

COURT/ESTATE FILE NUMBER	25-2831494
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PROCEEDINGS	IN THE MATTER OF THE BANKRUPTCY OF RBEE AGGREGATE CONSULTING LTD.
APPLICANT	FTI CONSULTING CANADA INC., SOLELY IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF THE BANKRUPT ESTATE OF RBEE AGGREGATE CONSULTING LTD.
RESPONDENTS	A-1 QUALITY BELTING LTD. 1258311 ALBERTA LIMITED BERNIE REED JANET FISHER
DOCUMENT	SUPPLEMENTAL REPORT TO THE FIRST REPORT OF FTI CONSULTING CANADA INC., SOLELY IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF THE BANKRUPT ESTATE OF RBEE AGGREGATE CONSULTING LTD.

**April 17, 2025**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**TRUSTEE**

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**SUPPLEMENTAL REPORT TO THE  
FIRST REPORT OF THE TRUSTEE**

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## INTRODUCTION

1. The purpose of this supplemental report (the “**Supplemental Report**”) is to supplement the First Report of the Trustee dated March 21, 2025 (the “**First Report**”) which was filed in connection with the Trustee’s application scheduled to be heard on May 7, 2025 (the “**Trustee’s Application**”), for the Preferential Transactions Order.
2. The Trustee has prepared this Supplemental Report in connection with the Trustee’s Application and pursuant to the litigation schedule agreed to between the Trustee and the Respondents, as laid out in the First Report. This Supplemental Report has been prepared in response to the Respondents’ affidavit, sworn by Mr. Bernie Reed on April 4, 2025 (the “**Reed Affidavit**”). This Report should not be relied on for other purposes.
3. Information and advice described in this Supplemental Report that has been provided to the Trustee by its legal counsel, Blake, Cassels & Graydon LLP (the “**Trustee’s Counsel**”), was provided to assist the Trustee 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.
4. The Trustee’s reports and other publicly available information in respect of these proceedings and the Receivership Proceedings are posted on the Trustee’s website at <http://cfcanada.fticonsulting.com/Rbee>.
5. The Supplemental Report should be read in conjunction with the First Report and all capitalized terms not otherwise defined herein are as defined in the First Report.

## TERMS OF REFERENCE

6. In preparing this Supplemental Report, the Trustee has relied upon audited and unaudited financial information, other information available to the Trustee and, where appropriate, the Bankrupt’s books and records and discussions with various parties (collectively, the “**Information**”).

7. Except as described in this Supplemental Report:
  - (a) the Trustee 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 Trustee has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

#### **PAYMENTS TO FISHER AND 125 AB**

9. The Reed Affidavit asserts that the Receiver failed to make payments for the occupied premises owned by Fisher and 125 AB after the Appointment Date. Specifically:
  - (a) in respect of the “Wembley Property”, paragraph 27 of the Reed Affidavit states that neither Fisher nor Reed received occupation rent in the amount of \$36,750, inclusive of GST, for five months post the Appointment Date during which time the Receiver occupied the premises, and such amount remains outstanding; and
  - (b) in respect of the “Gibbons Lease”, paragraph 31 of the Reed Affidavit states that 125 AB did not receive occupation rent for the month of August 2022 in the amount of \$84,000, inclusive of GST, and such amount remains outstanding.
10. After the Appointment Date, FTI in its capacity as Receiver of the Property of RBee, opened and maintained bank accounts to hold and control funds during the Receivership Proceedings.

11. Throughout the Receivership Proceedings, the Receiver continued to make payment for any occupied leased premises, including rent payments to Fisher and 125 AB, as summarized below:

- (a) Fisher was the landlord of the “Wembley” premises rented by RBee. Monthly rent was \$7,350 (inclusive of GST). On August 12, 2022 (the “**Wembley Disclaimer Date**”), the Receiver issued via electronic mail a notice to disclaim the lease for the “Wembley” premises (the “**Wembley Lease Disclaimer**”), a copy of which is attached as Appendix “A”. The notice was sent at 3:33pm with a ‘read receipt’ confirmation received at 3:37pm. Payments totalling approximately \$38,000 were made by the Receiver to Fisher from the Appointment Date through to the Wembley Disclaimer Date, summarized as follows:

Paid To	Description	Date Paid	Net Amount	GST	Total Paid
Fisher	Rental Wembley Yard March - pro-rated for post-filing, 21/31 days in March	1-Apr-22	\$ 4,742	\$ 237	\$ 4,979
Fisher	Rental Wembley Yard April Rent	1-Apr-22	7,000	350	7,350
Fisher	Rental Wembley Yard May Rent	4-May-22	7,000	350	7,350
Fisher	Rental Wembley Yard June Rent	31-May-22	7,000	350	7,350
Fisher	Rental Wembley Yard July Rent	29-Jun-22	7,000	350	7,350
Fisher	Rental Wembley Yard August - pro-rated for half of the month	29-Jul-22	3,387	169	3,556
<b>Total Paid to Fisher</b>			<b>\$ 36,129</b>	<b>\$1,806</b>	<b>\$ 37,935</b>

- (b) 125 AB was the landlord of the “Gibbons” premises rented by RBee. Monthly rent was \$84,000 (inclusive of GST). On August 12, 2022 (the “**Gibbons Disclaimer Date**”), the Receiver issued via electronic mail a notice to disclaim the lease for the “Gibbons” premises (the “**Gibbons Lease Disclaimer**”), copy of which is attached as Appendix “B”. The notice was sent at 3:36pm with a ‘read receipt’ confirmation received at 3:37pm. Payments totalling approximately \$433,500 were made by the Receiver to 125 AB from the Appointment Date through to the Gibbons Disclaimer Date, summarized as follows:

Paid To	Description	Date Paid	Net Amount	GST	Total Paid
1258311 Alberta Ltd.	Rent Gibbons Site March - pro-rated for post-filing, 21/31 days in March	1-Apr-22	\$ 54,194	\$ 2,710	\$ 56,903
1258311 Alberta Ltd.	Rent Gibbons Site April 2022	1-Apr-22	80,000	4,000	84,000
1258311 Alberta Ltd.	Rent Gibbons Site May 2022	4-May-22	80,000	4,000	84,000
1258311 Alberta Ltd.	Rent Gibbons Site June 2022	31-May-22	80,000	4,000	84,000
1258311 Alberta Ltd.	Rent Gibbons Site July 2022	29-Jun-22	80,000	4,000	84,000
1258311 Alberta Ltd.	Rent Gibbons Site August 2022 - pro-rated for half of the month	29-Jul-22	38,710	1,935	40,645
<b>Total Paid to 125 AB</b>			<b>\$ 412,903</b>	<b>\$20,645</b>	<b>\$ 433,548</b>

## RECOVERIES TO THE RBEE ESTATE

12. As at the Appointment Date, RBee reported approximately \$8.7 million plus accrued interest and legal costs owing to its senior secured first lien lender, Canadian Western Bank (“CWB”), and approximately \$22.7 million plus accrued interest and legal costs owing to its senior secured second lien lender, Crown LP (Crown LP, together with CWB, the “Secured Creditors”). Furthermore, RBee also owed approximately \$3.0 million to Komatsu International (Canada) Inc. in respect of equipment financing facilities and \$7.7 million to unsecured creditors (as stated in the Receiver’s First Report dated April 29, 2022 included as Exhibit “C” to the Affidavit of Tim Oldfield, sworn April 29, 2022, attached as Appendix “B” to the First Report of the Trustee). The creditor matrix, pursuant to the books and records of the Bankrupt as of the Appointment Date, is summarized in the table below:

<b>Creditor Listing</b> <i>(CAD 000's)</i>	<b>As At Appointment Date</b>
<b>Secured Creditors</b>	
CWB	\$ 8,655
Crown LP	22,734
Komatsu International (Canada) Inc.	3,030
<b>Total Secured Creditors</b>	<b>34,420</b>
<b>Unsecured Creditors</b>	
125 AB	84
A-1	4,408
Fisher	22
Receiver General - GST & Source Deductions	2,622
Others	556
<b>Total Unsecured Creditors</b>	<b>7,692</b>
<b>Total Creditors</b>	<b>\$ 42,112</b>

13. At paragraphs 50 and 54 of the First Report, the Trustee highlights that the total recoveries of the Property during the Receivership Proceedings were not sufficient to repay the full amounts owing to RBee’s Secured Creditors, as such, no recoveries were available to RBee’s unsecured creditors. A summary of all distributions made by the Receiver in respect of pre-filing claims is provided in the table below:

<b>Creditor Listing</b> <i>(CAD 000's)</i>	<b>As At</b> <b>Appointment</b> <b>Date</b>	<b>Less:</b> <b>Distributions</b> <b>to Secured</b>	<b>Remaining</b> <b>Creditor</b> <b>Claims</b>
<b>Secured Creditors</b>			
CWB	\$ 8,655	\$ (8,655)	\$ -
Crown LP	22,734	(2,000)	<b>20,734</b>
Komatsu International (Canada) Inc.	3,030	(2,072)	<b>958</b>
<b>Total Secured Creditors</b>	<b>34,420</b>	<b>(12,727)</b>	<b>21,693</b>
<b>Unsecured Creditors</b>			
125 AB	84	-	<b>84</b>
A-1	4,408	-	<b>4,408</b>
Fisher	22	-	<b>22</b>
Receiver General - GST & Source Deductions	2,622	(1,668)	<b>954</b>
Others	556	-	<b>556</b>
<b>Total Unsecured Creditors</b>	<b>7,692</b>	<b>(1,668)</b>	<b>6,024</b>
<b>Total Creditors</b>	<b>\$ 42,112</b>	<b>\$ (14,395)</b>	<b>\$ 27,717</b>

14. On or around June 6, 2022, Crown LP submitted a proof of claim to the Trustee for \$23.2 million, of which \$21.0 million was a secured claim and the remainder an unsecured claim, and CWB submitted a secured claim in the amount of \$8.5 million. Total secured proofs of claim submitted to the Trustee were \$31.8 million. FTI notes that these claims were submitted prior to any distributions under the Receivership Proceedings. The Trustee received 20 additional proofs of claim, 18 represented unsecured claims and two were lien claims. The total value of all 20 proofs of claim was \$175,000. The Trustee notes that proofs of claim were not submitted by the Related Parties.
15. During the Receivership Proceedings, CWB was repaid in full and a distribution of \$2.0 million was made to Crown LP (payment was made on August 25, 2022) in respect of its senior secured second lien debt, leaving Crown LP with a significant shortfall of approximately \$20.7 million of senior secured debt owing to it and nil recovery to the unsecured creditors.
16. Based on the above table, which is based on the books and records of the Bankrupt, the remaining creditor claims are approximately \$27.7 million, of which \$20.7 million relates to the secured second lien debt of Crown LP. As the recoveries from the Receivership Proceedings were not sufficient to repay the secured creditors in full, a claims process was not conducted, nor was there any expectation of recovery to the unsecured creditors.

## LOANS FROM SHAREHOLDERS

17. Paragraph 43 of the Reed Affidavit asserts that “A-1 and Crown both had a \$5,000,000 shareholder loan outstanding at the inception of RBee. Neither [Reed] nor A-1 has received repayment for this amount”.
18. Neither A-1 nor Reed is or has ever been a shareholder of RBee. 206 AB, of which Reed is the sole shareholder and sole director, along with Crown LP, were the two 50% shareholders of RBee until February 22, 2022, when the BDA transaction took place.
19. Based on the books and records of the Bankrupt, the \$5,000,000 shareholder loan owing to Crown LP relates to the non-interest-bearing portion of certain promissory notes issued to Crown LP in conjunction with RBee’s acquisition of assets from Petrowest Civil Services, LP. This is described in note 9 of the April 30, 2021 audited Financial Statements of RBee as attached at Appendix “F” to the First Report and excerpted below.
20. Also based on the books and records of the Bankrupt, the \$5,000,000 shareholder loan referred to in the Reed Affidavit as owing to A-1 was a non-cash transaction, more similar to a deferred dividend, and was not entered into at “the inception” of RBee in 2017, as stated by Reed, but on April 30, 2019. No funds from 206 AB (or A-1 or Reed) were advanced to RBee with respect to this transaction characterized by Mr. Reed as a shareholder loan. This is also described in note 9 to the April 30, 2021 audited Financial Statements of RBee, as attached at Appendix “F” to the First Report and excerpted below:



“In conjunction with the acquisition of the Company’s initial business assets from Petrowest Civil Services LP, promissory notes payable of \$18,807,490 were assumed from Crown Capital Fund IV, LP, a shareholder of the Company. The advance is repayable on demand, with \$5,000,000 not bearing interest and the remainder bearing interest at 10% before demand, and 12% after demand. During the year, \$1,478,822 (2020 - \$425,000) of interest payable was added to the promissory note payable balance. As this **transaction was non-cash** it has been omitted from the statement of cash flows. The total balance owing to Crown Capital Fund IV, LP at April 30, 2021 is \$20,628,630 (2020 - \$19.1 million).

On April 30, 2019, the Company issued a \$5,000,000 dividend to 2069328 Alberta Ltd., settled by way of a non-interest bearing promissory note, payable on demand. As the **transaction was non-cash**, it has been omitted from the statement of cash flows. The \$5,000,000 promissory note has been subordinated and postponed pursuant to an agreement with the Company’s surety bonding provider.

Both shareholders have waived their right to repayment within the next year, therefore the advances are presented as a long-term liability.” [emphasis added]

## **BUSINESS DIVISION AGREEMENT**

21. The Reed Affidavit refers to the asset purchase in the amount of \$3.62 million paid by Reed as part of the BDA. 69 pieces of equipment were included in the agreement, valuation of which was based on the January 2022 Ritchie appraisal.
22. As noted in our First Report, under the BDA, Howells and Reed both resigned as directors and officers of RBee, the personnel arrangement between RBee and Howells was terminated, and a new consulting agreement was entered into between RBee and Howells.
23. At paragraph 13 of the Reed Affidavit, Reed confirms that Howells, who at the time was RBee’s general manager, was Reed’s main point of contact for coordinating day-to-day purchases. Howells is the step-son of Reed and by extension, a non-arm’s length party.

\*\*\*\*\*

All of which is respectfully submitted this 17<sup>th</sup> day of April, 2025.

FTI Consulting Canada Inc.

Solely in its capacity as Licensed Insolvency Trustee in  
Bankruptcy of RBee Aggregate Consulting Ltd., and not  
in its personal or corporate capacity



Deryck Helkaa, CA, CPA, CIRP, LIT  
Senior Managing Director



Dustin Olver, CA, CPA, CIRP, LIT  
Senior Managing Director

## **APPENDIX “A”**

### **Wembley Lease Disclaimer**

August 12, 2022

By Email [janetfisher@hotmail.com](mailto:janetfisher@hotmail.com)

Attention: **Janet Fisher**

**RE: Premises Notice – Wembley, Alberta**

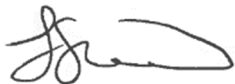
We are writing to advise you that pursuant to an order of Honourable Justice A.D. Grosse of the Court of Queen's Bench of Alberta (the "**Court**") dated March 11, 2022, following the application of Crown Capital Partner Funding, LP, by its manager, Crown Private Credit Partners Inc. ("**Crown**"), a secured lender of the Debtor (defined below), for an order appointing FTI Consulting Canada Inc. (the "**Receiver**") as receiver of all of RBee Aggregate Consulting Ltd.'s ("**RBee**" or the "**Debtor**") current and future assets, including the Premises (defined below), undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), the Receiver was appointed receiver of the Property of the Debtor (as such order may be amended or restated from time to time, the "**Receivership Order**", bearing Court File No. 2201-02948, and such proceedings, the "**Receivership Proceedings**").

Reference is made to the use of the yard and shop located in Wembley, Alberta (the "**Premises**") for which RBee Aggregate Consulting Ltd. has occupied and operated out of throughout the duration of the Receivership Proceedings.

This notice (this "**Notice**") is being written to advise you that the Receiver has vacated the premises effective the date of this Notice and occupational rent has been paid through to August 15, 2022. Pursuant to the Receivership Order, hereby disclaims any such agreement, verbal, written or otherwise, in connection with the Receivership Proceedings, and the Receiver and the Debtor are hereby released from their respective liabilities and obligations for the Premises.

If you have any questions or need any further information about the above, please feel free to contact Lindsay Shierman at (403)-454-6036 or via email at [Lindsay.Shierman@fticonsulting.com](mailto:Lindsay.Shierman@fticonsulting.com)

Sincerely,



Lindsay Shierman  
Managing Director  
FTI Consulting Canada Inc., solely in its  
capacity as the Court-appointed receiver  
of RBee Aggregate Consulting Ltd., and not in  
its personal capacity or corporate capacity.

## **APPENDIX “B”**

### **Gibbons Lease Disclaimer**

August 12, 2022

By Email [janetfisher@hotmail.com](mailto:janetfisher@hotmail.com); [berniea1belting@gmail.com](mailto:berniea1belting@gmail.com);

Attention: **Janet Fisher and Bernie Reed**

**RE: Lease Disclaimer Notice**

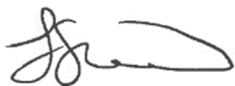
Reference is made to the lease agreement dated **November 2017** between **1258311 Alberta Ltd.** (the “**Lessor**”), as lessor, and **RBee Aggregate Consulting Ltd.** (the “**Lessee**”), as lessee, as assigned, amended, renewed, extended, restated, modified and/or supplemented from time to time, together with all other agreements and instruments, whether written or oral, between the Parties arising out of or relating to the premises leased by the Lessee, in each case as assigned, amended, renewed, extended, restated, modified and/or supplemented from time to time, the “**Lease Agreement**”).

We are writing to advise you that pursuant to an order of Honourable Justice A.D. Grosse of the Court of Queen’s Bench of Alberta (the “**Court**”) dated March 11, 2022, following the application of Crown Capital Partner Funding, LP, by its manager, Crown Private Credit Partners Inc. (“**Crown**”), a secured lender of the Debtor (defined below), for an order appointing FTI Consulting Canada Inc. (the “**Receiver**”) as receiver of all of RBee Aggregate Consulting Ltd.’s (“**RBee**” or the “**Debtor**”) current and future assets, including the Lease Agreement, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), the Receiver was appointed receiver of the Property of the Debtor (as such order may be amended or restated from time to time, the “**Receivership Order**”, bearing Court File No. 2201-02948, and such proceedings, the “**Receivership Proceedings**”).

This notice (this “**Notice**”) is being written to advise you that the Receiver has vacated the premises effective the date of this Notice and occupational rent has been paid up to August 15, 2022. The Receiver hereby disclaims the Lease Agreement in connection with the Receivership Proceedings, and the Receiver and the Debtor are hereby released from their respective liabilities and obligations under the Lease Agreement.

If you have any questions or need any further information about the above, please feel free to contact Lindsay Shierman at (403)-454-6036 or via email at [Lindsay.Shierman@fticonsulting.com](mailto:Lindsay.Shierman@fticonsulting.com)

Sincerely,



Lindsay Shierman  
Managing Director  
FTI Consulting Canada Inc., solely in its  
capacity as the Court-appointed receiver  
of RBee Aggregate Consulting Ltd., and not in  
its personal capacity or corporate capacity.