

DMD II MORTGAGE INVESTMENT CORPORATION – IN RECEIVERSHIP
25-094765

FOURTH INTERIM REPORT OF RECEIVER

Subsection 246(2) of the *Bankruptcy and Insolvency Act*

BACKGROUND

Effective April 4, 2017, MNP Ltd. was appointed as receiver and manager (the "Receiver") of the assets, undertakings and properties of DMD II Mortgage Investment Corporation ("DMD II" or the "Company") pursuant to an order (the "Receivership Order") granted by the Court of Queen's Bench of Alberta (the "Court")

DMD II was a mortgage investment corporation. DMD II would use investor funds to purchase residential mortgages in Alberta. Various investment properties had been foreclosed on by DMD II and at the date of receivership, DMD II was a titled owner or co-owner of two properties, as well as registered second mortgage holder on two other properties.

ASSETS

The Receiver took possession and control of the Company's assets on April 4, 2017. The Receiver had engaged the services of a consulting company to assist in the management of the assets. That agreement was terminated in October 2017.

The Receiver has settled the functioning second mortgages with the property owners and co mortgagees.

The Miles Davison Funds referenced in the Receiver's second interim report were released to Crossroads DMD Mortgage Investment Corporation ("Crossroads"). Counsel to the Receiver opined that the secured claims filed by Crossroads were valid and enforceable.

Crossroads has provided the Receiver with a property claim relating to a property that DMD II is on title to. The property was listed and sold by the Receiver, Crossroads and the Trustee in Bankruptcy of Sun Country Mortgage Investment Corporation. The sales proceeds are being held in the Trustee's trust account pending a decision of the Court of Queen's Bench of Alberta regarding the validity of Crossroads' claim being filed in this matter. Once the decision is released, the funds will flow from the Trustee's accounts to the parties directed under the decision. The Crossroads claim is in excess of the proportionate distribution that DMD II would be entitled to receive from the sales proceeds.

The Court rendered its decision in favor of the Receiver on September 20, 2019. Crossroads has since appealed the Court's decision. The Receiver is currently awaiting the timing for the appeal to be heard. Until the matter is resolved, the Receiver is unable to move forward to conclude the administration.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

The Receiver's Interim Statement of Receipts and Disbursements for the period April 4 to October 3, 2019 is attached as Appendix A.

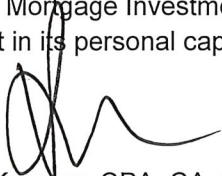
OTHER

Further information with respect to the receivership proceedings is available at the Receiver's website (www.mnpdebt.ca/dmdii).

Dated at Calgary, Alberta this 3rd day of October, 2019

MNP Ltd.

In its capacity as Receiver and Manager of
DMD II Mortgage Investment Corporation.
and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Victor Kroeger', with a stylized flourish at the end.

Victor Kroeger, CPA, CA, CIRP, LIT, CFE
Senior Vice President

**DMD II MORTGAGE INVESTMENT CORPORATION
IN RECEIVERSHIP
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD APRIL 4, 2017 TO OCTOBER 3, 2019**

RECEIPTS

Cash on hand	\$ 217,425.21
Sale of Assets	32,423.03
Rental Income	2,329.36
Mortgage Payouts	30,000.00
Miscellaneous Refunds	113.67
Interest earned	1,594.55

TOTAL RECEIPTS 283,885.82

DISBURSEMENTS

Filing Fees	70.00
Insurance	1,138.20
Change of locks	255.00
Storage Fees	1,080.09
Utilities	2,270.51
Repairs and Maintenance	3,545.00
Consulting fees	22,487.50
Receiver's Fees	70,223.12
Legal Fees	106,727.34
GST Paid	10,231.53

TOTAL DISBURSEMENTS 218,028.29

EXCESS RECEIPTS OVER DISBURSEMENTS \$ 65,857.53