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CROWN PRIVATE CREDIT PARTNERS INC.

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Aug 22 2022

RESPONDENTS

RBEE AGGREGATE CONSULTING LTD.

DOCUMENT

FOURTH REPORT OF FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
RBEE AGGREGATE CONSULTING LTD.

August 12, 2022

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
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FOURTH REPORT OF THE RECEIVER

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INTRODUCTION

1. On March 11, 2022 (the “**Appointment Date**”), FTI Consulting Canada Inc. was appointed as receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of RBee Aggregate Consulting Ltd. (the “**RBee**” or the “**Company**”), pursuant to an Order of the Honourable Justice A.D. Grosse (the “**Receivership Order**”).
2. On June 3, 2022, the Receiver closed a transaction to sell the Company’s assets located at the Company’s Vogel site to A-1 Quality Belting Ltd. (“**A-1**”).
3. On June 21, 2022, the Receiver closed two transactions to sell the Company’s assets located at the Company’s Site-C and Windfall sites to A-1.
4. On July 11, 2022, the Receiver was granted an order (the “**Interim Distribution Order**”) which among other things, authorized the Receiver to make distributions to certain creditors of RBee.
5. On July 14 and 15, 2022, McDougall Auctioneers Ltd. (“**McDougall**”) completed an auction and sale of all of the Company’s remaining equipment assets pursuant to an auction services agreement (the “**Auction Services Agreement**”).
6. On or about August 12, 2022, the Receiver plans to file a Notice of Application, returnable August 22, 2022, seeking an order (the “**Second Interim Distribution Order**”) requesting, among other things, the following relief:
 - (a) approval of the actions, conduct and activities of the Receiver since the date of our Third Report;
 - (b) approval of the Receiver’s interim statement of receipts and disbursements for the period from the Appointment Date to August 5, 2022 (the “**R&D**”); and

- (c) authorizing the Receiver to make the second interim distribution to creditors of RBee.
7. The purpose of this report (the “**Fourth Report**”) is to provide this Honourable Court with information with respect to:
- (a) the Receiver’s activities since the date of the Third Report;
 - (b) a summary of the R&D; and
 - (c) the Receiver’s application for the Second Interim Distribution Order.
8. The Receiver’s reports and other publicly available information in respect of these proceedings are posted on the Receiver’s website at <http://cfcanada.fticonsulting.com/Rbee>.

TERMS OF REFERENCE

9. In preparing this Fourth Report, the Receiver has relied upon audited and 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**”).
10. Except as described in this Fourth Report:
- (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 Chartered Professional Accounts of Canada Handbook; and
 - (b) the Receiver has not examined or reviewed financial forecasts and projections referred to in this Fourth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

11. Future oriented financial information reported or relied on in preparing this Fourth Report is based on assumptions regarding future events. Actual results may vary from forecasts and such variations may be material.
12. The Receiver has prepared this Fourth Report in connection with the Receiver's Application that is to be heard on August 22, 2022. This Fourth Report should not be relied on for other purposes.
13. Information and advice described in this Fourth Report that has been provided to the Receiver by its legal counsel, Fasken Martineau DuMoulin LLP (the "**Receiver's Counsel**"), was provided to assist the Receiver in considering its course of action, and is not intended as legal or other advice to, and may not be relied upon by, any other person.
14. All capitalized terms that are used in this Fourth Report but not defined herein are intended to bear their meanings as defined in the Receiver's prior Reports.
15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

RECEIVER'S ACTIVITIES

16. The Receiver's activities since the date of our Third Report have included, among other things, the following:
 - (a) administering distributions to Komatsu International (Canada) Inc., WS Leasing Ltd., Edmonton Kenworth Ltd. and Canadian Western Bank as outlined in the Receiver's Third Report and pursuant to the Interim Distribution Order;
 - (b) addressing information requests from Canada Revenue Agency in respect of payroll examinations and trust audits;
 - (c) attending to matters relating to the Auction Services Agreement including reviewing an accounting of net proceeds and issuing a Receiver's Certificate;

- (d) cancelling certain redundant insurance policies;
- (e) arranging for the disclaimer and vacating of leased premises in Gibbons, AB and Wembley, AB;
- (f) reviewing and evaluating property claims received for equipment in the possession of the Receiver; and
- (g) pursuing the collection of outstanding accounts receivable balances.

SUMMARY STATEMENT OF RECEIPTS AND DISBURSEMENTS

17. The Receiver's cash receipts and disbursements for the period from the Appointment Date to August 5, 2022 are summarized as follows:

Receipts and Disbursements (\$000's)	
Receipts	
Opening Cash	\$ 185
Accounts Receivable and Holdbacks	1,645
Asset Sales	15,325
GST Collected	521
Total - Receipts	17,676
Disbursements	
Interim Distributions to Creditors	8,369
Contractors	104
Payroll and Employee Related Obligations	37
Rent	449
Miscellaneous Operating Expenses	124
Utilities, Communications, Tech	37
Insurance	38
Property Taxes	46
GST Paid	75
Professional Fees	844
GST Remitted	503
Total - Disbursements	10,628
Net Cash on Hand	\$ 7,048

- (a) Opening Cash – cash balance in RBee’s bank account at Appointment Date that was transferred to the Receiver’s account;
- (b) Accounts Receivable and Holdbacks – amounts collected from customers related to outstanding accounts receivable and holdbacks from prior to the Appointment Date;
- (c) Asset Sales – net proceeds received from the sales of assets to A-1 and the Auction Services Agreement;
- (d) GST Collected – GST collected on asset sales completed during the Receivership Proceedings;
- (e) Interim Distribution to Creditors – distributions to creditors pursuant to the Interim Distribution Order;
- (f) Contractors – management, security and other contractors retained by the Receiver;
- (g) Payroll and Employee Related Obligations – employee wages, payroll remittances, and benefits;
- (h) Rent – rent paid in respect of all occupied, leased premises from which the Company was operating;
- (i) Miscellaneous Operating Expenses – miscellaneous operating costs such as fuel and pumps to remove water at the various asset locations in an effort to safeguard the assets;
- (j) Utilities, Communications, Tech – utilities and services at the leased premises from which RBee was operating;
- (k) Insurance – costs incurred to maintain insurance over RBee’s Property;

- (l) Property Taxes – a pro-rated portion of the post-filing property taxes due under the various lease agreements for premises currently occupied by RBee;
- (m) GST Paid – goods and services tax remittances; and
- (n) Professional Fees – fees paid to the Receiver and the Receiver’s Counsel in respect of the Receivership Proceedings. A summary of the fees paid to date, and broken down by firm, are set out in the table below:

Professional Fees <i>(\$000's)</i>				
Firm	Role	Fees	Disbmt.	Total
FTI Consulting Canada Inc	Receiver	\$ 793	\$ -	\$ 793
Fasken Martineau DuMoulin LLP	Receiver's Counsel	37	11	48
Blake, Cassels & Graydon LLP	Receiver's Counsel	3	-	3
Total Professional Fees		\$ 832	\$ 11	\$ 844

18. The Receiver is holding a cash balance of approximately \$7.0 million as at August 5, 2022.

PROPOSED SECOND INTERIM DISTRIBUTION

19. The proposed second interim distribution is summarized in the table below:

Proposed Second Interim Distribution <i>(\$000's)</i>	
Cash on Hand, August 5, 2022	\$7,048
Holdback for CRA Deemed Trust Claim	(1,668)
Proposed Second Interim Distributions:	
Canadian Western Bank	(2,546)
Crown Capital Partner Funding LP, by its manager,	
Crown Private Credit Partners Inc.	(2,000)
Remaining Estate Cash	\$ 834

20. The Interim Distribution Order authorized the Receiver to make a distribution for approximately \$1.7 million to the CRA for their Deemed Trust Claim. At the request of the CRA the Receiver has not yet made this distribution pending receipt of a formal deemed trust claim, and as such the Receiver is maintaining a holdback for the respective amount.
21. The distributions may have small variances from the schedule above due to timing of payments and per diem interest charges.
22. The remaining estate cash of approximately \$834,000 is estimated to be sufficient to fund the completion of the Receivership Proceedings.

RECEIVER'S RECOMMENDATIONS

23. Based on the foregoing, the Receiver respectfully recommends that the Honourable Court grant the Second Interim Distribution Order.

All of which is respectfully submitted this 12th day of August, 2022.

FTI Consulting Canada Inc.
in its capacity as receiver and manager of
RBee Aggregate Consulting Ltd., and not
in its personal or corporate capacity



Deryck Helkaa
Senior Managing Director



Tom Powell
Senior Managing Director