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OF CALGARY

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COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFFS	STANLEY EISENBERG, BRENDA EISENBERG, JACK EISENBERG, LYNN EISENBERG and EISENBERG'S PROPERTIES LTD.
DEFENDANTS:	910234 ALBERTA LTD., RANDY CALMUSKY, THERESA CALMUSKY, KYLE CALMUSKY, CALE HUMENIUK and JORDAN RINTOUL
DOCUMENT	RECEIVER'S EIGHTH REPORT February 6, 2014
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Table of Contents

Background 4
Disclaimer and Limitations of Report 6
Receiver's Activities 7
Outstanding Matters 8
Estimated Future Recoveries 9
Proposed Distribution 10
Current Attachment Order 11
Recommended Course of Action 12

Exhibits

Exhibit 1 – Estimated Future Recoveries as at February 5th, 2014

Exhibit 2 – Receipts and disbursements as at February 5th, 2014.

Background

1. 910234 Alberta Ltd. ("**910**" or the "**Company**") is a corporation incorporated pursuant to the laws of the Province of Alberta. Randy Calmusky is the sole director of 910.

2. 910 was in the business of raising funds from investors for the purpose of investing in residential mortgages. Investors provided funds in the form of loans to 910, and those loans were to be documented through a series of mortgage sale and servicing agreements.

3. On December 6, 2012, Stanley Eisenberg, Brenda Eisenberg, Jack Eisenberg, Lynn Eisenberg and Eisenberg's Properties Ltd. (collectively the "**Eisenbergs**"), applied for, and were granted an Attachment Order by the Honourable Justice K. D. Yamauchi on December 6, 2012 (the "**Attachment Order**").

4. On December 10, 2012, the Eisenbergs applied for a Receivership Order against 910 and other parties. On December 12, 2013, a Receivership Order was granted by the Honourable Mr. Justice S. J. LoVecchio, appointing Grant Thornton Limited (the "**Receiver**") as Receiver of all of the assets of 910 (the "**Property**").

5. The Receiver filed an Initial Report to the Court on December 20, 2012. On December 21, 2012, an Order was granted by the Honourable Mr. Justice R. G. Stevens, extending the Attachment Order to January 14, 2013.

6. The Receiver filed its Second Report to the Court on January 9, 2013. On January 14, 2013, an Order (the "**Amended Receivership Order**") was granted by the Honourable Madam Justice K. M. Horner, expanding the Receiver's powers was granted. A copy of the Amended Receivership Order is attached as **Exhibit 1** to this Report. On the same day, the Honourable Madam Justice K. M. Horner granted an Order extending the Attachment Order to February 22, 2013.

7. The Receiver filed its Third Report to the Court on February 13, 2013. On February 19, 2013, an Order was granted by the Honourable Madam Justice K. M. Horner, allowing and

directing, *inter alia*, that all current and future interest payments with respect to the mortgage registered against the lands municipally described as 356 Spyglass Way, Calgary, Alberta, ("**356 Spy Glass Way**") be paid to the Receiver and the Attachment Order be extended until April 19, 2013.

8. The Receiver filed its Fourth Report on March 27, 2013. On April 5, 2013, the Honourable Madam Justice K. M. Horner, granted on Order allowing the Receiver, among other things, to accept payment from Trickle Creek Homes Ltd. ("**Trickle Creek**") in the amount of $1,207,890.41, together with any accrued interest (the "**Trickle Creek Proceeds**"), to be held in trust pending a determination of entitlement to the Trickle Creek Proceeds and to discharge the mortgage, registered as Instrument No. 121 164 817, granted by Trickle Creek to 940 against 356 Spyglass Way (the "**Trickle Creek Mortgage**"). The Order also extended the Attachment Order for an additional six months from April 5, 2013.

9. The Receiver filed its Fifth Report on May 7, 2013, dealing with a proposed assignment into bankruptcy of 910. 910 was subsequently assigned into bankruptcy effective May 15, 2013.

10. The Receiver's Sixth Report filed on August 28, 2013. Provided information and documentation required to release the Trickle Creek funds to the Receiver and declaring them to be property of the estate of 910, information relating to Theresa Calmusky, Gary Calmusky, Mary Calmusky and the Trickle Creek loan, information and documentation regarding the disposition of certain properties in Langdon, Alberta (the "**Langdon Properties**"); and information and documentation with respect to the extension of the Attachment Order.

11. The Receiver's Supplemental Sixth Report filed September 27, 2013, provided the Court with a summary of information regarding the transactions between 910, Randy Calmusky, Theresa Calmusky, Gary Calmusky and Mary Calmusky.

12. The Receiver's Seventh Report filed November 15, 2013 provided a summary of the sales process and information regarding the residential purchase contract for 27 Elveden Place SW, and information with respect to the extension of the Attachment Order.

13. The purpose of this eighth report is provide the Court with an update of the activities of the Receiver since the issuance of our seventh report together with recommendations to make an interim distribution and recommendations to the Court on outstanding matters.

Disclaimer and Limitations of Report

14. In preparing this Report, the Receiver has necessarily relied upon financial and other information and representations supplied by various parties. Although the information supplied has been reviewed for reasonableness, the Receiver has not independently verified the accuracy or completeness of the information nor has the Receiver conducted an audit and, as a result, the Receiver is not providing any form of assurance on the information subject to its review. The procedures the Receiver performed are limited in nature to those outlined in its report. As such, the Receiver's work may not necessarily disclose all the significant matters about 910 or any errors, misstatements, irregularities, or illegal acts, if such exist, on the part of 910 or its management, directors, and advisors or in the underlying information.

15. The findings contained herein are based primarily on review of various documents made available to the Receiver and discussions and communications with various parties. Due to the lack of summary financial records of 910, the Receiver has not had an opportunity to complete all of its potential work, as disclosed within the Report. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Report.

16. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this report. Any use which any party makes of this report, or any reliance on or decisions to be made based on it is the responsibility of such party.

Receiver's Activities

17. Since the 7th Report, the following activities have taken place:

(a) Appeal on Trickle Creek Mortgage Proceeds

On October 3rd, 2013, this Court granted an Order whereby:

i. the Mortgage proceeds from Trickle Creek Homes Ltd. were released to the Receiver;

ii. the Receiver was permitted to make an interim distribution of $1 million on a pro-rata basis to the accepted creditors/investors; and

iii. Theresa, Gary and Mary Calmusky were directed to repay interest payments with respect to the Trickle Creek mortgage.

This Order was appealed by Gary, Mary and Theresa Calmusky. The Court of Appeal for Alberta heard this matter on January 13, 2014 and handed down their decision on January 17, 2014. The appeal was dismissed.

(b) Consent judgment against Randy Calmusky

The Receiver had launched a claim against Randy Culmusky regarding funds taken from 910. In an effort to reduce on-going legal fees and taking into account the current financial position of Randy Calmusky, the Receiver settled the amount owed by Randy Calmusky to 910. On January 16, 2014, this Court granted a consent judgement against Randy Calmusky in the amount of $966,319.

(c) Sale of 27 Elveden Place

On November 21, 2013, this Court granted an Order approving the sale of the above mentioned property for $1.42 million. The net funds, after payment of the first mortgage and real estate commissions, totals $797,483, held in trust by the Receiver's legal counsel.

Outstanding Matters

18. There are two outstanding matters, not related to future recoveries, as follows:

(a) Outstanding appeal of Bankruptcy

Legal counsel for Theresa Calmusky appealed the decision of this Court regarding the ability of the Receiver to assign the company into bankruptcy. The appeal has yet to be heard.

(b) Claims of Theresa, Mary and Gary Calmusky

Theresa, Mary and Gary Calmusky have submitted claims to the Trustee regarding funds purportedly advanced to 910. Based on the documentation provided, there is no evidence that these funds were advanced to 910, with the exception of $40,000 advanced by Mary Calmusky in 2009, only to Randy Calmusky. In addition, it appears the funds allegedly advanced to Theresa, Mary and Gary Calmusky were actually paid by 910 to those individuals from the proceeds of the Lifestyle loan.

The Trustee will be disallowing their claims.

Receipts and Disbursements

19. Attached as **Exhibit 1** is a statement of receipts and disbursements for the period ending February 5, 2014.

20. The majority of the proceeds arose from the repayment of mortgages, including Trickle Creek. The proceeds from the sale of 27 Elveden Place are being held by our legal counsel and are included later in this report under Estimated future recoveries.

21. At the present time there are unpaid receiver and legal fees in the amount of approximately $30,000.

Estimated Future Recoveries

22. The Receiver has estimated the total recovery to range between $3.0 Million to $4.2 million as shown in Exhibit 2, prior to professional fees. This would equate to a range of recovery percentages between 45 – 64%.

23. As stated previously, the Receiver has a consent judgement against Randy Calmusky in the amount of $966,319 which the Receiver will attempt to collect. At the present time it is not known how much of that amount that will be collected.

24. The Receiver is proposing a sale of 57 Everglen Crescent, currently covered by the Attachment Order. The Receiver proposes that the net proceeds from the sale of the home, after payment of professional fees and mortgage be used cover the loss on the properties suffered by the investors of 910, as discussed in paragraphs 98-107 of the Third Report.

25. The Receiver is reviewing the situation on 41 Everglen to see if a settlement can be negotiated.

26. The Receiver will attempt to collect the interest paid out on the Trickle Creek Mortgage to Theresa, Mary and Gary Calmusky.

27. 910 has an outstanding claim regarding the Rembrandt Master Home Builders Ltd. and certain individuals as discussed in paragraph 49 of the Receiver's Sixth Report. The Receiver has reached a settlement with the individual Defendants which will generate proceeds of $42,000.

28. The Receiver filed a Statement of Claim against Vaughn Custom Builders & Design Inc. and its principals as discussed in paragraphs 88-90 of the Receiver's Third Report. The Company appears to have been dissolved and the individual Defendants have not yet filed a Statement of Defence.

Proposed Distribution

29. The Receiver believes that it has now identified all investors and confirmed amounts owing with both the investors and the books and records of the Company, with the exception of disputed amounts with Mary, Gary and Theresa Calmusky, discussed in this report.

30. Given the lack of an accounting system and a systematic approach to recording investments with mortgage servicing agreements and other supporting documentation, it does not appear possible to allocate investors to specific mortgages throughout the existence of 910, with the exception of the Unity Builders Group ("**UBG**") mortgages, discussed later in this report. Therefore the Receiver believes the most appropriate way of distributing funds is on a pro-rata basis.

31. The Receiver is in the process of transferring the ownership of the UBG units held by 910 to the sole investor in accordance with the order granted September 4, 2013.

32. At the present time, the Trustee has disallowed the claims by Theresa, Mary and Gary Calmusky with the exception of $40,000 invested by Mary Calmusky. The reasons for the disallowance were discussed earlier in this report.

33. Total claims submitted, not including the claims of Theresa, Mary and Gary Calmusky or the claim of the individual investor to be transferred to UBG, total $6,645,000.

34. The Receiver is proposing an interim distribution in the amount of $1 Million on the accepted claims. The funds remaining will be more than sufficient to pay dividends to Theresa, Mary and Gary Calmusky, if their claims are found to be valid.

Current Attachment Order

35. The Attachment Order, which was extended by Order of this Court to February 21, 2014 on November 21,2013, covers three properties:

(a) 41 Everglen Crescent;

(b) 57 Everglen Crescent; and

(c) 110 Hawk's Landing Drive.

(as defined in the Affidavit of Jack Eisenberg sworn December 4, 2012, and previous Receivers' Reports).

36. The first two properties relate to the "Trico Properties" referred to in previous Receiver's Reports. As mentioned above in paragraph 24 funds for the purchase of these two properties were advanced by 910 investors. As reported in Exhibit 27 of the Receiver's Third report, investors are owed an additional $204,971 from the sale of 41 Everglen Crescent and 57 Everglen Crescent.

37. The Receiver is requesting that 57 Everglen be listed for sale, and the net proceeds be held in trust until further order of the Court.

38. The Hawks Landing Property was in the joint names of Randy Calmusky and Theresa Calmusky until it was transferred solely to the name of Theresa Calmusky on May 4, 2011. As there are now established claims against Randy Calmusky and Theresa Calmusky, and evidence (as described in previous Receiver's Reports and Affidavits) that these individuals have previously transferred their property, the Receiver believes it to be appropriate for the Attachment Order to remain against this property or at least a lis pendens notice so that the Receiver is notified if the property is to be sold, allowing for a claim against the proceeds to be advanced.

Recommended Course of Action

39. The Receiver makes the following recommendations with respect to future actions:

(a) The Court approve the Sales process for 57 Everglen Crescent;

(b) The Court approve an interim distribution of $1 Million; and

(c) The Attachment Order should be extended for a further three months;

Dated at Calgary Alberta, the 6th day of February 2014.

GRANT THORNTON LIMITED

Per: ________________________________

Guy Odhams