

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

D.M. ROBICHAUD ASSOCIATES LTD.

Respondent

FIRST REPORT TO THE COURT
SUBMITTED BY BDO CANADA LIMITED,
IN ITS CAPACITY AS INTERIM RECEIVER OF

D. M. ROBICHAUD ASSOCIATES LTD.

March 14, 2019

1.0 INTRODUCTION AND PURPOSE OF REPORT

1.1 Introduction

1.1.1 This is the First Report to Court (the "First Report") of BDO Canada Limited ("BDO") in its capacity as the interim receiver (the "Receiver") of D. M. Robichaud Associates Ltd. ("DMR" or the "Company") pursuant to the Order of the Honourable Mr. Justice Hailey dated March 13, 2019 (the "Appointment Order") a copy of which is attached as Appendix "A".

1.2 Purpose of this Report

1.2.1 This First Report is filed by the Receiver to request an expansion of the Receiver's powers to include the following:

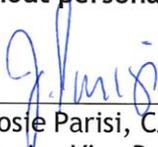
- the ability to pay those expenses the Receiver deems necessary to protect and preserve the property of DMR including the payment of employee costs such as payroll and union benefits;
- the ability to borrow funds, to a maximum of \$150,000 and issue certificates to the lender providing the lender a first charge on all of the assets of DMR.

2.0 RECEIVER'S BORROWINGS AND EXPENDITURES

- 2.1 The Appointment Order authorized the Receiver to, among other things, take possession of all Property (as defined in the Appointment Order), including any proceeds from the Property, and to hold all funds paid to Receiver. However, the Receiver does not have the explicit power to make payments for the estate. DMR has no margin availability and therefore no credit to borrow from its lender, Royal Bank of Canada (the "Bank"). Accordingly, DMR does not have the ability to make payments from its accounts.
- 2.2 DMR pays payroll weekly and union benefit payments semi-monthly. The current payroll and union benefit payments are due on Friday March 15, 2019 in the total amount of approximately \$120,000.
- 2.3 The Receiver does not have sufficient funds or the capacity to pay the current payroll and the union benefits and neither does DMR. The Receiver has spoken with the Bank and they are willing to lend to the Receiver the funds necessary to pay the payroll and the union benefits if the Receiver can issue to the Bank the typical receiver's certificate that a Court appointed receiver is empowered to issue.
- 2.4 Accordingly, the Receiver requests the expansion of the Receiver's powers in the Appointment Order to:
- include the power to pay those expenses the Receiver deems necessary to preserve and protect the Property, including the power to pay the current payroll and union benefits in order to preserve the accounts receivable and the potential going concern value of DMR; and,
 - in order to pay those necessary expenditures, the Receiver requests that the Receiver be at liberty to borrow, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000, and that the Receiver be empowered to issue certificates to the lender charging the whole of the Property as security for the Receiver's indebtedness (with such restrictions as set out in the proposed order).

All of which is respectfully submitted this 14th day of March, 2019.

BDO CANADA LIMITED
COURT-APPOINTED INTERIM RECEIVER OF
D. M. ROBICHAUD ASSOCIATES LTD.
and without personal or corporate liability


Per: _____
Josie Parisi, CA CPA CBV CIRP LIT
Senior *Vice President*