

File No. CI19-01-24891

**THE QUEEN'S BENCH
Winnipeg Centre**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT
 TO SECTION 55 OF THE COURT OF QUEEN'S
 BENCH ACT C.C.S.M. c. C280

BETWEEN:

FORTUNELLA SEVILLA

Applicant,

- and -

**7483547 MANITOBA LTD. carrying on
business under the firm name and style
of FINE HAUS BUILDING CO. and the
said FINE HAUS BUILDING CO., and
JASON L.F. CIANFLONE**

Respondents.

FIRST REPORT OF THE INTERIM RECEIVER

Dated: February 5, 2020

PKF LAWYERS

9th Floor - 444 St Mary Avenue
Winnipeg, MB R3C 3T1

**THOMAS G. FROHLINGER /
RENATO Y. MAMUCUD**

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(File No. 14217-009)

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REPORT OF THE INTERIM RECEIVER

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INTRODUCTION

1. On December 16, 2019 this Honourable Court granted an Interim Order dated December 17, 2019, appointing Lazer Grant Inc. as Interim Receiver ("**Interim Order**") of all the assets, property and undertaking of 7483547 Manitoba Ltd. carrying on business under the firm name and style of Fine Haus Building Co. ("**Fine Haus**"), pursuant to Section 55 of *The Court Of Queen's Bench Act C.C.S.M. c. C280*.
2. The purpose of this Report is to advise and update this Honourable Court with respect to:
 - a) the background of Fine Haus;
 - b) the activities of the Interim Receiver since the date of the Interim Order;
 - c) the Interim Receiver's efforts to sell certain assets of Fine Haus;
 - d) the Interim Receiver's Interim Statement of Receipts and Disbursements;
 - e) the Interim Receiver's request for guidance and direction of the Court; and
 - f) the Interim Receiver's recommendations and request for advice and direction.

DISCLAIMER

3. In preparing this Report, the Interim Receiver has relied upon unaudited financial information, books and records of Fine Haus, financial information prepared by Fine Haus or obtained from its bankers, discussions with former management and former employees of Fine Haus and third parties, and the assistance of consultants engaged by the Interim Receiver.
4. The Interim Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional

Accountants (Canada) Handbook. Accordingly, the Interim Receiver expresses no opinion or other form of assurance on the information contained in this Report.

5. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
6. Capitalized terms not defined herein are as defined in the Interim Order.

BACKGROUND

7. 7483547 Manitoba Ltd. is the principal operating company under the firm name and style of Fine Haus Building Co. and began operations in January 2017. Fine Haus primarily dealt in the construction of single dwelling family dwellings which were then sold to the public on a custom or pre-built basis ("**Units**").
8. Mr. Jason L.F. Cianflone and Mr. Fortunella Sevilla are the only two directors of Fine Haus.
9. 7483547 Manitoba Ltd. also operated under the name and style of My Manitoba Family Homes ("**My Manitoba**").
10. Fine Haus and My Manitoba had a number of construction projects in various stages of completion with a large number of builders' liens registered on titles. A master list of the construction projects as at December 16, 2019, from the company's records is attached hereto and marked **Exhibit "A"**.

ACTIVITIES OF THE INTERIM RECEIVER SINCE DECEMBER 16, 2019

11. Creditor/stakeholder communications

- a) Following the issuance of the Interim Order, in light of the public interest in the matter of Fine Haus, the Interim Receiver received calls from CTV and CBC News which reported the appointment of the Interim Receiver.
- b) The Interim Order was posted on Lazer Grant Inc.'s website at <https://www.lazergrant.ca/insolvency/current-proceedings/>.

Protection of construction projects

12. The Interim Receiver engaged the services of Three Way Builders (“**Three Way**”) of Steinbach, Manitoba, to investigate the status of Fine Haus’ construction projects that were being built and/or completed and to perform remedial work to protect them. Properties were also analyzed to determine the costs to complete unfinished Units. Deadbolt locks were changed, and, in some instances, door entrances were boarded up to prevent unwanted access. Additional details of the work undertaken by Three Way is reflected further on in this Report.

Employee matters

13. The Interim Receiver has worked with the Fine Haus’ former director to ensure that employees receive their T4’s for 2019. Certain former employees were consulted to assist the Interim Receiver with its assessment of the various projects undertaken by Fine Haus.

Insurance

14. Prior to the Interim Order, Fine Haus maintained liability, equipment and premises insurance through Red River Insurance. The insurance policy was set to lapse on

December 21, 2019. Red River Insurance refused to provide the Interim Receiver with continued coverage. After numerous calls, emails and having been put in a very difficult position to obtain coverage, the Interim Receiver acquired coverage using the insurance provided to Three Way to protect the various properties under the Interim Receiver's care and control.

Books and Records

15. The Interim Receiver was able to recover five banker boxes of records. While not entirely complete, they helped to identify the creditors, the various projects under construction, and the status of the various stakeholders affected by the business failure.
16. In addition, the Interim Receiver's counsel received the construction and miscellaneous file from Fine Haus' former counsel that further provided insight into the stages of construction, legal status of the sale contracts, ongoing litigation matters relating to the construction and sale of Units, purchaser's funds disbursed to Fine Haus and Builders' Liens holdbacks and the Builders' Liens themselves.

Protection and preservation of assets

17. Three Way preserved and protected the following properties for the Interim Receiver:
 - 26, 30, 32 and 34 Briarfield Place in Niverville, Manitoba; and
 - 217 Sauveur Place, Lorette, Manitoba.

The following protective measures were taken:

- a) notices and signage were posted on these properties advising of the Interim Receivership;

- b) new deadbolts were installed with separate keys for each unit;
- c) new lock box codes were installed in situations where lock boxes are being used;
- d) security blocking was placed on garage doors;
- e) all basement window sliders and patio doors were secured with wood stretchers/blocks;
- f) temporary heaters were installed at 26, 32 and 34 Briarfield Place;
- g) with 30 Briarfield at the framing stage only, the Unit was secured without heat;
- h) photos of all properties were taken; and
- i) insurance was placed on all five properties.

REALIZATION OF ASSETS

2008 Dodge Grand Caravan

18. The Interim Receiver was advised of a motor vehicle that was left uninsured. The unit was retrieved and is currently held in a storage compound pending a decision of the Court as to its disposal. Its value has been appraised at \$2,500.

217 Sauveur Place, Lorette, Manitoba (“the Show Home”)

19. Prior to the Interim Order, Fine Haus received an offer of \$342,900 for the Show Home. The buyers chose not to complete the purchase after learning about Fine Haus' financial difficulties and the anticipated delays in obtaining possession.
20. Fine Haus' realtor presented the Interim Receiver with another offer on December 19, 2019, for \$300,000. In light of the prior offer and detail on hand with respect to the value of the Show Home, the Interim Receiver countered the offer on December

- 30, 2019, at \$340,000. The prospective buyer rejected the counteroffer and did not return with any increase to his offer.
21. The Interim Receiver contacted Fine Haus' former sales staff, Mr. Scott Kurz and Mr. Joe Fiorillo. They supplied names of prospective buyers who might want to purchase the Show Home. Emails were sent and calls were made to those prospective buyers. Many had already purchased or committed to purchasing new homes and were not interested in purchasing the Show Home. Others failed to respond.
 22. The Show Home was listed for sale with David Unruh of Century 21 Bachman & Associates on January 27, 2020, at an asking price of \$342,500. The Show Home can be viewed at <https://my.matterport.com/show/?m=oHrzemvapxf>
 23. The Show Home is fully furnished with appliances and furniture.
 24. The Show Home was not registered by Fine Haus under any New Home Warranty Program. The Interim Receiver attempted to do so but the Insurer refused to provide coverage as the Interim Receiver is not a home builder and Fine Haus is no longer in business. The listing has therefore been made on an "as-is, where is basis" without New Home warranty coverage.
 25. The garage at 217 Sauveur was being used by Fine Haus to store additional building materials for future construction projects. The Show-Home listing includes these materials, as the value realized from a possible sale of them would not cover the costs to sort and market them for sale.
 26. On January 31, 2020, David Unruh presented the Interim Receiver with an offer at \$342,500 (the asking price). The offer is subject to financing and a home inspection. The conditions of sale are to be satisfied by February 7, 2020 with a possession date of 8 a.m. on February 21, 2020. The Interim Receiver accepted the offer.

26 Briarfield Court, Niverville, Manitoba

27. The prospective buyer of this Unit advised the Interim Receiver through its legal counsel that it was purchasing another home and was terminating the agreement with Fine Haus. The purchase price was \$305,000. A deposit of \$14,950 was paid to Fine Haus prior to the Interim Order.
28. The Interim Receiver is advised by Three Way that 26 Briarfield is incomplete. Three Way has estimated the cost to complete at \$171,441 inclusive of PST and GST. Based on a concluded sale at or near \$300,000, the Interim Receiver estimates a net equity after payment of the costs to complete and costs to settle the liens. The Interim Receiver will seek to compromise the lien claimant's claims to ensure that the Unit can be completed with at least a minimal profit for the estate.
29. The Interim Receiver has considered listing the Unit for sale with Century 21 Bachman & Associates on an as-is, where-is basis (i.e. an unfinished home) thinking that there may be a market for home builders to purchase the Unit in its current state which may generate the same equity for the estate without the Interim Receiver needing to complete construction of the Unit.
30. Subsequently, the Interim Receiver has been advised by Mr. Chris Unruh, a representative of Century 21 Bachman & Associates that in his considered view, 26 Briarfield Court should be completed to a typical new build level, as it is expected that, subject to normal marketing and exposure, a \$300,000 sale could be realized. Based on this advice the Interim Receiver is considering its best economic options for this Unit.

Home Warranty Program - Aviva

31. Fine Haus was registered with the Aviva Home Warranty Program for most of the new homes it constructed. Fifteen claims have been opened by Aviva for a total of \$118,000 in home deficiencies to date.

Steinbach Credit Union (“SCU”) - funds on deposit and real property mortgages

32. The Interim Receiver closed a bank account and received \$43,150.52 from SCU on January 8, 2020. SCU holds two first charge, real property mortgages as follows: 217 Sauveur Place; and 34 Briarfield Court in the amounts of \$237,250.00 and \$148,425.75, respectively.
33. An additional bank account with \$20,500.00 is being held by SCU in an interest reserve account to cover mortgage payments owing on the above noted mortgages.

34 Briarfield Court, Niverville, Manitoba

34. The Interim Receiver has learned this Unit was sold for \$290,000 with a deposit of \$14,500 being paid by the purchaser to Fine Haus. SCU has a registered mortgage of \$148,425.75 on title.
35. Construction on this Unit is not complete. Three Way has estimated the cost to complete the Unit at \$107,020 inclusive of PST and GST. However, there is currently \$91,441 of builders' liens registered on title.
36. The Interim Receiver believes the Unit may be completed and equity generated for the estate, but only if the liens can be reduced through negotiation. A meeting will be held with all affected parties in an attempt to settle all matters. Those who cannot attend will be invited to attend by conference call. In the event a settlement cannot be reached, title to the Unit may be offered to the purchaser subject to the SCU mortgage. Failing which, SCU may commence foreclosure proceedings.

Fifth Avenue Estates

37. Prior to the Interim Order, Fine Haus purchased twenty-two lots from Fifth Avenue Estates, a property developer operating a new development on Briarfield Court in

the town of Niverville, Manitoba. Eight of the lots have been fully paid for and Units have been built on them. Fine Haus made deposits on the remaining fourteen lots each in the amount of \$4,000 or \$56,000 for future Unit sales.

38. In many instances, home buyers paid to Fine Haus deposits between \$500 and \$14,495 toward construction of homes on these lots. Some home buyers have abandoned their deposits, choosing to purchase other homes. The Interim Receiver instructed legal counsel to attempt reasonable recovery of all or a portion of the \$56,000.

Rural Municipality of Hanover – building deposits

39. Fine Haus constructed ten single-family dwellings in the Rural Municipality (“RM”) of Hanover. The RM has advised that these deposits will be forfeited if Fine Haus or the Interim Receiver does not repair the deficiencies on these Units to the satisfaction of the R.M. The Interim Receiver obtained a detailed deficiency report from the RM and engaged Three Way to investigate each Unit and the associated costs to address the deficiencies.

40. The Units and their respective deposits are as follows:

a)	25 Amberfield Dr, Mitchell	\$2,100
b)	38 Bramblewood St, Kleefeld	\$2,300
c)	83 Briarwood Ave, Kleefeld	\$2,400
d)	71 Briarwood Ave, Kleefeld	\$2,400
e)	14 Bramblewood St, Kleefeld	\$2,100
f)	18 Bramblewood St, Kleefeld	\$2,300
g)	6 Bramblewood St, Kleefeld	\$2,400
h)	67 Briarwood Ave, Kleefeld	\$2,400
i)	75 Briarwood Ave, Kleefeld	\$2,500
j)	85 Briarwood Ave, Kleefeld	\$2,400

41. Three Way has advised the Interim Receiver that the costs to remediate each Unit exceeds the respective value of each deposit. The Interim Receiver therefore will not be completing the work and the deposits will be forfeited.

489 Heloise Bay - arbitration hearing

42. Prior to the Interim Order, Fine Haus sold 489 Heloise Bay. The purchaser raised issues with the construction at the time and since possession. Fine Haus had filed a builders' lien to protect its interest. The purchaser and Fine Haus entered into an arbitration process to resolve the situation. Upon learning of the appointment of the Interim receiver, the purchaser issued a 30-day notice to sue or lose the lien. The Interim Receiver's counsel filed a statement of Claim and a Pending Litigation Order to protect the Interim Receiver's position. Discussions with counsel for the purchaser may result in a settlement and realization of funds for the Interim Receivership.

Builders' liens ("liens")

43. Attached here and marked **Exhibit "B"** is a summary of holdbacks monies taken on account of the Builders' Lien Act holdbacks taken on Fine Haus' construction projects where title to the Unit is in the name of a homeowner. The Interim Receiver's counsel brought an application before the Court on January 28, 2020, on behalf of the homeowners to obtain discharges of the liens. The hearing was adjourned to February 6, 2020. The Interim Receiver is optimistic lien claimants will consent to the applications sought or that the Court will issue an appropriate Order.

²⁶ and ³⁴ [redacted] Briarfield Court, Niverville

44. Title to these Units have not passed to the homeowners and remains in Fine Haus' name. Three Way has estimated the costs to complete construction of these two Units would not result in net equity for the estate. The Interim Receiver and its legal counsel will suggest a meeting be held with all affected parties in an attempt to settle

the matters. Legal representatives will be invited to participate in person or by conference call.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

28. Attached hereto and marked **Exhibit "C"** is the Interim Receiver's Interim Statement of Receipts and Disbursements to June 30, 2020, which also includes projected receipts.

RECOMMENDATIONS AND REQUEST FOR ADVICE AND DIRECTION

29. The Interim Receiver respectfully recommends that this Honourable Court grant an order:
- a) approving this Report and the activities of the Interim Receiver described herein, including the proposed course of action to complete certain Units and not to complete others;
 - b) approving the Interim Receiver's Interim Statement of Receipts and Disbursements;
 - c) authorizing the continuation of the Interim Receiver's appointment with a return date of April 30, 2020; and
30. The Interim Receiver is seeking the Court's advice and direction with respect to the following issues:
- a) approve the sale of the 2008 Dodge Caravan by public auction;
 - b) authorize the Interim Receiver to complete the construction of 26 Briarfield Court and to list it for sale thereafter with a realtor.;
 - c) authorize the Interim Receiver only to complete construction of 34 Briarfield Court, if the builders' liens can be settled to create a net equity for the estate;

- d) authorize the Interim Receiver not to complete the construction of any other Fine Haus or My Manitoba Home properties that cannot create net equity for the estate. And in such case, to offer to transfer title to such properties, if not already transferred, to the purchaser subject to the existing encumbrances.

DATED at the City of Winnipeg, in the Province of Manitoba, this 5th day of February, 2020.

LAZER GRANT INC.

In its capacity as the Court-Appointed
Interim Receiver of 7483547 Manitoba Ltd.
Per:

A handwritten signature in black ink, appearing to read "Collin LeGall". The signature is stylized and cursive.

Collin LeGall, CPA, CMA, CIRP, LIT
Vice-President of Lazer Grant Inc.

Dec. 16/19

EXHIBIT "A"

7483547 MANITOBA LTD. FILES

File No.	Address	Purchaser Name	Legal Descrip.	Purchase Price	Amounts Received	Trippier Trust \$	TGF Notes
19459-021	6 Briarfield Court	Reagan Carruthers & Hayley McMurray	L 21 BL 1	\$ 289,900.00	not clear how much if any paid	0	no corresponding Fast Trippier file
19459-029	6 Bramblewood Street	Kevin and Christina Smith		\$ 273,307.00	?	?	
19459-022	10 Briarfield Court	Hope McKay - transaction no go?	L 23 BL 1	\$ 289,900.00	Deposit possibly \$500	0	no corresponding Fast Trippier file buyer walking - wants \$500 back
19459-023	12 Briarfield Court	Margaretha Kissack	L 24 BL 1	\$ 315,000.00	no accounting in file		
19459-004	16 Briarfield Court	Nicholas Turnbull & Shauna Emek Title: Fifth Ave Estates Inc.	L 26 PL 58591	\$ 294,900.00	\$14,745 deposit paid to contractor - see Sept 4 email	0	
19459-003	20 Briarfield Court	Chris & Pacyne Kaminski Title: fifth Ave Estates Inc.	L 28 PL 58591	\$ 289,900.00	\$14,495 paid to contractor	0	Letter to J. Martens Nov 27/19 other than Relator's fees no o/s for services pending purchase from developer
19459-012	22 Briarfield Court	Emily Pankatz	L 29 PL 58591	\$ 289,900.00	deposit paid but will released to contractor on settlement	0	Settled - Ken Davie - see email Nov 26/11 followed up on Nov 30/19

Niverville

Kleefeld

File No. Address Purchaser Name Legal Purchase Amounts Trippier
Descrip. Price Received Trust \$ TGF Notes

19459-006	26 Briarfield Court	Ulrich Avognon & Marie Dusabe Title in 7483547	L 31 BL 1	\$304,985.00 with change orders	deposit \$13,220 direct to builder bal on completion	848.36 status?	Liens 79093.05; does not jibe with Jason's spreadsheet; SCU approved mortgage but refuses to fund; draw request 99165 on August 20
19459-007	28 Briarfield Court	Somchay Kingsenamgkhol (Title)	L 32 PL 58591	\$ 279,900.00	\$ 279,504.42	\$ 20,064.07	Cert SC- Oct 3/19 del. Oct 11 Liens = \$83,984.21
19459-005	30 Briarfield Court	Tony Friesen & Jocelyn Gordon (Title)	L33 PL 58591	\$ 279,900.00	\$ 127,520.00	BLA H/B \$5,588.73	Liens = \$36,543.68
19459-008	32 Briarfield Court	Gilbert & Cherry Ponce (Title)	L 34 PL 58591	\$ 279,900.00	\$ 198,997.10	BLA H/B \$10,949.41	Liens = \$60,468.92; part drywall draw Oct 18
19459-013	34 Briarfield Court	Mbanefo Collins & Mbanefo Emmanu Title in name of Developer	L 35 PL 58591	\$ 290,000.00	\$ 60,389.00	\$ 6,610.56	Liens = \$91,441.69 0/0 complete? BLA H/B \$6,610.56 Mtge - SCU \$290,000.00 to be funded \$217,500 Insurance - Red River Mutual
19459-014	38 Briarfield Court	Richard Friesen (Title)	L 37 PL 58591	\$ 279,900.00	\$ 273,759.05	\$ 22,229.07	Liens = \$86,612.71 CSP - Oct 11/19 H/B \$15,729.07 Incomp \$6,500

File No. Address Purchaser Name Legal Purchase Amounts Trippier
Descr. Price Received Trust \$ TGF Notes

<u>File No.</u>	<u>Address</u>	<u>Purchaser Name</u>	<u>Legal</u> <u>Descr.</u>	<u>Purchase</u> <u>Price</u>	<u>Amounts</u> <u>Received</u>	<u>Trippier</u> <u>Trust \$</u>	<u>TGF Notes</u>
19459-017	40 Briarfield Court	Dave & Jackie Kukkonen (Title)	L 38 PL 58591	\$ 279,900.00	\$ 309,558.78	BH/B + GST \$1,833.88	Liens (3) = \$12,350.01 Subts Perf Cert Sept 13/19
19459-025	42 Briarfield Court	Dorde & Laura Memic	L 39 BL 1	\$ 289,900.00	No accounting info	0	
19459-016	44 Briarfield Court	Sheyna Andries & Eric Dufault Title?	L 40 PL 58591	\$ 279,900.00	\$ 299,880.00	Defic Holdback \$2,257.5	Liens = \$9,923.07 subs comp - Sept 13 - Possible Sept 26 deficiencies - liens out of time?
19459-009	15 Woodbridge Drive	Dariusz & Debbie Wozny	L 21 PL 57912	\$ 127,500.00	To be reported by Fast Trippler		corp - o/a My Manitoba Family Homes no need to have PKF involved
19459-010	15 Woodbridge Drive	Dariusz & Debbie Wozny (Title)	L 21 PL 57912	\$ 500,000.00	\$ 284,109.00	\$ 12,758.18	Liens = \$63,989.98 CSPerfanone - settled with Kline
19459-011	837 Weatherdon	Scott & Puspa Todd	SP L 6 PL 28081	\$ 300,000.00	Cash to Close \$285,000	\$15,000 paid by purchaser to contract	Liens = \$17,246.46 My Manitoba Family Homes = builder foundation not complete; where is BL H/B? on \$18k & need to respond to homeowner lawyer
19459-002	217 Sauveue Place	Renee & Stephane Whittick	L 41 PL 55648	\$ 342,900.00	\$ -	0	

La Salle

Winnipeg

Lorette

File No. Address Purchaser Name Legal Purchase Amounts Trippier
Descrip. Price Received Trust \$ TGF Notes

19459-015	Lot Purchase Main File	offers on 2, 4, 8, 10, 12, 14, 18, 24 and 36 Briarfield Court					
19459-018	Builders Lien File	UDT Interiors Inc.					
19459-019	Standard Agreement File						
19459-020	Construction Issues						
19459-026	Glacier Bay	Ranvinder & Amardeep Sarwara	L 1 8L 3	\$ 327,900.00	no accounting in file	0	
19459-027	489 Heloise Bay	Jacqueline & Patrick Tetrault	L 14	\$ 345,000.00	no accounting in file	0	



INTER-OFFICE MEMORANDUM

To: File MANITOBA'S LAW FIRM

From: Ren Mamucud

Date: January 29, 2020

File #: 19459

Re: Update on Documents to support Application to vacate Liens

Matter No.	QB File no.	Property Involved	BLA Holdback Plead
19459-007	(CI20-01-25546 KINGSENAMONGKHOL, SOMCHAY vs UDT INTERIORS INC.)	28 Briarfield (Kingsenamongkhol)	\$16,164.07

PKF has \$20,064.07 in trust.

FT's Trust Statement dated Nov 13, 2019 calculates BLAHB is \$16,164.07 and deficiency holdback of \$3,900.00 for a total of \$20,064.07.

Date	Payment	Description	BLA Holdback
29-Aug-19	\$ 64,330.00	drywall	\$ 4,824.75
14-Aug-19	\$ 53,608.00	Roof Advance	\$ 4,020.60
16-Jul-19	\$ 32,165.00	Foundation Deposit	\$ 2,412.38
	\$ 67,000.00	Lot Purchase	\$ -
	\$ 13,995.00	1st and 2nd deposits	\$ 1,049.63
16-Oct-19	\$ 62,401.42	Balance to close	\$ 4,680.11
	total \$ 293,499.42		total \$ 16,987.46

FT has calculated the HB as \$282,520.00 - \$67,000.00 x 7.5% = \$16,164.07

After review of the payments and FT's calculations, we are unable to reconcile as to how FT arrived at their HB figure of \$16,164.07. The difference is a **shortfall of \$823.39**



MANITOBA'S LAW FIRM

Matter No.	QB File no.	Property Involved	BLA Holdback Plead
19459-005	CI20-01-25627 FRIESEN, TONY DONOVAN vs PLUMB-X PLUMBING INC.	30 Briarfield (Gordon & Friesen)	\$5,588.73

PKF received the amount of \$5,588.73 from FT, representing the sum of the HB held in their HB trust account.

FT's Trust Statement dated Nov 13, 2019 states \$6,588.73 in trust (this amount includes unbilled legal fees for FT of \$1,000.00 (which has been paid to FT, prior to PKF receiving the funds from FT).

Upon further review and based on the correspondence contained in FT's file, the below calculation is irreconcilable with FT's HB amounts. The difference is a **shortfall of \$558.75**

Date	Payment	Description	BLA Holdback
11-Oct-19	\$ 7,451.37	Foundation Deposit	\$ 558.85
	\$ 48,967.00	Roof Payment	\$ 3,672.53
20-Aug-19	\$ 11,553.00	Foundation Deposit	\$ 866.48
	\$ 67,000.00	Lot Deposit	\$ -
	\$ 13,995.00	1st and 2nd deposits	\$ 1,049.63
total	\$ 148,966.37		total \$ 6,147.48

Matter No.	QB File no.	Property Involved	BLA Holdback Plead
19459-008	(CI20-01-25625 PONCE, GILBERT LACAMPUENGA vs UDT INTERIORS INC.)	32 Briarfield (Ponce)	\$10,949.41

PKF received \$10,949.41 in trust, which is the BLAHB;

FT's Trust Statement dated Nov 13, 2019 states \$11,949.41 in trust (this amount includes unbilled legal fees of \$1,000.00 which has been paid to FT, prior to PKF receiving the funds from FT).

Date	Payment	Description	BLA Holdback
18-Oct-19	\$ 46,224.10	Partial Drywall	\$ 3,466.81
30-Sep-19	\$ 53,608.00	Roof Deposit	\$ 4,020.60
15-Aug-19	\$ 32,165.00	Foundation Deposit	\$ 2,412.38
	\$ 67,000.00	Lot Deposit	\$ -
	\$ 13,995.00	1st and 2nd deposits	\$ 1,049.63
total	\$ 212,992.10		total \$ 10,949.41



MANITOBA'S LAW FIRM

Matter No.	QB File no.	Property Involved	BLA Holdback Plead
19459-014	(CI20-01-25626 FRIESEN, RICHARD CODY vs UDT INTERIORS INC.)	38 Briarfield (Friesen)	\$15,729.07

PKF has \$22,229.07 in trust;

FT's Trust Statement dated Nov 13, 2019 calculates BLAHB ass \$15,729.07 and incomplete work holdback of \$6,500.00 for a total of \$22,229.07;

Based on closer review we should have paid \$16,554.53 instead. It appears that there has been an accounting error in FT's HB Accounting. The difference is a **shortfall of \$825.46**

Date	Payment	Description	BLA Holdback
22-Oct-19	\$ 70,833.41		\$ 5,312.51
13-Sep-19	\$ 13,882.24	Roof Deposit	\$ 1,041.17
	\$ 50,125.64	Drywall Deposit	\$ 3,759.42
23-Aug-19	\$ 39,725.76	Roof Deposit	\$ 2,979.43
19-Jul-19	\$ 32,165.00	foundation	\$ 2,412.38
	\$ 67,000.00	Lot Deposit	0
	\$ 13,995.00	1st and 2nd deposits	\$ 1,049.63
total	\$ 170,601.41	total	\$ 16,554.53

Matter No.	QB File no.	Property Involved	BLA Holdback Plead
19459-009	(CI20-01-25545 WOZNY, DARIUSZ P. vs PLUMB-X PLUMBING INC.)	15 Woodbridge (Wozny)	\$12,758.00 *note there is a typo of \$.0.18

PKF has \$12,758.18 in trust;

Found: Trust Statement dated Nov 13, 2019 stating \$17,574.03 in trust (this amount includes unbilled legal fees of \$4,815.85 which has been paid to FT, prior to PKF receiving the funds from FT).

Date	Payment	Description	BLA Holdback
17-Oct-19	\$ 90,693.00	roof deposit	\$ 6,801.98
13-Sep-19	\$ 54,416.00	foundation	\$ 4,081.20
	\$ 139,000.00	Lot Deposit	0
	\$ 25,000.00	1 st and 2 nd deposits	\$ 1,875.00
total	\$ 309,109.00	total	\$ 12,758.18

IN THE MATTER OF THE INTERIM RECEIVERHIP OF
7483547 MANITOBA LTD. O/A FINE HAUS BUILDING CO.
STATEMENT OF PROJECTED RECEIPTS & DISBURSEMENTS
As at February 10, 2020

Receipts

Cash on Hand recovered from Steinbach Credit Union	43,212.63
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Projected Receipts

489 Heloise - arbitration settlement	50,000 - 100000
2008 Dodge Caravan	2,500.00
26 Briarfield, Niverville - estimated recovery after payment of builders liens and cost to complete	50,000.00
217 Sauveur, Lorette MB - sale of show home net of property taxes, realtor commissions and mortgage	85,000.00
14 lot deposits with First Avenue Estates - (\$56,000 paid in total)	0 - 56,000
Steinbach Credit Union - interest reserve account net of mortgage interest paid	19,000.00

Total Receipts anticipated

249,712.63 to 355,712.63

Disbursements - Projected to June 30, 2020

Insurance (217 Sauveur, Lorette MB and 4 (four) Niverville, MB unfinished homes)	9,077.88
Three Way Builders - protect properties, change locks, temporary heat, cost assessments & monitoring	9,688.95
Manitoba Hydro (217 Sauveur, Lorette MB and 4 (four) Niverville, MB unfinished homes)	2,500.00
Receiver fees & disbursements - as at January 31, 2020	26,250.00
Legal fees & disbursements - as at January 31, 2020	31,500.00

Total disbursements

57,750.00

Surplus - projected

191,962.63 to 297,962.63
