

COURT FILE NUMBER: Q.B 1527 of 2017
COURT: COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE: SASKATOON
PLAINTIFF: ROYAL BANK OF CANADA
DEFENDANT: KC BOYS SERVICES LTD.
DOCUMENT: RECEIVER'S SECOND AND FINAL REPORT
OCTOBER 17, 2018

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT

RECEIVER
Hudson & Company Insolvency Trustees Inc.
Suite 200, 625 – 11th Avenue SW Calgary, AB T2R 0E1
Attention: Jeffrey Price
Facsimile: (403) 234-8770
E-mail: jprice@hudsoninc.ca

COUNSEL
McDougall Gauley LLP 1500 – 1881 Scarth Street
Regina, SK S4P 4K9
Attention: Ian Sutherland/ Jordan F. Richards
Telephone: 306-665-5417
Facsimile: (306) 652-1323
E-Mail: isutherland@mcdougallgauley.com

TABLE OF CONTENTS

Contents

Introduction.....	3
Notice to Reader.....	3
Background.....	4
Update on Receivers Activities	4
Receivers Borrowings	6
Professional Fees	6
Final Statement of Receipts and Disbursements	7
Receivers Discharge.....	7
Approval Sought.....	7

Appendices

Appendix 1	Contract with Century Services
Appendix 2	Century Services Statement of account
Appendix 3	Canada Revenue Agency's Proof of Claim
Appendix 4	Final Statement of Receipts and Disbursements

Introduction

1. Pursuant to a General Security Agreement granted by KC Boys Services Ltd. (“**KC**” or the “**Company**”) to Royal Bank of Canada (“**RBC**”) on August 25, 2014, Hudson & Company Insolvency Trustees Inc. (“**Hudson**”) was appointed as Interim Receiver of the property of KC on October 19, 2017.
2. Pursuant to the Interim Receivership Order, the appointment of the Interim Receiver was to remain in full force and effect until November 16, 2017 or until such time as designated by a further Order of this Court.
3. On November 15, 2017 the Court of Queen’s Bench for Saskatchewan (the “**Court**”) granted an Order (the “**Receivership Order**”) appointing Hudson the Receiver of KC (the “**Receiver**”).
4. This report constitutes the second and final report of the Receiver (the “**Second Report**”). This Second Report is filed in support of the Receiver’s application to this Honourable Court seeking the following:
 - a. approval of the Receiver’s reported actions to date in respect of administering these receivership proceedings;
 - b. approval of the accounts of the Receiver and its counsel;
 - c. approval of the disbursement of funds; and
 - d. the discharge of the Receiver.

Notice to Reader

5. In preparing this report, the Receiver has relied upon unaudited financial information, the Company’s records, financial information and projections and discussions with the Company’s former management and other professional advisors. While the Receiver reviewed various documents and believes that the information provided herein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“GAAP”) or International Financial Reporting Standards (“IFRS”). Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.

6. Some of the information used in preparing this report consists of financial projections. The Receiver cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The actual results may vary from the financial projections, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Receiver's review of the future oriented information used to prepare this Receiver's First Report did not constitute an audit of such information under GAAP or IFRS.
7. This report has been prepared for the use of the Court and the Company's stakeholders as general information relating to the Company and for assisting the Court in deciding of whether to approve the relief sought. Accordingly, the reader is cautioned that the Receiver's Second Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader because of the circulation, publication, reproduction or use of this report contrary to the provisions in this paragraph.

Background

8. KC is a Saskatchewan corporation which was incorporated on January 19, 1998. The sole shareholders and Directors of the Corporation are Kelvin Neufeld ("**Kelvin**") and Carmella Neufeld ("**Carmella**").
9. Prior to the date of the Receivership Order, the Receiver understands that KC was engaged in the business of providing flat deck transportation services and transporting oil in Saskatchewan, Alberta, British Columbia and Manitoba. As of the date of the Receivership Order, KC had ceased all operations.

Update on Receiver's Activities

10. The Receiver has issued one report, the First Report of the Receiver dated April 9, 2018 (the "**First Report**"), which outlines:
 - a. the processes undertaken by the Receiver to take possession and control of the assets of KC;
 - b. The actions taken by the Receiver to work with Canada Revenue Agency ("**CRA**") to complete the trust audit for unremitted source deductions notionally assessed against KC;
 - c. The transactions carried out by the Receiver to liquidate assets in accordance with the

Receivership Order; and

- d. The proposed sales process for the sale of the remaining Equipment by way of public auction through Century Services (“Century”).

11. On April 25, 2018, this Honourable Court made an order (the “**Sale Approval and Vesting Order**”):

- a. Approving the sales process described in the First Report in respect of the sale of the remaining Equipment by Century Services;
- b. Authorizing the Receiver to enter into an agreement with Century Services in respect of the sales process; and
- c. Providing for the vesting of the Equipment in the name of the purchaser free and clear of any and all security interests.

12. Since the First Report, the Receiver’s activities have primarily involved working with Century to conduct the sales process and finalizing matters with CRA.

13. Following the granting of the Sales Approval Order, the Receiver engaged the services of Century. The contract entered into with Century is attached and marked as Appendix “1”. The Receiver worked with Century to arrange for the transportation of the remaining Equipment to their yard located in High River, Alberta.

14. On May 1, 2018, Century conducted a public auction of the following equipment:

- a. 2009 Peterbilt 389 Tandem Tractor S/N 1XPXD49X59D779524
- b. 2012 Peterbilt 389 Tandem Tractor S/N 1XPXD49X4CD166673
- c. 2011 Peterbilt 388 Tandem Tractor S/N 1XPXD49X8BD114980
- d. 2000 Peterbilt 389 Tandem Tractor S/N 1XP5DR9X8YD539788
- e. 2005 Peterbilt 389 Tandem Tractor S/N 1XP5DB9X35D875285
- f. 2013 Peterbilt 389 Tandem Tractor S/N 1XPWD49X6DD174156
- g. 2013 Peterbilt 389 Tandem Tractor S/N 1XPWD49X7DD192407
- h. 2012 Peterbilt 379 Tandem Tractor S/N 1XPXD49X6CD143895
- i. 1997 Wasbash Super B Tank Trailer A S/N 2W919ZL1XVA040841
- j. 1997 Wasbash Super B Tank Trailer B S/N 2W919ZR13VA040842
- k. 1998 Advance Super-B Alum Tank Trailer A S/N 2AEARPAE9WR000239
- l. 1998 Advance Super-B Alum Tank Trailer B S/N 2AEABSAH3WR000237

15. All of the remaining Equipment was sold at the auction. Following the payment of expenses and commissions (as per the agreement between the Receiver and Century), total sale proceeds of \$123,296.00 were paid to the Receiver. The itemized statement of account from Century is attached and marked **Appendix “2”**.
16. The Receiver worked with legal counsel to ensure that the assets sold pursuant to the Sale Approval Order were sold free and clear of any encumbrances, and coordinated with secured creditors to discharge any personal property registrations registered against the assets sold by Century.
17. The Receiver has continued to work with CRA to complete the trust audit for the amounts owing in relation to unremitted source deductions. Since the date of the First Report, the Receiver has assisted CRA in completing the payroll examination, which was finalized on May 17, 2018.
18. CRA has completed their trust audit, and on June 21, 2018 CRA filed a Proof of Claim form showing amounts outstanding for unremitted source deductions totalling \$456,516.84. From the said total, CRA claims that \$386,007.01 is a deemed trust and does not form part of the estate. The Proof of Claim form is attached and marked **Appendix “3”**.
19. The Receiver has also prepared and mailed outstanding T4 slips for KC for the tax years of 2014, 2015, 2016, and 2017.
20. The Receiver has completed all aspects of the administration of the receivership and is not aware of any other purpose for which it is required. Accordingly, the Receiver believes it is appropriate to be discharged from its mandate.

Receivers Borrowings

21. The Receivership Order authorized the Receiver to borrow up to \$100,000.00 in funds for the purpose of funding the exercise of the powers and duties conferred upon the Receiver. The Receiver did not borrow any funds during the Receivership.

Professional Fees

22. Professional fees and disbursements charged by the Receiver and its legal counsel in relation to the administration of the receivership totals approximately \$80,000.00 (excluding GST and PST),

including the estimated remaining billings to completion of \$15,000.00. These amounts are summarized in the Receiver's Final Statement of Receipts and Disbursements ("SRD") which is attached as **Appendix "3"**.

23. In the opinion of the Receiver, the services rendered in respect of these fees and disbursements have been duly rendered in response to the required and necessary duties of the Receiver and are reasonable in the circumstances. Detailed time records supporting the invoices are available in the offices of the Receiver and their counsel, McDougall Gauley LLP.

Final Statement of Receipts and Disbursements

24. The actual receipts and disbursements of the Receiver up to and including Oct 1, 2018 are summarized in the SRD shown in Appendix 3 to this Second Report.
25. The estimated remaining unpaid disbursements (the "**Remaining Unpaid Disbursements**") included in the SRD are as follows:
- a. \$7,500 (excluding GST) for estimated additional remaining Receiver's fees to obtain discharge; and
 - b. \$7,500 (excluding GST) for estimated additional remaining legal fees for McDougall to complete the administration.
26. Following the payment of the Remaining Unpaid Disbursements, it is anticipated that there will be approximately \$135,000.00 which will be paid to CRA.

Receivers Discharge

27. The Receiver proposes the Court approve the Receiver's discharge, subject to the Receiver filing a certificate (the "**Discharge Certificate**") with this Court, substantially in the form attached to the draft Order for Final Distribution and Discharge, certifying that:
- a. All distributions set out in the Receiver's Report have been completed; and
 - b. All other material matters in the administration of the Debtor's Estate have been completed.

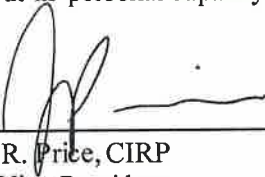
Approval Sought

28. As a result of the information outlined in this Second Report, the Receiver respectfully requests the following:
- a. approval of the reported actions and conduct of the Receiver to date in respect of administering these receivership proceedings;

- b. approval of the Receiver's Final SRD;
- c. approval of the accounts of the Receiver and McDougall Gauley LLP, inclusive of an accrual for the fees and disbursements in connection with the completion of these proceedings, including the costs of this application;
- d. discharging the Receiver once it has made the recommended final disbursements and any such further actions as are necessary to complete the Receiver's mandate;
- e. approving the recommended final disbursements;
- f. adjudging and declaring that the Receiver has:
 - i. has acted honestly and in good faith, and has dealt with the Property and carried out the Receiver's mandate in a commercially reasonable manner;
 - ii. has duly and properly discharged all of its duties, responsibilities, and obligations pursuant to the Receiver's mandate;
 - iii. shall not be liable for any act or omission in connection with its discharge of the Receiver's mandate, with the exception of any liability arising out of fraud, gross negligence, or willful misconduct;
 - iv. has never had and shall not in the future have any liability in regard to any act or omission of the Debtor; duly and properly completed its duties, responsibilities and obligations;
- g. adjudging and declaring that no action shall be commenced against the Receiver in relation to this receivership, except upon written notice to the Receiver, leave of this Honourable Court, and security for costs; and
- h. such further and other relief and directions as counsel may request and this Honourable Court may deem appropriate.

Hudson & Company Insolvency Trustees Inc.

In its capacity as, Receiver of KC Boys Services Ltd.
and not in its personal capacity



Jeffrey R. Price, CIRP
Senior-Vice President

APPENDIX 1



96057-2431 Drive E High River T1V 1M4 MAILING ADD Box 5220 High River, AB T1V 1M3
 PHONE (403) 269-8000 FAX (403) 652-3190

A047

CONTRACT TO AUCTION

G S T #R890671795

Dear Sirs

A The undersigned (the "owner") hereby instructs Century Auctions (the "Auctioneers") to sell the items hereinafter set out (the "Equipment") at an unreserved public auction to be held at High River, AB on or about May 11/18
 B The Owner and Auctioneers agree that the terms and conditions of this Contract to Auction shall be those set out hereafter and on the reverse hereof and by executing the Contract the Owner extends to the Auctioneers the representations and warranties herein set out and the Owner and Auctioneers agree to those terms and conditions.
 C The owner shall, deliver the Equipment in good running order, to the site of the auction as determined by the Auctioneers on or before
 D In addition to Title Searches, CARFAX Report, Fuel, Oil, Antifreeze and Steam Cleaning the owner hereby authorize the Auctioneers to incur the following expenses if deemed necessary by the Auctioneers:

_____ Class	_____ Sandblasting	_____ Service Calls
_____ Pans	_____ Painting	_____ Batteries
_____ Welding	_____ Storage	_____ Hauling

Provided, however that the liability of the owner pursuant to this paragraph shall not exceed the sum of (\$ _____) dollars

Year of Manufacture _____ Make/Model _____ Serial # _____ Previous Registration Province / State _____ %

Schedule "A"
 KC Boys Services Limited

Freight and storage to be paid by Century Auctions and deducted from sale proceeds

Encumbrance Holder _____	Amount _____
--------------------------	--------------

E Owner hereby agrees to pay Auctioneer an auction commission based on the gross sale price of the Equipment or any part thereof as follows
 (1) _____ 10% for any lot realizing more than \$2,500.00 and
 (2) _____ 10% for any lot realizing \$2,500.00 or less but with a minimum \$250 fee per sale

ADDITIONAL _____

TERMS: _____

I hereby authorize Century Auctions to disclose contract information and/or consignment information.

By joining in the execution hereof the undersigned covenantor hereby agrees with the Auctioneers that he/she is directly as well as jointly and severally responsible, along with the owner for the due and punctual performance by the owner of all the owners' covenants and agreements herein contained and along with the owners, hereby agrees to indemnify and save harmless the Auctioneers from any and all claims, costs, damages and expenses of whatsoever nature arising as a result of the owner's failure to carry out its covenants and agreements contained herein

GST will be remitted directly to the Government.

Consignor G.S.T. # _____
 THIS CONTRACT TO AUCTION SIGNED ON _____
 AT Apr 5 2018
 Name of agent for the Auctioneers John Williams

Name of Owner Hudson & Company
 Address of Owner 200, 825 11 Avenue SW
Calgary, AB T2R 0E1
 Driver's License No _____
 Signature of Owner X _____
 Signature of Covenantor _____
 Signature of agent for the Auctioneer X _____
 Telephone _____ Fax _____

The Auctioneers shall apply all amounts collected by it on account of the sale of the Equipment as to the balance, if any, mailed to the Owner by prepaid post, or on its behalf in accordance with its written instructions on or before the twenty first (21st) day following the date of the auction of the Equipment

CANADA Province of: ALBERTA IN THE MATTER OF the Contract to Auction set out above and on the reverse hereof and the items therein set out (the "Equipment")

I, Jeffrey R. Price of the City Calgary of Alberta

do solemnly declare that
 1) I am (the agent of) the owner of the Equipment set out hereof and forming part of this my Declaration and, as such, have knowledge of the matters hereinafter disclosed to.

2) The representations and warranties in respect of the Equipment are accurately and completely set out above and on the reverse hereof and particularly the Equipment is not subject to any mortgage, lien, charge or encumbrance of any nature whatsoever, registered or unregistered, except as set out above.

3) I make this solemn declaration for the purpose of inducing the Auctioneers to accept the engagement for the sale of the Equipment and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath by virtue of "THE CANADA EVIDENCE ACT"

4) Are any items consigned to be sold by auction considered to be Hazardous Waste, or have been used in the transport of a hazardous waste?

Yes _____ No _____

5) If yes, has the item been Decontaminated or Purged? Yes _____ No _____

My Appointment Expires _____

Declared before me at _____ in the Province of _____

This _____ day of April 2018

X [Signature]

[Signature]
 A Commissioner for Oaths in and for the Province of Alberta



1 The Owner and the Auctioneers agree

- (a) The Owner hereby authorizes the Auctioneers to carry out the searches in respect of the Equipment.
- (b) The Auctioneers may carry out the auction in accordance with its usual procedures and in particular, may group various parts of the Equipment into such lots as it sees fit, unless the Owner notifies the Auctioneers in writing prior to the auction that any parts of the Equipment are to be sold in any particular lot. If no notice is given, the Auctioneers shall not be liable for any loss or damages claimed in respect of the lot(s) of the Equipment.
- (c) The Auctioneer is hereby constituted as an agent only of the Owner and not a principal in the sale of the Equipment.
- (d) The Owner shall not either directly or indirectly through any agent or associate bid upon Equipment left with the Auctioneers to be sold by auction hereunder. If the Owner either directly or indirectly through any agent or associate bids upon the Equipment left with the Auctioneers to be sold by way of auction and is successful in buying back the Equipment at the auction (which this contract does not consent to but expressly forbids), then the Owner shall
- (i) pay the Auctioneers their commission for the sale of this Equipment at the rate mutually agreed to between the parties as set out in this contract;
- (ii) leave the Equipment at the Auctioneers' premises until the next scheduled sale by way of auction held by the Auctioneers;
- (iii) allow the Auctioneers to re-sell the Equipment at their next scheduled auction. The terms and conditions of this contract shall apply to the re-sale (except as set out in sub-clause (iv) herein) and shall be binding upon the parties hereto; and
- (iv) upon each re-sale at the next auction carried out by the Auctioneers, pay to the Auctioneers a commission on the re-sale of the Equipment equal to the Auctioneers' standard commission, which is Fourteen (14%) per cent of the gross sale price (plus G & T), for rolling stock and Twenty-five (25%) per cent of the gross sale price (plus G & T) for non rolling stock. If or greater certainty but not so as to limit the generality of the foregoing, the Auctioneers shall be entitled to Two (2) commissions, being firstly, a commission at the rate mutually agreed to between the parties as set out in this contract on the initial sale of the Equipment and secondly, a commission on the re-sale of the Equipment at the rate set out in the sub-clause 1 (b) (iv). The owner further acknowledges that the payments due from the owners to the auctioneers as set out in clause 1 (d) herein are a genuine pre-estimate of the damages that would be suffered by the Auctioneer if the Owner was to breach the rule against, directly or indirectly, through any agent or associate, bidding on and buying the Owner's equipment
- (e) The Owner shall deliver to the Auctioneers ten (10) days prior to the date of the auction all documents evidencing the Owner's title to the Equipment, all documents required to transfer title to the Equipment to any purchaser thereof, properly endorsed and where ownership of the Equipment of any part thereof is capable of being or required to be registered, all such properly endorsed documents as are necessary to permit any purchaser to register ownership of the Equipment. The Owner acknowledges that without such documents the sale price of the Equipment is expected to be less than that obtained for such Equipment accompanied by such documents. The Owner hereby nominates, constitutes and appoints the Auctioneer as his and his legal attorney for it and in its name and on its behalf to execute and deliver such documents as the Auctioneer may deem necessary to transfer ownership
- (f) The Owner shall
- (i) be responsible for any loss or damage to the Equipment until the earliest of
- (A) the removal of the Equipment from the auction site by the purchaser; or
- (B) receipt by the Owner of all proceeds from the sale of the equipment;
- (ii) insure the Equipment to its full insurable value against all risks so that in the event of damage to, or destruction of the Equipment or any part thereof, all insurance proceeds shall be credited to the gross proceeds of the auction and payment made to the Auctioneers forthwith for
- (A) a commission, based on the fair market value as determined by the Auctioneers of the damaged or destroyed Equipment immediately prior to such damage or destruction, and
- (B) repayment of all cash advances, if any, made by the Auctioneers to or on behalf of the Owner together with interest thereon; and
- (C) reimbursement of all out-of-pocket costs for refurbishing or repairs done by the Auctioneers prior to the damage or destruction
- (g) in connection with any registered or unregistered charges, liens, taxes, duties or interests claimed by any person of authority in respect of the Equipment, whether or not disclosed on the reverse hereof.
- (h) The Auctioneers may make payments to any such claimant in order to clear title to the Equipment; and
- (i) The Owner shall indemnify and save harmless the Auctioneers and any purchasers of any part of the Equipment against any and all lost costs or damages occasioned by such claims and defending such claims
- (j) The owner shall not withdraw the equipment, or any part thereof, from the auction sale, or fail to deliver the Equipment to the auction sale pursuant to the Contract to Auction bid, if the Owner is in breach of this provision, in addition to any other damages which may be assessed, the owner shall pay to the Auctioneers all commissions to which the Auctioneers would otherwise have been entitled to pursuant to paragraph 2 hereof and the commission payable in respect thereof shall be based upon the fair market value of the withdrawn or "undelivered" equipment as determined by the Auctioneers. The Owner acknowledges that any payments made pursuant to this section are genuine pre-estimates of the damages the Auctioneers would suffer should the Owner not deliver or withdraw the equipment.
- (k) The Owner authorizes the Auctioneers to utilize any part of the Equipment in setting up the Auction.
- (l) The Owner shall indemnify and save harmless the Auctioneers against all suits, actions, costs or charges whatsoever arising from any false representations contained herein or from any breach of any of the Owner's obligations hereunder, including, but not limited to any inaccuracy in the description of the Equipment
- (m) The Auctioneers may, if they deem it necessary, resell any part of the Equipment not sold or not paid for at the auction and the Owner hereby acknowledges that no monies shall be payable by the Auctioneers in respect of any part of the Equipment until such part of the Equipment has been paid for in full by the purchaser thereof.
- (n) The auction will be without reserve, the Equipment will be sold to the highest bidder and there will be no guarantee whatsoever by the Auctioneers as to the gross proceeds to be realized from the sale of the Equipment.
- Any estimates of value by the Auctioneers are solely based on prior experience and are not to be construed as a promise or guarantee of realizable value at any given occasion
- (o) The Owner will comply with all laws relating to the sale of the Equipment,

2 The Auctioneers shall apply all amounts collected by it on account of the sale of the Equipment

(a) in payment to the Auctioneers of its commission at the amount of

(i) an auction commission of the gross sale price of the Equipment subject to the provisions of subparagraph 2 (a) (i) hereof pursuant to paragraph F on the reverse hereof

(ii) reimbursement to the Auctioneers of all expenses incurred by the Auctioneers in carrying out the provisions of paragraph D on the reverse hereof,

(iii) in reimbursement of the Auctioneers of any amount in respect of the Equipment paid or incurred by the Auctioneers pursuant to the provisions of subparagraph 1 (d) (i) or 1 (g) (i) hereof.

3 The Owner hereby irrevocably assigns to the Auctioneers all amounts due pursuant to paragraphs 2 (a) and 2 (c) hereof.

4 The Owner shall pay to the Auctioneers any deficiency arising in the event that the gross proceeds collected by it from the sale of the Equipment is insufficient to allow payment or reimbursement to the Auctioneers of amounts due to it pursuant to paragraphs 2 (a) 2 (b) and 2 (c) hereof.

5 This contract constitutes the entire agreement and takes the place of all prior contracts or understandings between the parties hereto and endures to the benefit of and is a binding obligation on their heirs, executors, administrators, successors and assigns.

6 If the Auctioneers have to take legal action to enforce the terms of this agreement against the Owner, his agent or their agent then all such legal costs and disbursements on a solicitor's bill to the Auctioneers by the Owner shall, on demand and without delay, be paid by the Auctioneers, shall be paid to the Auctioneers by the Owner upon receipt.

The parties hereto acknowledge and confirm their express wish that this agreement and documents related hereto be drawn up in English. Les parties sus-mentionnées reconnaissent et confirment leur volonté expresse que la présente convention et les autres documents qui y sont attachés soient rédigés en anglais.

APPENDIX 2

Consignor Settlement

Century Auctions a Div. of Century Services Corp.
96057 2431 Dr E
High River, AB T1V1M3
Phone: 403-269-6600 Fax: 403-652-3190

CO #:	1852
Date:	5/15/2018
Page:	1

Consignor: A047

Hudson & Company
 Insolvency Trustees Inc
 Calgary, AB T2R 0E1
 Phone:(403) 265-4357

Description	Unit Price	Ext.Price	Comm/BuyBack	Expenses
2012 Peterbilt 389 T/A Truck Tractor c/w Cummins ISX 550 HP, 18 Spd, 60" Bunk, Fridge & Microwave, Air Ride Susp., Ratio 4.11, 244" WB, Aluminum Rims, 11R22.5 Tires. Showing 758,396 Kms. S/N 1XPXD49X6CD143895	28,500.00	28,500.00	-2,850.00	0.00
2005 Peterbilt 379 T/A Truck Tractor c/w Cat C15 Acert, Eaton Fuller 18 Spd, Bunk, Air Ride Susp., 11R24.5 Tires. Requires Repair. Out of Province. S/N 1XP5DB9X35D875285	31,000.00	31,000.00	-3,100.00	0.00
2013 Peterbilt 388 T/A Tractor c/w Cummins ISX 550 HP, Eaton Fuller 18 Spd, Bunk, Air Ride Susp., 11R24.5 Tires. Requires Repair, Not Running. Out of Province. S/N 1XPWD49X6DD174156	18,000.00	18,000.00	-1,800.00	0.00
2013 Peterbilt 388 T/A Truck Tractor c/w Cummins ISX 550 HP, Auto, Bunk, Air Ride Susp., 11R24. Tires. Requires Repair, Not Running. Out of Province. S/N 1XPWD49X7DD192407	20,000.00	20,000.00	-2,000.00	0.00
2012 Peterbilt 389 T/A Truck Tractor c/w Cummins ISX 525 HP, 18 Spd, 60" Bunk, Espar Engine Heater, PTO Drive 4" Fluid Pump System. Requires Repair, Not Running. Showing 534,896 Kms, 16,473 Hours. S/N 1XPXD49X4CD166673	24,500.00	24,500.00	-2,450.00	0.00
2011 Peterbilt 389 T/A Truck Tractor c/w Cummins ISX 550 HP, Eaton Fuller 18 Spd, Bunk, Air Ride Susp. Requires Repair, Not Running. Out of Province. S/N 1XPXD49X8BD114980	19,000.00	19,000.00	-1,900.00	0.00
2009 Peterbilt 389 T/A Truck Tractor c/w ISX Engine, 18 Spd, A/C, Air Ride, 11R24.5 Tires. Requires Repair, Not Running. Showing 29,904 Hours & 1,136,019 Kms.	18,000.00	18,000.00	-1,800.00	0.00

Consignor Settlement

Century Auctions a Div. of Century Services Corp.
96057 2431 Dr E
High River, AB T1V1M3
Phone: 403-269-6600 Fax: 403-652-3190

CO #:	1852
Date:	5/15/2018
Page:	2

S/N 1XPXD49X59D779524

2000 Peterbilt 379 T/A Truck Tractor c/w Detroit Series 60, Eaton Fuller 18 Spd, Bunk Air Ride Susp., 11R22.5 Front, 11R24.5 Rear Tires. Requires Repair, Not Running. Out of Province. S/N 1XP5DR9X8YD539788	15,000.00	15,000.00	-1,500.00	0.00
1998 Advance Super B Tank Trailers c/w 11R24.5 Tires. Current Safety, B.C. Registered. Pup 2AEABSAH3WR000237 S/N Lead 2AEARPAE9WR000239	8,500.00	8,500.00	-850.00	0.00
1997 Wabash Super B Tank Trailers c/w 11R24.5 Tires. Requires Repair. Pup 2W919ZR13VA040842 S/N Lead 2W919ZLIXVA040841	2,000.00	2,000.00	-200.00	0.00

CO Expense - Invoice # 1220 - Appraisal (	6,825.00)
CO Expense - Invoice # 1208 - Desktop (	525.00)
CO Expense - Lien Searches (	484.00)
CO Expense - Detail Peterbilts (	720.00)
CO Expense - Transport Peterbilt from Lloydminster (	2,700.00)
CO Expense - KD Towing Storage Paid (	18,270.00)
CO Expense - Transport from Kindersley (	12,750.00)
CO Expense - Install (2) Tires (	480.00)

Total Quantity:	10.00
Total Invoice Sale Price:	184,500.00
Total Expenses: (	42,754.00)
Total Commission: (	18,450.00)
Total Due to Consignor:	123,296.00
Total Payments:	0.00
Balance:	<u>\$123,296.00</u>

Positive Balance, Monies Owed to Consignor
 No inventory remains for this consignment order

COMMISSION SETTINGS

Calculate Commission By: Each
 Commission Structure Type: Fixed

Any Amount 10%

Notice: GST collected on the sale of goods MUST be remitted by the auction company.



ClubBid
 2nd Floor, 734- 42 Avenue S.E.
 Calgary, AB T2G 5N9
 800-786-0857 FAX
 clubbid.com

May 25 2018

Seller Number: A047
 Hudson & Company
 Jeffrey R. Price
 200, 625 11 Avenue S.W. Calgary, AB T2R
 0E1
 Phone 587-333-4285

RE: KC Boys

Statement Date: 05/15/2018
 Email: jprice@hudsoninc.ca

Statement For: High River - May 1 - Misc. Ring - Timed Online Only

Lot	Buyer	Description	Quantity	Price	Commission	Net Due
1629	2519	Lot of Assorted Cargo Straps, Metal Braces, Etc.	1	10.50	1.05	9.45
1630	881	Qty of (3) Heavy Duty Tarps	1	24.00	2.40	21.60
1631	2536	Lot of Grill Cover, Chain, Shovel, Etc.	1	38.00	3.80	34.20
1632	372	Qty of (2) Large Equipment Radiators	1	101.00	10.10	90.90
1633	2436	Qty of Assorted Boomers	1	155.00	15.50	139.50
1634	2571	Qty of Assorted Chains	1	101.00	10.10	90.90

Summary of Sales Activity at High River - May 1 - Misc. Ring - Timed Online Only

Commissions are Calculated on a Percent of the Sale Price of EACH LOT.

Commission Summary:

Commission Description	Commission Rate	Amount Sold	Comm. Amount
	10.00%	429.50	42.95

Statement Totals

6 Lots Sold.	
Total Sales	\$429.50
Less: Fees	\$0.00
Less: Commissions	\$42.95
Total Amount Due	\$386.55

APPENDIX 3



Canada Revenue Agency
Agence du revenu du Canada

Tax Centre
Edmonton AB T5J 4C8

June 21, 2018

HUDSON & COMPANY INC
200-325 11TH AVENUE SW
CALGARY AB T2R 0E1

Dear Sir or Madam:

Re: KC BOYS SERVICES LTD.
Account number: 86716 1366 RP0001

We have been advised that you have been appointed as receiver for the above-named. At present, there is indebtedness to Canada Revenue Agency (CRA) for source deductions amounting to \$456,516.84.

Particulars of this liability are as follows:

Date of assessment (DD/MM/YYYY)	19/07/2017
Tax deductions:	\$229,759.46
CPP:	\$ 0.00
UI:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 45,727.81
Total:	\$275,487.27

Date of assessment (DD/MM/YYYY)	21/10/2017
Tax deductions:	\$15,190.81
CPP:	\$ 0.00
UI:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 1,519.08
Total:	\$16,709.89

Date of assessment (DD/MM/YYYY)	06/06/2018
Tax deductions:	\$32,061.28
CPP:	\$ 0.00
UI:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 20,474.74
Total:	\$52,536.02

.../2

Canada

National Insolvency Office
10 - 9700 Jasper Ave NW
Edmonton AB T5J 4C8

Local : 587-489-2690
Toll Free : 1-855-496-3571
Fax : 866-219-0311
Web site : canada.ca/taxes

- 2 -

Date of assessment (DD/MM/YYYY)	18/06/2018
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
UI:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$1,888.65
Total:	\$1,888.65

Date of assessment (DD/MM/YYYY)	20/06/2018
Tax deductions:	\$8,995.46
CPP:	\$ 0.00
UI:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 899.55
Total:	\$9,895.01

Grand total: \$456,516.84

Pursuant to the provisions of subsection 227(4) of the Income Tax Act (ITA), subsection 23(3) of the Canada Pension Plan (CPP), subsection 57(2) of the Unemployment Insurance Act (UIA), subsection 86(2) of the Employment Insurance Act (EIA), the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of KC BOYS SERVICES LTD. in receivership.

Federal income tax:	\$210,806.54
Provincial income tax:	\$ 18,952.92
CPP employee portion:	\$ 0.00
UI employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$229,759.46

Federal income tax:	\$15,190.81
Provincial income tax:	\$ 0.00
CPP employee portion:	\$ 0.00
UI employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$15,190.81

Federal income tax:	\$75,335.40
Provincial income tax:	\$55,725.88
CPP employee portion:	\$ 0.00
UI employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$132,061.28

Federal income tax:	\$0.00
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.../3

- 3 -

Provincial income tax:	\$0.00
CPP employee portion:	\$0.00
UI employee portion:	\$0.00
EI employee portion:	\$0.00
Total:	\$0.00
Federal income tax:	\$5,199.65
Provincial income tax:	\$3,795.81
CPP employee portion:	\$ 0.00
UI employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$8,995.46
Grand total:	\$386,007.01

Payment for the total amount of this trust, namely \$386,007.01 should be made to the Receiver General out of the realization of any property that is subject to these statutory trusts in priority to all other creditors. Please forward payment by return mail. In the event this is not possible, please indicate when payment will be forthcoming.

Please advise when payment of the remaining balance of \$70,509.83 will be forthcoming. Your attention is drawn to section 159 of the ITA, subsection 23(5) of the CPP, subsection 57(4.1) of the UIA and subsection 86(4) of the EIA.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the ITA for periods prior or subsequent to your appointment, tax deductions must be withheld and remitted in accordance with this subsection and Income Tax Regulations 101 and 108. Your attention is also directed to section 3 of the Unemployment Insurance (Collection of Premiums) Regulations, section 5 of the EIA and section 8 of the Canada Pension Plan Regulations.

If you require further information, please contact the undersigned at 587 489 2690.

Yours truly,

T. Poskocil- 1225
Resource/Complex Case Officer

APPENDIX 4

**IN THE MATTER OF THE RECEIVERSHIP OF
 KC Boys Services Ltd.
 Hudson & Company Insolvency Trustees Inc., Receiver
 Statement of Receipts and Disbursements
 For the period of September 27, 2017 to October 1, 2018**

Receipts	Totals
Sale of Equipment by Auction	\$ 123,682.55
Sale of Equipment Privately	108,500.00
Interest	472.11
Total Receipts	<u>\$ 232,654.66</u>
Disbursements	
Receiver Fees	45,000.00
Legal Fees	35,000.00
Storage	5,600.00
Insurance	3,129.77
Wages	1,800.00
Travel	1,059.18
Accounting Services	950.00
GST on admin disbursement	536.39
Ascend License fee	275.00
Filing Fees Paid to Official Receiver	70.00
Search Fees	23.00
	<u>\$ 93,443.34</u>
GST Paid on Disbursements	
GST/PST on Legal Fees	3,300.00
GST on Receiver's Fees	280.00
	<u>\$ 3,580.00</u>
Total Disbursements	<u>\$ 97,023.34</u>
Excess of Receipts over Disbursements/ Remaining Funds on Hand	<u><u>\$ 135,631.32</u></u>

Unpaid Receiver's Fees

	Billed time	GST	Total		
September	28,874.50	1,443.73	30,318.23	Paid July 5	
October	8,196.00	409.80	8,605.80	Paid July 6	
November	4,432.75	221.64	4,654.39	Paid July 6	15,656.25
December	3,027.50	151.38	3,178.88	Paid July 6	782.82 GST
January	5,291.75	264.59	5,556.34	Paid Dec 15	
	20,948.00	1,047.41	21,995.41	Paid July 6	16,439.07
February	3,180.00	159.00	3,339.00		
March	524.00	26.20	550.20		
April	95.50	4.78	100.28		
	<u>3,799.50</u>	<u>189.98</u>	<u>3,989.48</u>		

GST

	Owing	Refund
August	774.87	
September	395.85	
October		2,455.90
November		326.59
December		654.80
January		-
February		-
March		-
April		-
May		-
	1,170.72	3,437.29