

DMD III MORTGAGE INVESTMENT CORPORATION – IN RECEIVERSHIP

25-094765

THIRD 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 III Mortgage Investment Corporation (“DMD III” or the “Company”) pursuant to an order (the “Receivership Order”) granted by the Court of Queen’s Bench of Alberta (the “Court”)

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

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.

All residential properties owned or co-owned by the Receiver have been sold. Crossroads – DMD Mortgage Investment Corporation (“Crossroads”), a co-owner of the properties has filed property claims over the sales proceeds from those properties. A court application took place on July 4, 2018 regarding those claims.

The Receiver is currently waiting for the decision of that application. The value of the total Crossroads claims have not been quantified at this time, as the outstanding decision will direct whether those claims will be valid or not.

The Miles Davison Funds referenced in the Receiver’s second interim report were released to Crossroads as counsel to the Receiver opined that the Crossroads claims to those funds were valid and enforceable.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

The Receiver’s Interim Statement of Receipts and Disbursements for the period April 4 to May 11, 2018 is attached as Appendix A.

OTHER

DMD III Mortgage Investment Corporation
Notice and Statement of Receiver
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Further information with respect to the receivership proceedings is available at the Receiver's website (www.mnpdebt.ca/dmdiii).

Dated at Calgary, Alberta this 11^h day of May, 2018

MNP Ltd.

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



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

**DMD III MORTGAGE INVESTMENT CORPORATION
IN RECEIVERSHIP
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD APRIL 4, 2017 TO JANUARY 14, 2019**

RECEIPTS

| | |
|--------------------|-----------------|
| Cash on hand | \$ 558,492.32 |
| Sale of properties | 331,196.81 |
| Rental Income | 2,329.28 |
| Interest earned | <u>5,187.56</u> |

TOTAL RECEIPTS 897,205.97

DISBURSEMENTS

| | |
|-----------------------------|------------------|
| Filing fees | 70.00 |
| Insurance | 5,579.20 |
| Change of locks | 255.00 |
| Storage fees | 719.60 |
| Appraisal fees | 1,650.00 |
| Utilities | 2,419.96 |
| Repairs and maintenance | 7,300.00 |
| Consulting fees | 22,475.00 |
| Receiver's fees | 93,577.52 |
| Legal Fees | 117,019.93 |
| Commissions | 21,350.00 |
| Property taxes | 1,699.86 |
| Condo fees | 5,292.58 |
| Payment to secured creditor | 59,794.46 |
| GST paid | <u>13,252.09</u> |

TOTAL DISBURSEMENTS 352,455.20

EXCESS RECEIPTS OVER DISBURSEMENTS \$ 544,750.77