

COURT FILE NUMBERS 1803 - 09581

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF (APPLICANT) BANK OF MONTREAL

DEFENDANT (RESPONDENT) LADACOR AMS LTD.,
NOMADS PIPELINES CONSULTING LTD.,
2367147 ONTARIO INC., and
DONALD KLISOWSKY

DOCUMENT FIFTH REPORT OF THE RECEIVER



October 25, 2019

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER
ALVAREZ & MARSAL CANADA INC.
Bow Valley Square IV
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Attention: Orest Konowalchuk / Chad Artem
Telephone: (403) 538-4736 / (403) 538-7518
Email: okonowalchuk@alvarezandmarsal.com /
cartem@alvarezandmarsal.com

COUNSEL TO RECEIVER
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File: 99766/12



ALVAREZ & MARSAL

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INTRODUCTION

1. On May 18, 2018 (the “**Receivership Date**”), pursuant to an order (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”) granted in these proceedings (the “**Receivership Proceedings**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed receiver and manager (the “**Receiver**”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), of Ladacor AMS Ltd. (“**Ladacor**”), Nomads Pipelines Consulting Ltd. (“**Nomads**”) and 2367147 Ontario Inc. (“**236 Inc.**”) (collectively, the “**Debtors**” and each individually a “**Debtor**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”), section 13(2) of the *Judicature Act*, RSA 2000, c J-2 and 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7 (“**PPSA**”).
2. The Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, (i) manage, operate and carry on the business of the Debtors, (ii) take possession and control of the Property (as defined in the Receivership Order) of Debtors any and all proceeds, receipts and disbursements arising out of or from the Debtors, and (iii) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business.
3. The purpose of this fifth report of the Receiver (the “**Fifth Report**” or this “**Report**”) is to provide information to this Honourable Court with respect too:
 - a) the Receiver’s response to the second supplemental affidavit of Mr. Klisowsky sworn October 15, 2019 (the “**Klisowsky Second Supplemental Affidavit**”) and emailed to the Receiver by Mr. Klisowsky’s legal counsel on October 15, 2019;
 - b) the Receiver’s response to the affidavit of Larry Slywka (“**Slywka**”) sworn on October 13, 2019 (the “**Slywka Affidavit**”) and emailed to the Receiver by Mr. Klisowsky’s legal counsel on October 15, 2019;

- c) the statement of receipts and disbursements (the “**Statement of Receipts and Disbursements**”) of Ladacor, Nomads and 236 Inc. for the period from September 1, 2019 to October 25, 2019;
 - d) the updated Forecast Receipts and Payments (as defined below); and
 - e) the Receiver’s and its counsel’s fees and expenditures in the Receivership Proceedings.
4. Capitalized words or terms not defined or ascribed a meaning in the Fifth Report are as defined or ascribed a meaning in the Receivership Order or the other reports of the Receiver filed in these Receivership Proceedings (the “**Prior Reports**”).
5. All references to dollars are in Canadian currency.

TERMS OF REFERENCE

6. In preparing this Fifth Report, the Receiver has relied upon information obtained prior to the Receivership Proceedings by Alvarez & Marsal Canada ULC in its role as financial advisor (as discussed in the Prior Reports), representations of certain former management and former employees of the Debtors and financial and other information contained in the Debtors’ books and records, which were produced and maintained principally by the Debtors. The Receiver has not performed an audit, review or other verification of such information.

THE RECEIVER’S RESPONSE TO THE KLISOWSKY SECOND SUPPLEMENTAL AFFIDAVIT

Overview

7. The Receiver has reviewed the Klisowsky Second Supplemental Affidavit.
8. Based on the comments provided by Mr. Klisowsky in the Klisowsky Second Supplemental Affidavit, the Receiver does not have any further comments it has not already provided this Honourable Court in the Receiver’s Fourth Report dated

September 4, 2019 and the Supplemental Fourth Report of the Receiver dated September 12, 2019.

9. The Receiver believed; however, that it was necessary, under the circumstances to communicate with the former Ladacor / Nomads Financial Controller (Ms. Bonnie Erin Richard) to discuss our Prior Reports, our understanding of the financial situation and accounting of Ladacor and Nomads along with the attestations made by Mr. Klisowsky in the Klisowsky Second Supplement Affidavit. The Receiver relied on Ms. Richard's expertise and experience with the companies when the Receiver engaged her as an independent contractor to assist in the Receivership Proceedings.
10. Ms. Richard has filed her own affidavit to explain the financial accounting process and how the books and records were set up and accounted for in Ladacor and Nomads.
11. In Ms. Richard's affidavit, Ms. Richard explains, amongst other things, that the Government of Alberta, Treasury Board and Finance ("**Alberta Finance**") sent RBC a Requirement to Pay Money (the "**Requirement to Pay**") for amounts owing from Nomads to Alberta Finance for unpaid taxes. The Receiver requested a copy of the Requirement to Pay from Alberta Finance and provided Ms. Richard with a copy so it could be used in her affidavit. A copy of the Requirement to Pay as attached as Exhibit C to Ms. Richard's affidavit.

THE RECEIVER'S RESPONSE TO THE SLYWKA AFFIDAVIT

12. The Slywka Affidavit makes several comments with respect to the Receiver's actions during the Receivership Proceedings. The Receiver has addressed certain of these comments below.

Paragraph 10 of the Slywka Affidavit

13. In paragraph 10 of the Slywka Affidavit, Mr. Slywka states: "*Chad called me a second time on Friday evening. He told me that I was to delay the government tour*"

of our facility, and to come up with some kind of excuse. I was instructed not to tell the Alberta government representatives that the Receivership had occurred. Through Mike Keane, who had the relationship with the Alberta government, we cancelled the meeting.”.

Receiver’s Response

14. On May 18, 2019, Mr. Slywka advised the Receiver that he planned to instruct certain shop employees to clean up the Ladacor plant and yard in preparation for meetings and inspections with Alberta Government representatives scheduled for May 22, 2019. Mr. Slywka further advised that the Alberta Government was interested in potentially entering into a contract with Ladacor; however, Mr. Slywka explained to the Receiver that, to the best of his knowledge, there was no executed contract in place between Ladacor and the Alberta Government as of the Receivership Date. The Receiver understands that the Alberta Government was providing certain fundings for the Chateh Courthouse Project, as outlined in the Receiver’s First Report.
15. Given the Receivership Order was granted at the end of day Friday, May 18, 2018, before a long weekend, and this proposed meeting was scheduled for Tuesday, May 22, 2019, the Receiver advised Mr. Slywka that the Receiver would not be ready to meet with these parties as the Receiver had to focus its efforts to identify the known assets of the debtor companies and do its best to preserve and protect the companies (i.e. changing locks to the head office and warehouse, identify and notify employees of the appointment of the Receiver) and also understand the project situation in greater detail. As a result, the Receiver requested Mr. Slywka (via phone call) to assist with communication and cancel the meeting with the Alberta Government to a date to be later determined by the Receiver. At no time did the Receiver instruct Mr. Slywka not to tell the Alberta Government that the Receivership had occurred, as the Receivership, once it was granted by the Court, was public and not confidential.

Paragraph 17 of the Slywka Affidavit

16. In paragraph 17 of the Slywka Affidavit, Mr. Slywka states: “*On or around May 18, the Receiver released the Siding Contractor from the work that was already done and without consideration of the work that needed to be completed to further protect the integrity of the building site.*”.

Receiver’s Response

17. On or around May 22, 2018, the Receiver (specifically Tim Reid, Orest Konowalchuk and Chad Artem) met with Mr. Slywka and other Ladacor project managers at the Ladacor and Nomads head office, to discuss the granting of the Receivership Order, the role of the Receiver and other administrative matters. In addition, the Receiver advised that the projects were still being determined by the Receiver as to which it may or may not complete. Lastly, the Receiver advised that as a result of the Receivership Order, effective May 18, 2018, all employees of Ladacor and Nomads have been terminated.
18. The Receiver instructed all contractors on the Hythe Project to return home from the project site until the Receiver could determine what was required to be done at each site. On purely a preservation basis, the Receiver engaged two individuals (the site supervisor and other individual) to remain onsite to ensure the site remained protected and secured as best as possible under the circumstances, until a decision was made by the Receiver on the project. The project details or decision to proceed with the project was never agreed to between the Receiver and the Hythe project owners. The correspondence and dealings between the Receiver and Hythe are fully set out in the letter attached as Appendix E to the Supplement to the Fourth Report of the Receiver.

Paragraph 22 of the Slywka Affidavit

19. In paragraph 22 of the Slywka Affidavit, Mr. Slywka states: “*Since the Receiver was not going to make this happen, to address this as best I could, I directed many rolls of Suprema roofing membrane material be sent to site; and to do so Wilson*

and I made this purchase and shipped the material up to Hythe. The Receiver knew that this was only a band aid solution and was also not the approved roofing material.”

Receiver’s Response

20. The Receiver advised on multiple occasions to its contractors (Larry Slywka and Wilson Bohorquez) that, while it had not taken over or affirmed the Hythe contract, it was attempting to enter into a new possible agreement with Hythe with respect to the possible completion of the Hythe Project or to perhaps complete a portion of it but there were no guarantees. Notwithstanding, the Receiver was prepared to expend estate funds to protect and seal the project site as best as possible under the circumstances and requested Mr. Slywka’s and Mr. Bohorquez professional recommendation on what was the best temporary measure that could be used. Mr. Slywka advised that the Suprema roofing membrane would provide a much better solution, under the circumstance, to prevent moisture and cover the opening where a roof would be located. Correspondence with the Receiver's contractors, including Mr. Slywka and the Receiver with respect to the installation of the Suprema roofing membrane is attached as Appendix “A”.

Paragraph 23 of the Slywka Affidavit

21. In paragraph 23 of the Slywka Affidavit, Mr. Slywka states: *“On site, Tim, his assistant and Dustin (a local welder and contractor) received the roofing membrane material and started installing this roofing material around the July 1st long weekend. They never finished the installation of the Suprema product on the entire roof.”*
22. The Receiver instructed its contractors in Hythe to install additional Suprema poly on the Hythe Modules between June 27, 2018 and July 5, 2018 in order to protect them from further water damage.
23. On July 12, 2018, Mr. Slywka sent the Receiver a timeline (and supporting photos) of the actions taken to protect the Hythe Modules. In his timeline, Mr. Slywka did

not advise the Receiver that the installation of the Suprema poly was incomplete. This email along with a photo of the installed Suprema product is attached as Appendix “B”.

Paragraph 28 of the Slywka Affidavit

24. In paragraph 28 of the Slywka Affidavit, Mr. Slywka states: “*The Receiver informed me that they did not want the Police Report to be filed because of the concern of how it would be perceived under their watch so the RCMP were not contacted and no report was filed.*”

Receiver’s Response

25. This statement is blatantly incorrect.
26. On July 19, 2019, the Receiver requested (via email) that its contractors, Mr. Slywka and Mr. Wilson Bohorquez, assist the Receiver with preparing the police investigation report for the alleged theft on the Hythe site. Mr. Slywka advised the Receiver that Russell Kramer (another contractor of the Receiver) would be the best person to complete the police investigation report as he was the one who initially reported the trailer and tools missing and had detailed information on what specific assets he believed were stolen.
27. On July 23, 2019, the Receiver permitted Mr. Russell Kramer to meet with the RCMP Beaverlodge Detachment as Mr. Kramer advised he was best knowledgeable of the situation and the Receiver wanted to ensure this complaint was placed on record with the RCMP. Mr. Kramer attended the RCMP detachment to complete the police report for the missing tools and trailer. Mr. Slywka advised the Receiver (via email) that the police report had been filed and provided the Receiver with a copy of the police report number for future reference. The Receiver has attached an email from Mr. Slywka, the scanned police report number and statement from Russell Kramer (the “**Hythe Police Report Evidence**”) collectively as Appendix “C”. The Receiver made a request with the RCMP to obtain the official report filed by Mr. Kramer and the RCMP advised that they do not provide

copies of these reports, but did confirm that the report was filed as evidenced in Appendix C. The Receiver was advised that the written document provided by Mr. Kramer (Appendix C) to the RCMP was what was reported. The Receiver's e-mail correspondence with the RCMP in this regard is attached as Appendix "D".

STATEMENT OF RECEIPTS AND DISBURSEMENTS – SEPTEMBER 1, 2019 TO OCTOBER 25, 2019 (THE "REPORTING PERIOD")

Ladacor and Nomads

28. The table below provides a summary of the receipts and disbursements ("R&D") relating to Ladacor and Nomads during the Reporting Period. The Receiver's analysis of the final receipts and disbursements for Ladacor and Nomads is discussed below on a consolidated basis.

Nomads/Ladacor Actual Receipts and Disbursements (September 1, 2019 - October 25, 2019)			
	Nomads	Ladacor	Total
Opening cash balance on September 1, 2019	\$ 104,716	\$ 798,774	\$ 903,490
Receipts			
Interest income on cash balances	1,610	465	2,075
Other collections	542	-	542
	2,152	465	2,617
Total Receipts	\$ 106,868	\$ 799,239	\$ 906,107
Disbursements			
Operating Costs	5,724	-	5,724
Insurance	13,880	-	13,880
Receiver's Fees (A&M)	23,444	23,444	46,888
Receiver's Legal Counsel's Fees (Blakes)	49,491	49,491	98,983
Net GST/HST	3,932	3,643	7,575
Total Disbursements	\$ 96,470	\$ 76,578	\$ 173,049
Ending Cash before Forecast R&D	\$ 10,398	\$ 722,661	\$ 733,059

29. Opening cash as at September 1, 2019 was approximately \$903,000.
30. Since September 1, 2019, Receiver has collected approximately \$2,600, which primarily relates to interest collected on cash balances of \$2,075 and other receipts of \$542.

31. Over the course of the Reporting Period the Receiver had disbursements of approximately \$173,000, which primarily relate to:
- a) operating costs of approximately \$5,700, relating to storage fees for the Hythe Modules;
 - b) insurance costs of approximately \$14,000 for the Hythe Modules;
 - c) professional fees and costs of the Receiver of approximately \$47,000 for the period of September 1, 2019 – September 30, 2019;
 - d) professional fees and costs of the Receiver’s Counsel of approximately \$99,000 for the period of August 1, 2019 – September 30, 2019; and
 - e) GST payments of approximately \$7,500.
32. In respect of the professional fees and costs of the Receiver and the Receiver’s Counsel, as reported in the Receiver’s Supplemental 4th Report, additional time and costs were incurred to address the various information requests of Mr. Klisowsky in his affidavits and in preparation for an application being brought forward by Mr. Klisowsky returnable November 26, 2019.
33. Total consolidated Nomads and Ladacor cash on hand held by the Receiver as at October 25, 2019 is approximately \$733,000.

236

34. The table below provides a summary of the actual receipts and disbursements of 236 Inc. for the Reporting Period:

236 Actual Receipts and Disbursements (September 1, 2019 - October 25, 2019)	
Opening cash balance on September 1, 2019	\$ 639,450
Receipts	
Interest income on cash balances	1,820
Total Receipts	<u>\$ 641,270</u>
Disbursements	
Hotel Operating Costs	1,150
Insurance	-
Receiver's Fees (A&M)	2,600
Receiver's Legal Counsel's Fees (Blakes)	-
Net GST/HST	279
Total Disbursements	<u>\$ 4,030</u>
Ending Cash before Forecast R&D	<u><u>\$ 637,241</u></u>

35. Opening cash as at September 1, 2019 was approximately \$639,000.
36. Since September 1, 2019, the Receiver has collected approximately \$1,800 of interest on cash balances.
37. Disbursements of approximately \$4,000 have been paid during the Report Period, which primarily relate to:
- a) operating costs of approximately \$1,150;
 - b) professional fees and costs of the Receiver of approximately \$2,600 for the period of September 1, 2019 – September 30, 2019; and
 - c) net GST paid of approximately \$280.
38. Total cash on hand held by the Receiver as at October 25, 2019 is approximately \$637,000.

REVISED FORECAST RECEIPTS AND DISBURSEMENTS

39. The Receiver provided this Honourable Court with forecast receipts and disbursements in its Fourth Report and has updated the forecast to show additional disbursements required to deal with ongoing dispute matters with Mr. Klisowsky.

Forecast Ladacor and Nomads R&D

40. The tables below provide an updated summary of the remaining estimated forecast receipts and disbursements to be collected and paid by the Receiver with respect to Nomads and Ladacor (the “Forecast Nomads/Ladacor R&D”).

Nomads/Ladacor Forecast Receipts and Disbursements (October 26, 2019 - Discharge)			
	Nomads	Ladacor	Total
Cash before forecast R&D	\$ 10,398	\$ 722,661	\$ 733,059
Forecast Estimated Receipts			
GST/HST Refund	42,000	56,000	98,000
Total Estimated Receipts	\$ 42,000	\$ 56,000	\$ 98,000
Forecast Estimated Disbursements			
Hythe Module Storage	6,010	-	6,010
Consulting fees	1,750	1,750	3,500
File storage and IT costs	750	750	1,500
Contingency	5,000	5,000	10,000
Trustee and Trustee's Counsel Fees (Retainer)	5,000	95,000	100,000
Receiver's Fees (A&M)	10,000	30,000	40,000
Receiver's Counsel Fees (Blakes)	20,000	60,000	80,000
CRA source deduction contingency	-	125,000	125,000
Total Estimated Disbursements	\$ 48,510	\$ 317,500	\$ 366,010
Ending Estimated cash prior to subrogation	\$ 3,888	\$ 461,161	\$ 465,049

41. The Receiver anticipates that it will be able to collect the net GST receivable from the CRA of approximately \$98,000.
42. The Receiver estimates total disbursements of approximately \$366,000, primarily consisting of:

- a) retainers for professional fees of the proposed LIT and its legal counsel in respect of the anticipated bankruptcy proceedings, approximately \$100,000 total for both bankruptcy estates;
- b) outstanding and anticipated remaining professional fees for the Receiver and the Receiver's Counsel of approximately \$120,000;
- c) Hythe module storage costs of approximately \$6,000;
- d) consulting, file storage and IT cost of approximately \$5,000;
- e) a holdback of approximately \$125,000 relating to a possible obligation to CRA for source deductions in the Receivership Proceedings, as discussed in the Fourth Report; and
- f) a contingency for any unknown and unanticipated costs of \$10,000.

236 Inc.

43. The table below provides a summary of the remaining estimated forecast receipts and disbursements to be collected and paid by the Receiver with respect to 236 Inc (the “**Forecast 236 Inc. R&D**” and together with the Forecast Nomads/Ladacor R&D, the “**Forecast R&D**”):

236	
Forecast Receipts and Disbursements	
(October 26, 2019 - Discharge)	
Cash before forecast R&D	\$ 637,241
Total Estimated Receipts	\$ -
Forecast Estimated Disbursements	
Contingency	5,000
GST/HST Payable	15,000
Trustee and Trustee's Counsel Fees (Retainer)	60,000
Receiver's Fees (A&M)	10,000
Receiver's Legal Counsel's Fees (Blakes)	30,000
Total Estimated Disbursements	\$ 120,000
Ending Estimated cash prior to subrogation	\$ 517,241

44. The Receiver estimates that forecast disbursements of approximately \$120,000 will be incurred as follows:
- a) fees of the Receiver and its Counsel of approximately \$30,000 to complete the Receivership Proceedings;
 - b) approximately \$60,000 towards a retainer deposit for the proposed LIT and its counsel for the anticipated bankruptcy;
 - c) approximately \$15,000 for GST/HST payable; and
 - d) a contingency for any unknown and unanticipated costs of \$5,000.

THE RECEIVER AND THE RECEIVER'S COUNSEL'S FEES AND DISBURSEMENTS

45. The Receiver seeks approval from this Court of its fees and disbursements from September 1, 2019 to September 30, 2019, and those of the Receiver's Counsel from the August 1, 2019 to September 30, 2019 (the "**Final Period Billings**"), pursuant to the Receivership Order. On September 13, 2019, an Order was granted by the Court approving the Receiver's fees and disbursements from the

Receivership Date to August 31, 2019 and the Receiver's Counsel's fees from the Receivership Date to July 31, 2019, as outlined in the Fourth Report.

46. A&M's Final Period Billings in its capacity as Receiver total \$49,488 (excluding GST). A summary of the Receiver's fees and disbursements are attached as Appendix "E" to this Report.
47. The Receiver's Counsel's Final Period Billings total \$98,982 (excluding GST). A summary of the Receiver's Counsel's fees and disbursements are attached as Appendix "F" to this Report.
48. The Receiver's and the Receiver's Counsel's fee accounts outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. The Receiver has filed an Affidavit of Fees with respect to its fees and disbursements for the Final Period Billings.
49. The Receiver and the Receiver's Counsel's estimated fees and costs to complete this engagement are approximately \$160,000 ("**Forecast Fees and Costs**"), which include fees and costs incurred but not paid.
50. The Receiver is respectfully of the view that its fees and the Receiver's Counsel's fees are fair and reasonable in the circumstance and respectfully requests that this Court approve the Final Period Billings of the Receiver and the Receiver's Counsel and the Forecast Fees and Costs.

CONCLUSION AND RECOMMENDATIONS

51. The Receiver respectfully recommends this Honourable Court:
 - a) approve the Receiver's final statement of receipts and disbursements from September 1, 2019 to October 25, 2019;
 - b) approve the Receiver's Forecast R&D;

- c) approve the fees and costs of the Receiver and the Receiver's Counsel during these Receivership Proceedings and the estimated fees and costs to complete these Receivership Proceedings;

All of which is respectfully submitted this 25th day of October, 2019.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Receiver of the Debtors and not in
its personal or corporate capacity**

A handwritten signature in blue ink, appearing to read 'Orest Konowalchuk', with a stylized flourish at the end.

Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX “A”

Williams, David

From: Konowalchuk, Orest
Sent: Saturday, October 19, 2019 11:48 AM
To: Konowalchuk, Orest
Subject: FW: Hythe Roof

From: Wilson Bohorquez <wbohorquez@ladacor.com>
Sent: Friday, June 15, 2018 1:19 PM
To: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Larry Slywka <lslywka@ladacor.com>
Cc: Williams, David <david.williams@alvarezandmarsal.com>; Michael Keane <mkeane@ladacor.com>; Tim Mitchell <tmitchell@ladacor.com>
Subject: RE: Hythe Roof

Hi Larry,

Manitoulin will be picking up the pallets Monday morning between 7:00 AM and 10:00 AM. I am doing the BOL to have it ready for the trucking company.

Regards,

Wilson Bohorquez. P Eng,
Senior Project Manager



729 – 24 Avenue SE | Calgary, AB | T2G 1P5
Direct Line: 403-685-2419
Cellphone: 587-581-5971
Main Office: 587-352-5922
wbohorquez@ladacor.com
www.ladacor.com



From: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>
Sent: Friday, June 15, 2018 1:13 PM
To: Wilson Bohorquez <wbohorquez@ladacor.com>; Larry Slywka <lslywka@ladacor.com>
Cc: Williams, David <david.williams@alvarezandmarsal.com>; Michael Keane <mkeane@ladacor.com>; Tim Mitchell

<tmitchell@ladacor.com>

Subject: RE: Hythe Roof

Please proceed.

From: Wilson Bohorquez [<mailto:wbohorquez@ladacor.com>]

Sent: Friday, June 15, 2018 1:13 PM

To: Konowalchuk, Orest; Larry Slywka

Cc: Williams, David; Michael Keane; Tim Mitchell

Subject: RE: Hythe Roof

Hi Orest,

I just called Manitoulin transport and the price to take the pallets to Hythe will be \$1000. Please let me know how do you want to proceed. I would like to book the shipping for Monday, if possible.

Wilson

From: Wilson Bohorquez

Sent: Friday, June 15, 2018 12:45:12 PM

To: Konowalchuk, Orest; Larry Slywka

Cc: Williams, David; Michael Keane; Tim Mitchell

Subject: RE: Hythe Roof

Orest,

It will be the shipping cost and the labor to install the Suprema. Labor wise will be around \$7,000.00

Wilson

From: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>

Sent: Friday, June 15, 2018 12:42:39 PM

To: Larry Slywka; Wilson Bohorquez

Cc: Williams, David; Michael Keane; Tim Mitchell

Subject: RE: Hythe Roof

Thanks guys. What's the \$\$?

From: Larry Slywka [<mailto:lslywka@ladacor.com>]

Sent: Friday, June 15, 2018 12:36 PM

To: Konowalchuk, Orest; Wilson Bohorquez

Cc: Williams, David; Michael Keane; Tim Mitchell

Subject: RE: Hythe Roof

Importance: High

Orest, because of the potential delay in the decision making process with the owners group at Hythe, a recommended interim solution might be to use the 2 pallets of Suprema moisture sealing material we have here at the plant to seal the roof prior to the roofing contractor arriving on site. The 2 pallets of Suprema we have here at the plant was originally purchased for the Hythe project for sealing the walls but this was changed to a 3M sealing membrane product. Therefore, we could send the 2 pallets of Suprema to the Hythe site early next week and have it installed on

the roof which should provide a much better moisture protection system. Please provide your thoughts on this interim solution. Thanks.

Larry

Larry N. Slywka, MBA, P.Eng., PMP
Director – Manufacturing & Construction



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APPENDIX “B”

Williams, David

From: Larry Slywka <lslywka@ladacor.com>
Sent: Thursday, July 12, 2018 8:31 AM
To: Artem, Chad; Williams, David; Wilson Bohorquez
Cc: Michael Keane
Subject: FW: Hythe - water damage insurance
Attachments: Top of Roofadors Phase 1.jpg; Fence blow-1 June 14, 2018.jpg; Fence blow-2 June 14, 2018.jpg; Suprema installed.jpg; Roofador 1.jpg; Roofador 2.jpg; Roofador 3.jpg; Roofador 4.jpg; Corridor 1.jpeg; Millwork.jpg; Multipurpose room.jpg; Suite.jpeg; Water damage at joint in suite.jpg; New poly on common area roof July 5.jpeg

Importance: High

Chad, David and Wilson, please see my updated and adjusted timeline, explanation, and photos.

Time line as requested:

- May 18, Finished roof was ready to be installed; roofing contractor was scheduled to start work on May 21
- May 18, Ladacor went into Receivership
- May 21, Crew at the site to maintain security and provide temporary protection to the building; poly installed on roof to secure and protect the building
- May 28 to June 4, Hythe experienced heavy rain fall (over 40mm) with 76 kph winds; water started penetrating into building
- June 6, Additional Poly was sent to site and installed to protect the building roof since heavy winds have removed some of the protection. **Attached 1st photo of poly blown off roof**
- June 12, Suprema VB was sent to site to further protect the building roof
- June 11 to 15, Rain (31mm) and strong winds (85kph) blow over the perimeter fence at the site and blow off poly protection from roof. **Attached Fence pics 1 and 2**
- June 18 to 22, Crew installed Suprema VB to protect part of the roof; could not be totally completed because of additional rainfall started on June 22. **Attached photo of Suprema VB installed on roof**
- June 26, Very strong west winds (76kph) were experienced at Hythe and a Roof-a-door module (part of the roof) was flipped away from its original position. **See pics attached roof-a-door blown over**
- June 4 to 30, Over 94 mm of rain received at Hythe; water caused significant damage to the interior of the building. **Attached photos of damages inside building**
- Additional poly was installed on various sections of the roof to protect the building interior on June 27, 30, July 3 and 5. **See last photo of new poly installed on common area roof**
- July 1 to 7, Had another 35 mm of rain which caused additional damage to the interior of the building
- July 11, Arrangements being made to have finished roof installed by roofing contractor; should hopefully start on July 16

From: Artem, Chad <cartem@alvarezandmarsal.com>
Sent: Wednesday, July 11, 2018 3:03 PM
To: Larry Slywka <lslywka@ladacor.com>; Wilson Bohorquez <wbohorquez@ladacor.com>; Michael Keane <mkeane@ladacor.com>
Cc: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Williams, David

<david.williams@alvarezandmarsal.com>

Subject: RE: Hythe - water damage insurance

Thanks guys, as a result of our call, please send me relevant pictures (maybe 4 or 5 in total) that demonstrates 1) coverage of roof with the polywrap and 2) results of the high winds and water, and any others that may seem relevant based on our call.

With the timeline and pictures in hand the Receiver will send over to Craig Johns (our insurance broker) in order for him to discuss with the insurance provider.

Thanks,
Chad



APPENDIX “C”

Williams, David

From: Larry Slywka <lslywka@ladacor.com>
Sent: Monday, July 23, 2018 5:14 PM
To: Artem, Chad
Cc: Wilson Bohorquez; Buck Kramer; Michael Keane; Erin Richard; Williams, David; Konowalchuk, Orest
Subject: Hythe - RCMP Police Report for missing trailer and tools
Attachments: Hythe Police Report number.jpeg

Importance: High

Chad, Buck Kramer was at Hythe and Beaverlodge today and met with the RCMP detachment to complete the police report the missing tools and trailer. Buck provided all the details of missing items and completed his write-up of the events. Please find attached a copy of the RCMP Police Report number for your information. Please be informed that the RCMP will be contacting personnel associated with the incident including Tim Mitchell, Dan Huard, Larry, Wilson, Chad, etc. I wanted to ensure that everyone was aware of these pending communications.

Trust this is acceptable. Thank you.

Larry

Larry N. Slywka, MBA, P.Eng., PMP
Director – Manufacturing & Construction (Contractor)
Ladacor AMS Ltd.

729 – 24 Avenue SE | Calgary, AB | T2G 1P5
Cell: 403-829-5497
lslywka@ladacor.com
www.ladacor.com

RCMP·GRC



ROYAL CANADIAN MOUNTED POLICE • GENDARMERIE ROYALE DU CANADA

2018-1069546

Beaverlodge Detachment

Box 1140
Beaverlodge, AB T0H 0C0

C.P. 1140
Beaverlodge (Alberta) T0H 0C0

Tel/Tél: 780-354-2955
Fax/Téléc: 780-354-8207

24 Hr/24 h: 780-354-2485

Email/Courriel: rcmp.kbeaverlodge.grc@rcmp-grc.gc.ca



Royal Canadian Mounted Police
Gendarmerie royale du Canada

Canada

ROYAL CANADIAN MOUNTED POLICE
Beaverlodge RCMP

COMPLAINT

FULL NAME:

Russell Kramer / Ladador AMS / Alvarez + Marsal Canada

DATE OF BIRTH:

December 6 1970

MAILING ADDRESS:

5503 104 Ave NW

Edmonton AB T6A0K7

PHYSICAL ADDRESS:

10410 100 Street

Hythe AB

PHONE NUMBER(S):

Russell 780-289-5572 Ladador (Larry) 403-829-5497

Chad Artem mobile 403-689-2113 office 403-538-7518

A

RCMP USE BELOW THIS POINT – PLEASE CONTINUE TO NEXT PAGE

FILE # :

20156-1069546

INVESTIGATOR:

REVIEWED BY:

COVER PAGE NOT TO BE DISCLOSED

WITNESS STATEMENT

Exhibit Stamp Here

NAME: _____

DATE: _____

I give consent for the Royal Canadian Mounted Police to release a copy of this statement. This information may be made available to the person's subject of this investigation or their counsel/agent acting on their behalf in any civil, criminal or administrative proceedings.

Russell K. K...
Signature

[Signature]
Witness

7-23-2018
Date

A victim of an offence who has suffered physical or emotional loss has the right to prepare a Victim Impact Statement. If a charge is laid and the accused found guilty, the Victim Impact Statement will be considered by the judge at the time of sentencing.

If you wish to provide a Victim Impact Statement you may contact Victim Services, or alternatively we can have a member of the Victim Services Unit contact you.

Do you consent to having a Victim Service worker contact you? Yes ☐ No ☐

Signature

Witness

Date

Before you start please know that everything you describe is important, so please write in as much detail and as clearly as possible. You may request additional pages if more space is required.

QUESTION 1:

Where exactly did the event take place?

10410 100 street Hythe AB.

QUESTION 2:

When (date and time) did this event take place?

June 25 2018 1:00 pm

QUESTION 3:

Describe exactly what happened:

On Monday June 25 2018. I was sent to Hythe AB to check out the status of the job I was working on and on the tools left on site.

On May 18 2018 Ladaor AMS went into receivership. On May 30 2018 I returned to Hythe and retrieved my belongings from the house I was staying at in Hythe while I was working there. I also retrieved my tools that were left on site. Dan Haurd went to site with me when I picked up my tools. Dan had made a comment at that time for me to take other tools that did not belong to me. I told him I wasn't like that and things would be made right. When I was finished I handed all my keys over to Tim Mitchel, The Site Superintendent. On June 25 2018 I was talking to Larry Slynka on the phone - hand free. When I pulled onto site I noticed there was a trailer missing. I told Larry straight away. He asked me what else was missing. I told him I wasn't sure since I did not have any keys. A little while later Dan Haurd arrived at site with the keys. Once I had access to the keys I opened the tool crib and noticed many tools were missing. I mentioned to Dan the trailer was missing. He acted dumb founded then said Tai took it when he left. I said that was impossible since Tai had a Honda rental car and it was there on ~~the~~ June 30. I mentioned the tools missing out of the tool crib also. I said that stuff was there on the 30th of June also. I told Dan this doesn't look good. There were new locks on the tool cribs and the locks weren't cut for this stuff to be missing. On June 30, 2018 Tim went out and bought new locks for the tool cribs. Tim and Dan were the only two people to have keys. On May 19, 2018 Tim had everyone on site hand in their keys. Tai even handed in the keys to the job trailer.

QUESTION 4:

Who witnessed this event? Please provide their names, contact information and role in the event.

Dustin Reay Box 66 Hylthe AB - home 780-356-2539
- cell 780-380-0289

QUESTION 5:

Do you have any suspects and, if so, describe why you suspect their involvement.

QUESTION 6:

If applicable, are you aware of any available video surveillance of the event?

yes it was turned off

QUESTION 7:

Are there vehicles or property related to this event? (Y) N) If so, please complete the last page.

I verify that the information provided is true and accurate to the best of my knowledge:

Russell Kerner
Signature

7-23-2018
Date

RELATED PROPERTY AND/ OR VEHICLES

Vehicle 1: Stolen / Damaged / Property Stolen From Vehicle (Please Circle)

Owner's Name: _____

Make: _____ Model: _____

Colour: _____ License Plate: _____

Unique Markings / Features: _____

Vehicle 2: Stolen / Damaged / Property Stolen From Vehicle (Please Circle)

Owner's Name: _____

Make: _____ Model: _____

Colour : _____ License Plate: _____

Unique Markings / Features: _____

Property Item 1: Stolen / Damaged / Lost (Please Circle)

Owner's Name: _____

Description: _____ Serial Number: _____

Make/ Model: _____ Est. Value: _____

Property Item 2: Stolen / Damaged / Lost (Please Circle)

Owner's Name: _____

Description: _____ Serial Number: _____

Make/ Model: _____ Est. Value: _____

Property Item 3: Stolen / Damaged / Lost (Please Circle)

Owner's Name: _____

Description: _____ Serial Number: _____

Make/ Model: _____ Est. Value: _____

Signature

Date

After Dan and I went into our tool crib we went into the plumbers tool crib. I noticed more tools were missing from there. After a short time Dan left. At 2:15 pm I left and went to Dustin Reay's house and asked him about the trailer and when he seen it last. He said he seen it on June 22 2018. He said he walked right by it. I Later Called Larry Slyuka back and told him of my discoveries. With this going on there were text messages and emails going back and fourth between Larry Slyuka and Tim Mitchel. On Wednesday June 27 2018 I went to Home Hardware and purchased new locks for all the tool cribs plus the office trailer. On June 27, 2018 Tim Mitchel and Dan Haurd were let go. On June 28 2018 I was advised by Larry Slyuka to get Tim's Keys, iPad and memory stick for the job site. Tim left before I could get anything from him. He did not leave it behind when he left.

Tim Mitchel ph. 780-700-6869

Dan Haurd ph. 778-988-1400

Jai 403-390-8397

Once Ladacor AMS went into receivership Tim Mitchel was left to make sure all assets were secure and to look after ^{Ladacor's} ~~their~~ best intrest. Tim had called Dan Haurd and told him to come back to Hythe. Dan was in Quebec when the recievers took over. Dan did not return to Hythe until the later part of the week of May 25, 2018.

Tai's Trailer

Chop saw with Stand - Dewalt

Table Saw with Stand - Bosch

Tile Saw Rigid

24" laminate Floor Cutter

2- 20 Volt Milwaukee lights

1- 1000 watt microwave

2- ^{20V} Milwaukee impacts

2- 20V Milwaukee drills

1- 20V Milwaukee Skill Saw

1- 20V Milwaukee Jig Saw

1- 20V Milwaukee Drywall Router

1- 20V Milwaukee Drywall Drill

1- Corded Makita Drill

1- 20V Milwaukee Sawzall

2- Boxes PL400 Big tube

5- Boxes Fire Caulking

1- Big Tool Box

1- Belt Sander Makita

Flat cutter

1- Corded Dewalt Skill Saw

1- 48" level

1- 72" level

1- ~~24~~ 24" level

2- Harness and retractables

Dry wall Trolls 6"-8"-10"-12"

Drywall mud Boxes - and plate

1 - 36" Aluminum steps

2 - 24 Aluminum steps

1 miscellan: hand tools

Tool Crib

- 2 - sets of Dewalt 20 v power tools
- 1 - Makita backpack leaf blower
- 1 - Wagner heat gun
- 1 - 12" Double bevel Compound miter Saw
- 1 - Milwaukee M18 Fuel Circular Saw
- 1 - Dewalt angle grinder
- 1 - Dewalt metal cut off saw
- ~~to~~ Stack of 14" blades for saw
- 2 - Cold Chisels
- 1 - green wire snake
- 1 - rebar Cutter
- 2 - green oxygen bottles
- 1 - torch cart
- 1 - Napa 24 Volt Battery Charger

APPENDIX “D”

Williams, David


From: Christa SCHMIDT <christa.schmidt@rcmp-grc.gc.ca>
Sent: Wednesday, October 16, 2019 10:31 AM
To: Williams, David
Subject: Statement of KRAMER
Attachments: Adobe Acrobat Document in Database.pdf

[EXTERNAL EMAIL]

our file 20181069546

Attached is a copy of the statement provided by your employee Russell KRAMER. It is not our practice to release copies of our investigative file. If necessary, your insurance company can contact us with any questions and we more than happy to assist with that.

Regards,
Christa



Christa SCHMIDT, P/S
Detachment Services Assistant
Public Service Employee / Employée de la fonction publique
Beaverlodge RCMP Detachment / Détachement de la GRC Beaverlodge
780-354-2955
780-354-8207 (FAX)

APPENDIX “E”

Ladacor AMS Ltd., Nomads Pipeline Consulting Ltd., and 2367147 Ontario Inc. - In Receivership
Summary of Receiver's Fees and Disbursements ("2019 Billings")
September 1, 2019 to September 30, 2019

Appendix E

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
Ladacor/Nomads - 12	September 1, 2019 to September 30, 2019	46,865.00	22.95	46,887.95	2,344.40	49,232.35
LADACOR/NOMADS TOTAL		46,865.00	22.95	46,887.95	2,344.40	49,232.35

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
236 - 10	September 1, 2019 to September 30, 2019	2,600.00	-	2,600.00	130.00	2,730.00
236 TOTAL		2,600.00	0.00	2,600.00	130.00	2,730.00

TOTAL INVOICES SUBJECT TO COURT APPROVAL		\$ 49,465.00	\$ 22.95	\$ 49,487.95	\$ 2,474.40	\$ 51,962.35
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APPENDIX “F”

Ladacor AMS Ltd., Nomads Pipeline Consulting Ltd., and 2367147 Ontario Inc. - In Receivership**Appendix F**

Summary of the Receiver's counsel (Blakes) Fees and Disbursements ("2019 Billings")

August 1, 2019 to September 30, 2019

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
2142941	August 1, 2019 to September 30, 2019	96,731.50	2,251.05	98,982.55	4,941.64	103,924.19
TOTAL INVOICES SUBJECT TO COURT APPROVAL		\$ 96,731.50	\$ 2,251.05	\$ 98,982.55	\$ 4,941.64	\$ 103,924.19