243,993.87**	
Disbursements:		
Payroll and source deductions	465,434.29	4
Receiver's fees	317,389.38	
Occupation rent	257,864.96	3
Legal fees	132,809.56	
Insurance	125,944.60	
Repairs & maintenance	57,178.47	5
Contract services	54,649.04	
Security	53,562.50	
GST paid on expenses	46,840.48	
Utilities	43,805.88	
Property taxes	40,924.10	
Interest on receiver's certificate	22,516.10	
GST remitted	20,104.89	
Workers Compensation Board (WCB)	13,329.04	
Waste Disposal	7,434.93	
Change of locks	3,638.03	
Bank charges	662.10	
VIN assignment fee	500.00	
Fuel	281.51	
Filing fee	70.00	
Total Disbursements	**1,664,939.86**	
Cash on Hand - March 15, 2020	**6,579,054.01**	

Schedule "B" - Notes

Notes

1 As noted in the Receiver's First Report, these funds relate to insurance claims against a damaged Kenworth Tractor and Flushby Trailer ($124,250.00) and stolen assets from the Company's Wabasca Shop ($15,310.00)

2 The Receiver ran a Request for Proposal (RFP) process, with the successful proponent providing the Receiver a net minimum guarantee of $6,745,000.00

3 Monthly rental payments made on properties from March to October 2019. Rental payments made to locations in Elk Point (Alco Enterprises), Bonnyville (1242284 Alberta Ltd.) and Lloydminster (North American Land Corporation).

4 Amount relates to payroll for DLM staff retained to assist the Receiver regarding receivership logistics and to complete the significant task of purging the tanks and equipment required to be completed prior to RFP process and Maynards Sale.

5 Repair and maintenance to heavy machinery and equipment located on various sites.

6 Proceeds from the sale of the BMO Asset as discussed in the Receiver's Third Report.

SCHEDULE “C”

Schedule "C" - Receiver's Third Revised Proposed Distribution
D.L.M. Oilfield Enterprises Ltd. - in Receivership
Ernst & Young Inc., Receiver

	Totals	ATB	BMO	RBA	WEPPA	Diamond	Lash	J.C.	Bond	ARI	De Lage	GMFCLL	Greatwest	PACCAR	RCAP	Triton	NOTES
Realizations to Date																	
Accounts receivable	794,324.91	774,125.17			20,199.74				0.00								1
GST collected	24,392.37	24,392.37															
Sale of inventory	24,000.00	24,000.00															
Sale of assets	6,726,000.00	5,823,770.14				17,297.48	2,782.50	13,012.31		3,062.92	151,810.30	28,500.00	64,024.62	481,455.51	4,000.00	136,284.22	2
Receiver's certificate	415,000.00																
Insurance proceeds	139,560.00	139,560.00															
Refund of insurance premiums	33,449.50	33,449.50															
Miscellaneous refunds & interest	29,534.59	29,534.59															
Receipts pertaing to BMO asset issue	57,732.50		56,050.00	1,682.50													3
Less:																	
Proposed Repayment of Receiver's Certificates:	-415,000.00																4
Totals Realized to Date	7,828,993.87	6,848,831.77	56,050.00	1,682.50	20,199.74	17,297.48	2,782.50	13,012.31	0.00	3,062.92	151,810.30	28,500.00	64,024.62	481,455.51	4,000.00	136,284.22	5
Priority Creditors:																	
WEPPA	20,199.74				20,199.74												
Diamond International	17,297.48					17,297.48											
Lash Enterprises	2,782.50						2,782.50										
J.C. Inspections	13,012.31							13,012.31									
BMO Asset	57,732.50		56,050.00	1,682.50													
Balances for Allocation Purposes	7,717,969.34	6,848,831.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,062.92	151,810.30	28,500.00	64,024.62	481,455.51	4,000.00	136,284.22	5
Proposed Allocation %	100.00%	88.74%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	1.97%	0.37%	0.83%	6.24%	0.05%	1.77%	5
Proposed Allocated Costs (paid to date):	1,664,939.86	1,477,447.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	660.74	32,748.90	6,148.09	13,811.55	103,860.80	862.89	29,399.58	
WIP and cost to complete of Receiver:	15,750.00	13,976.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.25	309.80	58.16	130.65	982.50	8.16	278.11	
WIP and cost to complete of Counsel:	17,850.00	15,839.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.08	351.10	65.91	148.08	1,113.50	9.25	315.20	
Proposed Total Net Distributions to DLM Creditors (after expenses and repayment of Receiver's Certificates):	**6,130,454.01**	**5,341,568.23**	**56,050.00**	**1,682.50**	**20,199.74**	**17,297.48**	**2,782.50**	**13,012.31**	**0.00**	**2,388.84**	**118,400.50**	**22,227.83**	**49,934.34**	**375,498.70**	**3,119.70**	**106,291.33**	
less:																	
Hold Back (Contingency)	-100,000.00	-100,000.00															
Bond forbearance	-200,000.00	-200,000.00															
Alleged amount owing to Bond	-113,069.01	-113,069.01															
Amended amount of Schedule "J" non-ELSA assets	-1,011,898.69	-1,011,898.69															
Proposed Interim Distributions	**4,705,486.31**	**3,916,600.53**	**56,050.00**	**1,682.50**	**20,199.74**	**17,297.48**	**2,782.50**	**13,012.31**	**0.00**	**2,388.84**	**118,400.50**	**22,227.83**	**49,934.34**	**375,498.70**	**3,119.70**	**106,291.33**	
Add:																	
Repayment of Borrowings	415,000.00	415,000.00															
Proposed Total Interim Distributions and Repayment of Receiver's Certificates:	**5,120,486.31**	**4,331,600.53**	**56,050.00**	**1,682.50**	**20,199.74**	**17,297.48**	**2,782.50**	**13,012.31**	**0.00**	**2,388.84**	**118,400.50**	**22,227.83**	**49,934.34**	**375,498.70**	**3,119.70**	**106,291.33**	

Schedule "C" - Notes

NOTE

1 Bond:

As per the *Forbearance Amending Agreement* dated December 20, 2018 (the "**Agreement**"), between DLM and ATB , the priority to the proceeds of the liquidation of DLM's current assets shall be paid, firstly, to ATB on account of all amounts outstanding up to $1,485,803.58, secondly, to Bond Capital Partners (2012) Ltd. ("**Bond**") up to $200,000, and the remaining balance up to $13,444,353.84 to ATB. Article 6.6 of the Agreement specifies that should DLM borrow the additional $200,000 from Bond, that DLM will ensure that the priority, as between ATB and Bond will be in accordance with the Agreement. A representative from Bond has confirmed by email to the Receiver that the Agreement stipulates the priority in this regard.

Since the liquidation of the Borrower's current assets realized $983,917.76, ATB is entitled to the full realized amount and, therefore, no proceeds remained for distribution to Bond.

WEPPA:

$20,199.74 is payable to Service Canada, in relation to the *Wage Earner Protection Program* , which ranks above ATB and Bond in relation to DLM's Current Assets.

2 $6,750,250.00 represents the Maynards NMG of $6,745,000.00 and the sale of coil tubing of $5,250.00.

Priority Creditors (Diamond, Lash, and J.C.):

The claims of the priority creditors are comprised of garage keeper's liens that rank ahead of the claims of ATB and Bond. The proposed distributions to Diamond and Lash are based on their respective proven claims. The proposed distribution to J.C. Inspections is based on the adjusted NMG as the asset did not sell and the proven claim was greater (details of which are included in Schedule "C"). As these are priority creditors they do not share in the costs of the receivership.

Secured Creditors (ARI, De Lage, GMFCLL, Greatwest, PACCAR, RCAP, and Triton):

The proposed distribution to the secured creditors, other than ATB and Bond, has been determined based on a percentage of the NMG and their interest in their respective assets (details of which are included in Schedule "C"). These secured creditors share in the costs of the receivership.

3 BMO Asset Funds

The setttlement in relation to the BMO Asset error was not finalized as at the date of this report. Should the settlement proceed as anticipated, the Receiver should receive an additional $3,107.50 from Maynards in this regard. In either event, the Receiver will distribute the total funds received to BMO without any costs allocated, provided the agreement is finalized. Unless there is some unexpected change in the propsed settlement (unlikely) there is no impact of this BMO Asset matter on the distrubutions to the other creditors in these Receivership proceedings.

4 $415,000 represents the Receiver's certificate which has been removed from the realizations to date as this represents the Receiver's working capital to administer the receivership, and does not form part of the realizations available for distribution to creditors.

5 The Proposed Allocation % is based on each creditor’s respective recovery. For Service Canada, Diamond International, Lash Enterprises and J.C. Inspections the Receiver did not allocate any costs given these creditors have priority over the other creditors in the circumstance. In addition, no costs were allocated to BMO based on the pending agreement discussed earlier in this report.