

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

D.M. ROBICHAUD ASSOCIATES LTD.

Respondent

**SUPPLEMENT TO THE SECOND REPORT TO THE COURT
SUBMITTED BY BDO CANADA LIMITED,
IN ITS CAPACITY AS RECEIVER OF**

D. M. ROBICHAUD ASSOCIATES LTD.

October 8, 2019

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1.0 INTRODUCTION AND PURPOSE OF REPORT

1.1 Introduction

- 1.1.1** This is the Supplement to the Second Report to Court (the “**Supplemental Report**”) of BDO Canada Limited (“**BDO**”) in its capacity as the receiver (the “**Receiver**”) of D. M. Robichaud Associates Ltd. (“**DMR**” or the “**Company**”) pursuant to the Order of the Honourable Justice Hainey dated May 1, 2019 (the “**Appointment Order**”). The Receiver’s second report to the Court (the “**Second Report**”) was filed on October 2, 2019.
- 1.1.2** The Receiver’s second report to the Court (the “**Second Report**”) recommends a distribution of the proceeds of sale of the Company’s equipment. Part of the recommended distribution of those proceeds is in respect of repair liens registered against one piece of equipment by KalTire.
- 1.1.3** The Receiver has also received numerous repair lien claims from Quality Collision East Inc. (“**QCE**”) and East End Truck Centre Ltd. (“**EETC**”) totaling \$61,871.81.

1.2 Purpose of this Report

- 1.2.1** This Supplemental Report is filed by the Receiver, in conjunction with the Second Report, to provide an update on the Receiver’s review of the repair lien claims from QCE and EETC.
- 1.2.2** In preparing this Supplemental Report, the Receiver has relied upon unaudited, draft and/or internal financial and other information provided by the Company, its advisors, and other third party sources. BDO has not independently reviewed or verified such information. The Receiver has prepared this Fourth Report for the sole use of the Court and of the other stakeholders in these proceedings.

2.0 REPAIR LIEN CLAIMS

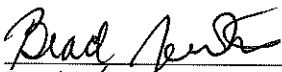
- 2.1 QCE has filed one repair lien claim in respect of a 2015 Western Star vac truck in the amount of \$4,361.01.
- 2.2 EETC has filed 30 repair lien claims covering in respect of 25 different vehicles totaling \$57,510.80. To date the Receiver has determined the following with respect to the EETC claims:
- two of the claims were not perfected under the PPSA totaling \$3,486.88;
 - one claim of \$3,160.61 references a vehicle that was not in the Receiver's possession at the time of the Receiver's appointment and therefore was not sold by the Receiver;
 - one claim of \$183.06 has a VIN that does not match any of the VIN's of the vehicles the Receiver took possession of;
 - eight claims totaling \$10,541.38 do not have a signed invoice/acknowledgement.
- 2.3 We are continuing our review of these claims and hope to be done in the near term. Once our review is completed we will be able to determine what amounts are valid lien claims and should be paid from equipment sale proceeds that are allocated to RBC pursuant to the Second Report.
- 2.4 Since the date of the Second Report, the Receiver has collected approximately \$204,000 from accounts receivable that do not have any lien or trust claims against the accounts. Accordingly, these funds would be payable to RBC. The Receiver proposes to pay any valid repair lien claims out of these funds instead of altering the proposed distribution to RBC set out in the Second Report.
- 2.5 Further, once the Receiver's review is completed and the valid repair liens determined, the Receiver proposes to pay any valid repair lien claims to QCE and EETC without further order of the Court unless QCE and EETC object to the Receiver's proposed final distribution with respect to their claims.

3.0 RECOMMENDATIONS

- 3.1 The Receiver requests that the Court grant an order allowing the Receiver to pay the repair lien claim amounts the Receiver determines to be valid. If either QEC or EETC object to the Receiver's assessment and the Receiver cannot negotiate a settlement of the claims then the payments will not be issued and the parties will apply to Court for the claims to be assessed.

All of which is respectfully submitted this 8th day of October, 2019.

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

Per: 
Brad Newton, CA CPA CBV CIRP LIT
Senior Vice President