



COURT FILE NUMBER 1801-05326  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT ATB FINANCIAL  
RESPONDENTS GEMINI CORPORATION AND GEMEC SERVICES INC.

DOCUMENT **SUPPLEMENT TO THE SECOND REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF GEMINI CORPORATION AND GEMEC SERVICES LTD.**

**November 22, 2018**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

**RECEIVER**

FTI Consulting Canada Inc.  
Suite 1610, 520 Fifth Avenue S.W.  
Calgary, AB T2P 3R7  
Deryck Helkaa / Dustin Olver  
Telephone: (403) 454-6031 / (403) 454-6032  
Fax: (403) 232-6116  
Email: [deryck.helkaa@fticonsulting.com](mailto:deryck.helkaa@fticonsulting.com)  
[dustin.olver@fticonsulting.com](mailto:dustin.olver@fticonsulting.com)

**COUNSEL**

Fasken Martineau DuMoulin LLP  
Suite 3400, 350 Seventh Avenue S.W.  
Calgary, AB T2P 3N9  
Travis Lysak / Mihai Tomos  
Telephone: (403) 261-5501 / (587) 233-4107  
Fax: (403) 261-5351  
Email: [tlysak@fasken.com](mailto:tlysak@fasken.com)  
[mtomos@fasken.com](mailto:mtomos@fasken.com)

## INTRODUCTION

1. The purpose of this supplement to the Second Report (the “**Supplement**”) is to provide this Honourable Court with an update with respect to the Receiver’s statement of receipts and disbursements and seek approval to increase to the Interim Distribution set out at paragraphs 53 through 56 of the Second Report (the “**Revised Interim Distribution**”).

## TERMS OF REFERENCE

2. In preparing this Supplement, the Receiver has relied upon unaudited financial information, other information available to the Receiver and, where appropriate, the Company’s books and records and discussions with various parties (collectively, the “**Information**”).
3. Except as described in this Supplement:
  - (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
  - (b) the Receiver has not examined or reviewed financial forecasts and projections referred to in this Supplement in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.
4. Future oriented financial information reported or relied on in preparing this Supplement is based on assumptions regarding future events. Actual results may vary from forecasts and such variations may be material.

5. The Receiver has prepared this Supplement in connection with the Application. The Supplement is to be read in conjunction with the Receiver's Second Report and should not be relied on for other purposes.
6. All capitalized terms not defined herein are as defined in the Second Report.
7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

#### **REVISED INTERIM DISTRIBUTION**

8. On November 21, 2018, the Receiver collected an additional approximately \$1.2 million in accounts receivable and as a result the Receiver is able to increase the amount of the Interim Distribution set out in the Second Report. The Receiver notes that the \$1.2 million collection is inclusive of GST/PST and is part of the outstanding accounts receivable of approximately \$2.4 million set out at paragraph 28 of the Second Report.
9. The Receiver's statement of receipts and disbursements at paragraph 30 of the Second Report set out that as at November 19, 2018 the Receiver held approximately \$8.0 million in cash on hand.

10. A summary of the updated statement of receipts and disbursements as at November 21, 2018 is presented below.

<b>Statement of Receipts and Disbursements</b>	
<b>for the period of April 19, 2018 to November 21, 2018</b>	
<b>CAD \$</b>	<b>Cumulative</b>
<b>Receipts</b>	
Accounts receivable	21,370,867
Transaction proceeds	2,760,000
GST / PST collected	1,560,680
Receiver's Borrowings	1,000,000
Other receipts	355,023
Auction proceeds	285,178
<b>Total - Receipts</b>	<b>27,331,748</b>
<b>Disbursements</b>	
Payroll and employee related obligations	7,485,578
Operating expenses	6,526,544
GST / PST paid	1,144,416
Repayment of Receiver's Borrowings	1,000,000
G&A	914,924
Receiver's fees and expenses	658,403
Receiver's Counsel's fees and disbursements	295,275
Other professional fees	130,000
<b>Total - Disbursements</b>	<b>18,155,139</b>
<b>Net Cash on Hand</b>	<b>9,176,609</b>

11. The statement of receipts and disbursements has been updated to reflect the accounts receivable collection of approximately \$1.1 million and GST/PST collected of approximately \$117,000. As a result, total receipts increased from \$26.1 million in the Second Report to \$27.3 million and accordingly, cash on hand increased by approximately \$1.2 million to approximately \$9.2 million.

12. The table below sets out the Revised Interim Distribution against the Interim Distribution set out in the Second Report.

Interim Distribution CAD \$	Second Report Supplement	
<b>Sources</b>		
Cash on Hand	7,991,278	9,176,609
<b>Holdback</b>		
G&A	293,644	293,644
Deemed Trust Claim	250,185	250,185
Professional Fees	190,000	190,000
Post-receivership GST to remit	123,996	241,562
Lien Fund	86,666	86,666
Operating expenses	32,640	32,640
Expected Priority WEPP Claim	31,837	31,837
<b>Total - Holdback</b>	<b>1,008,968</b>	<b>1,126,534</b>
<b>Total - Interim Distribution</b>	<b>6,982,310</b>	<b>8,050,075</b>

- (a) cash on hand increased by the collection of the approximately \$1.2 million accounts receivable that occurred since the date of the Second Report;
- (b) additional GST/PST holdback amount of approximately \$117,000 relating the taxes collected by the Receiver that will be remitted to the relevant government agencies; and
- (c) the Revised Interim Distribution has increased to \$8,050,075 million from \$6,982,310 as set out in the Second Report.
13. The Receiver respectfully submits that this Honourable Court authorize the Receiver to make the Revised Interim Distribution of up to \$8,050,075 to ATB and the Holdback of \$1,126,534.

All of which is respectfully submitted this 22<sup>nd</sup> day of November 2018.

FTI Consulting Canada Inc.,  
in its capacity as receiver of Gemini  
Corporation and Gemec Services Ltd.



Deryck Helkaa, CPA, CA, LIT  
Senior Managing Director



Dustin Olver, CPA, CA  
Managing Director