

2002 01T 0352
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN THE MATTER OF the Receivership of
Hickman Equipment (1985) Limited
("Hickman Equipment") pursuant to Rule 25 of the
Rules of the Supreme Court, 1986 under the
Judicature Act, R.S.N. 1990, c. J-4, as amended

AND IN THE MATTER OF the *Bankruptcy and
Insolvency Act*, Chapter B-3 of the Revised
Statutes of Canada, 1985, as amended

EIGHTEENTH REPORT OF THE RECEIVER

This quarterly report deals with matters as of July 31, 2004. PricewaterhouseCoopers Inc. ("PwC") in its capacity of Receiver of Hickman Equipment, previously filed reports to the Court for the period from our appointment date to April 30, 2004.

EIGHTEENTH REPORT OF RECEIVER

July 31, 2004

IMPLEMENTATION OF COURT APPROVED PLANS

REALIZATION PLAN

UNREALIZED ASSETS

There has been no change during the quarter to unrealized assets except for \$300 collected from accounts receivable and the sale of used parts. Please see our 17th report for more details.

USED PARTS

All used parts remaining at the date of the previous report, consisting of crusher parts, electric motors, diesel generators and power units have now been sold by private sale or auction.

In the quarter ending July 31, 2004 the Receiver realized \$1,500 from private sale of a portion of this inventory. The remaining items were sold by private sale and auction by Roche's Auctioneering Services in July and August resulting in net realization of an additional \$7,396. This latter was received subsequent to the reporting period and will be reflected in the quarterly statement ending October 31, 2004.

EIGHTEENTH REPORT OF RECEIVER

July 31, 2004

AUDITOR ISSUE

The analysis of the Deloitte & Touche working papers was completed and a report was forwarded by the Receiver to its legal counsel on July 7, 2004. Legal analysis was also completed in July. October 8, 9 and 10 are set as court dates to review disclosure issues relating to the review of the Deloitte & Touche working papers and legal comment thereon.

COURT PROCEEDINGS AND ORDERS

The following court proceedings were in process or took place from May 2004 to July 2004. Relevant documents and submissions can be found on the PricewaterhouseCoopers website.

7:21 - The Application of GMAC for the payment of proceeds relating to 4 Terex trucks, originally scheduled for Nov. 12th 2003, was set over to November 24th, then to December 10th, then to January 15th 2004, then to January 29, 2004, then to February 19th 2004, then to March 10th 2004, then to March 23rd, then to May 4th, then to July 13th, 2004, then to September 27th.

EIGHTEENTH REPORT OF RECEIVER

July 31, 2004

- 7:22 – On March 29, 2004, A&F Hollett and Son Limited brought an application for an Order lifting the stays of proceedings and permitting it to issue a Statement of Claim against Hickman Equipment (1985) Limited. This was set to be heard on April 19, 2004, but was set over to May 7, 2004. The Order was granted.
- 7:55 - The Receiver's application to Court for advice and directions involving a claim for set off by United Rentals of Canada Inc. in the amount of \$329,254 was brought before the Court on March 12, 2003 and adjourned sine die with instructions to Receiver's counsel to seek a date for hearing if the matter was not resolved by mid-September, 2003. John Deere Limited, John Deere Credit Inc, CIBC and United Rentals are the only parties which have expressed an interest in the Receiver's application. No date has been set for this matter.
- 7:59 – On December 17, 2003, the Receiver filed Application 7:59, an Interlocutory Application (ex parte) seeking leave to issue a Statement of Claim against Deloitte & Touche LLP and Deloitte & Touche. This Application was heard by Justice Barry on December 22, 2003 who ordered that the Statement of Claim be issued but that it is not to be served without further Order of the Court. The Receiver filed the Statement of Claim on December 24, 2003 but it has not been served on the defendants. See the Auditor issue section above for additional comments.
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EIGHTEENTH REPORT OF RECEIVER

July 31, 2004

7:60 – The Application of GMAC's Leaseco for recovery of cost allocation for units sold by it was heard in court on February 16, 2004. However, it was adjourned to enable the Receiver to bring its application with respect to cost allocation. This was heard on June 8th 2004 and the decision of the Court rendered after July 2004.

7:61 – The Application of the Receiver for Court Approval of a proposal for the allocation of the costs associated with the process of the receivership of Hickman Equipment was filed on March 17th, 2004. It was called in Court on March 29th, 2004 but with the agreement of all counsel, it was set over to be heard on June 8, 2004. It was also agreed that the Receiver would bring on an application for approval of its fees on that same date. On June 8th, the matter was brought forward but was postponed to June 29th as a return date. At that time, Judge Hall Ordered that the matter be set over for 3 days in the Fall. The Court registry has assigned October 6, 7 and 8, 2004.

7:62 – On June 8th, 2004, the Receiver brought its application for approval of the fees of the Receiver and of the Receiver's counsel for the period May 2003 to May 2004. The matter was brought forward but was postponed to June 29th as a return date. At that time, Judge Hall Ordered that the matter be set over for 3 days in the fall. The Court registry has assigned October 6, 7 and 8, 2004.

EIGHTEENTH REPORT OF RECEIVER

July 31, 2004

ACCRUED FEES OF THE RECEIVER AND LEGAL COUNSEL

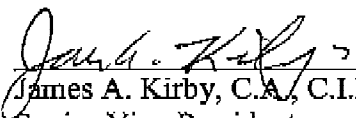
Attached as Appendix "B" is a summary of the accrued fees of the Receiver and Receiver's Counsel to July 31, 2004.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Attached as Appendix "C" is a Statement of Receipts and Disbursements for the period from March 13, 2002, the date of the Receiver's appointment to July 31, 2004.

The above respectfully submitted as of the 24th day of September, 2004.

Yours very truly,
PricewaterhouseCoopers Inc.
Receiver and Manager –
Hickman Equipment (1985) Limited

Per: 
James A. Kirby, C.A., C.I.R.P.
Senior Vice-President

JAK/cmc
Encl.
ReportToCourt#18.doc

APPENDIX "A"

STATEMENT OF DISTRIBUTIONS

PRICEWATERHOUSECOOPERS 

Atlantic Place, Box 75
215 Water Street, Suite 802
St. John's, NF
A1C 6C9

Hickman Equipment (1985) Limited
 PricewaterhouseCoopers Inc., Receiver
 STATEMENT OF DISTRIBUTIONS
 FOR THE PERIOD ENDING July 31, 2004

Appendix "A"

Creditor	DATE	Deduction for Cost		Distributions to Creditors
		Gross Amount	Allocation	
		\$	\$	\$
Cat Finance				
	9/22/2003	47,500	(7,125)	40,375
CIBC				
	2/12/2003	393,000	(48,950)	344,050
	3/31/2003	2,607,000	(391,050)	2,215,950
	3/31/2003	904,514	(135,677)	768,837
	4/3/2003	-	(10,000)	(10,000)
	9/22/2003	23,750	(3,563)	20,188
	10/9/2003	63,454	(9,518)	53,936
	11/14/2003	26,445	(3,967)	22,478
	1/20/2004	7,190	(1,079)	6,111
		4,025,353	(603,803)	3,421,550
CIT				
	10/17/2003	572,162	(85,824)	486,338
GMAC				
	11/24/2003	280,444	(42,067)	238,377
	11/27/2002	526,100	(78,915)	447,185
		806,544	(120,982)	685,562
GMAC & CIBC				
	9/24/2003	24,800	(3,720)	21,080
	10/9/2003	54,150	(8,123)	46,028
		78,950	(11,843)	67,108
John Deere Credit Inc.				
	9/22/2003	23,750	(3,563)	20,188
John Deere Limited				
	2/10/2003	750,806	(112,621)	638,185
	10/9/2003	55,852	(8,378)	47,475
	1/20/2004	4,984	(748)	4,236
		811,642	(121,746)	689,896
National Leasing				
	8/15/2003	70,200	(10,530)	59,670
Total July 31, 2004		6,436,101	(965,415)	5,470,686

APPENDIX "B"

SUMMARY OF ACCRUED FEES

PRICEWATERHOUSECOOPERS 

Atlantic Place, Box 75
215 Water Street, Suite 802
St. John's, NF
A1C 6C9

Hickman Equipment (1985) Limited

Receiver's fees	Total	Receivership General	Receivership Realization	Receivership Claims	Bankruptcy	Investigation	Disbursements
PricewaterhouseCoopers							
Paid to April 30, 2003	1,287,336.31	731,951.31	262,871.00	68,139.00	0.00	175,000.00	49,375.00
# 16	30,896.00	14,667.00	15,774.00				556.00
Subtotal: Court Approved	1,318,332.31	746,618.31	278,645.00	68,139.00	0.00	175,000.00	49,930.00
#19	2,430.00	2,430.00					
#20	20,489.00	20,489.00					
#21	16,986.00		16,986.00				
#22	8,924.00	8,924.00					
#23	13,632.00		13,632.00				
#24	6,159.00		6,076.00				83.00
#25	3,499.00	3,451.00					48.00
#26	7,725.00		7,546.00				179.00
#27	10,468.00		10,356.00				112.00
#28	11,889.00	11,717.00					172.00
#29	12,039.00	11,880.00					159.00
#30	28,374.00		27,690.00				684.00
#31	15,467.00	15,254.00					213.00
#32	5,336.00		5,283.00				53.00
#33	7,280.00	7,176.00					114.00
#34	19,403.00		18,927.00				476.00
#35	2,452.00	2,370.00					82.00
#36	36,250.00		35,189.00				61.00
#37	814.00	797.00					17.00
#38	11,381.00	11,070.00					311.00
#39	56,246.40		55,396.40				850.00
#40	60,877.40		60,082.40				895.00
#41	12,290.00	11,983.00					307.00
#42	6,028.20	5,857.20					171.00
#43	103,763.00		100,270.00				3,493.00
#44	33,595.00		30,518.00				3,077.00
#45	5,133.50	4,983.00					150.50
#46	4,231.00	4,139.00					92.00
#47	28,506.00		28,290.00				216.00
Total Paid to July 31, 2004	1,870,109.81	868,138.51	695,886.80	68,139.00	0.00	175,000.00	61,945.50
July	652.00	635.00					17.00
July	1,145.00		1,123.00				22.00
Total PwC	1,871,906.81	868,773.51	697,009.80	68,139.00	0.00	175,000.00	61,984.50

Legal fees

Patterson Palmer							
Paid to April 30, 2003	411,021.16						
# 14	3,586.80						
Subtotal: Court Approved	414,607.96	274,636.85	10,574.00	129,659.50		3,958.00	
Note: fees approved exceed billing by:		-4,220.48					
#16	9,728.35	9,728.35					
#17	4,810.54	4,810.54					
#18	2,242.96	1,977.50					265.46
#19	2,460.70	1,987.00	428.00				45.70
#20	6,303.42	5,742.00					561.42
#21	16,799.50	16,207.50					592.00
#22	2,908.78	2,190.00					718.79
#23	14,164.70	13,280.00					874.70
#24	2,200.75	2,200.75					
#25	9,682.80	9,503.80	189.00				
#26	10,947.77	10,812.77	135.00				
#27	25,885.30	25,747.50					137.80
#28	10,016.40	8,852.50					1,063.90
Total Paid to July 31, 2004	532,760.04	383,556.77	11,326.00	129,659.50	0.00	3,958.00	4,259.77
Total Patterson Palmer	532,760.04	383,556.77	11,326.00	129,659.50	0.00	3,958.00	4,259.77

Merrick Holm							
Paid to April 30, 2003	404,730.71						
# 13	2,695.73						
Subtotal: Court Approved	407,426.44	265,409.50	28,412.50	97,657.50		3,982.50	21,764.44
#14	15,836.29	15,836.29					

#15	1,607.99	1,590.00				17.99
#16	6,386.94	1,980.00	4,350.00			56.94
#17	120.00		120.00			
#18	7,812.22	7,812.22				
#18	3,630.48		3,630.00			0.48
#20	2,739.00	1,950.00				789.00
#21	2,078.22	2,080.00				18.22
#22	1,144.50	1,050.00				94.50

Total Paid to July 31, 2004	448,782.08	287,688.01	36,512.50	97,857.50	0.00	3,982.50	22,741.57
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Total Merrick Holm	448,782.08	287,688.01	36,512.50	97,857.50	0.00	3,982.50	22,741.57
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White Ottenheimer & Baker

# 1	16,470.60	16,470.60				
Paid to May 31, 2002	16,470.60	16,470.60				

Total WOB	16,470.60	16,470.60				
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TOTAL LEGAL FEES	898,012.72	687,715.38	47,638.50	227,517.00	0.00	7,940.50	27,001.34
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APPENDIX "C"

**STATEMENT OF
RECEIPTS
AND
DISBURSEMENTS**

PRICEWATERHOUSECOOPERS 

Atlantic Place, Box 75
215 Water Street, Suite 802
St. John's, NF
A1C 6C9

**IN THE MATTER OF THE RECEIVERSHIP OF
HICKMAN EQUIPMENT (1985) LTD
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING JULY 31, 2004**

Appendix "C"

	March 13/02 - April 30/04	May 1 to July 31	March 13/02 - July 31/04
	\$	\$	\$
RECEIPTS			
Accounts receivable	896,083	300	896,383
Accounts receivable - sundry	10,789		10,789
Auction commission	1,193,473		1,193,473
Auction of equipment and attachment inventory	14,594,020		14,594,020
Cash on hand	4,087		4,087
Cost allocation	181,165		181,165
HST collected	2,977,616	225	2,977,841
HST Refund	20,000		20,000
Interest	691,642	63,279	754,921
Recovery of freight	20,000		20,000
Rental Income - Sublet to RCMP	11,100		11,100
Redemption of Share - Credit Bureau	3,833		3,833
Sale of assets by tender - Show Tech and Celebration	772,165		772,165
Sale of equipment inventory	3,272,725		3,272,725
Sale of parts inventory	1,486,176	1,500	1,487,676
Sale of Vehicles	373,400		373,400
Third party auction proceeds	407,840		407,840
Trust Funds from Monitor	165,200		165,200
US Exchange	6,193		6,193
TOTAL RECEIPTS	27,087,507	65,304	27,152,811
DISBURSEMENTS			
Advances to Trustee	31,714		31,714
Auction commission to LVG	1,193,473		1,193,473
Auction - Other expense	17,189		17,189
Commission on sale of vehicles	13,180		13,180
Equipment storage costs	115,798		115,798
HST paid and remitted	3,078,957	32,878	3,111,835
Legal fees	960,967	37,046	998,013
Monitor's fees	123,204		123,204
Monitor's legal fees	35,188		35,188
Other expenses (see schedule)	261,175	980	262,155
Receiver's fee	1,688,853	181,257	1,870,110
Reimbursement of third party auction proceeds	407,840		407,840
TOTAL DISBURSEMENTS	7,927,538	252,161	8,179,699
EXCESS OF RECEIPTS OVER DISBURSEMENTS	19,159,969	(186,857)	18,973,112
DISTRIBUTIONS - Schedule attached			
Distributions	6,436,101		6,436,101
Less: Deduction for Cost Allocation	(965,415)		(965,415)
DISTRIBUTIONS - NET OF COST ALLOCATION	5,470,686		5,470,686
FUNDS ON HAND COMPRISED OF THE FOLLOWING			
	13,689,283	(186,857)	13,502,426
Funds on Hand - General	2,427,680	(176,507)	2,251,173
Canada T-Bill \$3,000,000 Due July 16, 2005		2,934,060	2,934,060
Canada T-Bill \$3,000,000 Due Sept 9, 2004	2,963,670		2,963,670
Canada T-Bill \$5,000,000 Due Oct 21, 2004	4,953,300		4,953,300
Canada T-Bill \$3,000,000 Due July 15, 2004	2,944,410	(2,944,410)	-
Funds on hand - In Trust re Equipment Sale & Wells Fargo	250,750		250,750
Funds on hand - In trust from Monitor's Equip. sales	95,564		95,564
Funds on hand - In trust re Sale of leased vehicles	53,909		53,909
TOTAL FUNDS ON HAND	13,689,283	(186,857)	13,502,426
ACCOUNTING FOR THIRD PARTY RECOVERY			
Proceeds from recovery of management bonuses	1,050,000		1,050,000
Distribution of recovery to creditor	1,050,000		1,050,000

IN THE MATTER OF THE RECEIVERSHIP OF
HICKMAN EQUIPMENT (1985) LTD

Appendix "C"

STATEMENT OF EXCESS OF RECEIPTS NET OF ACCRUALS
AT JULY 31, 2004

	March 13/02 - April 30/04	May 1 to July 31	March 13/02 - July 31/04
	\$	\$	\$
TOTAL FUNDS ON HAND	13,689,283	(186,857)	13,502,426
Receiver's Accruals			
HST Payable (Receivable)	(81,341)	(32,653)	(113,994)
Legal Fees			
General	27,030	(27,030)	
Receiver's fee			
Receivership - General	6,028	(5,376)	652
Receivership - Realization	103,763	(102,618)	1,145
Bankruptcy			
Unrealized appreciation T-Bills (Market - Purchase price)	(62,215)	11,835	(50,380)
TOTAL RECEIVER'S ACCRUALS	(6,735)	(155,842)	(162,577)
EXCESS OF RECEIPTS NET OF ACCRUALS	13,696,017	(31,015)	13,665,003

INVESTED FUNDS SUMMARY
AT JULY 31, 2004

Investments	Due Date	Type	Date Invested	Effective Yield	Investment at Cost July 31/04
Funds on Hand - General		demand account		Prime-1.90%	2,251,173
Canada T-Bill \$3,000,000	6/16/2005	T-Bill	7/28/2004	2.54%	2,934,060
Canada T-Bill \$5,000,000	10/21/2004	T-Bill	4/22/2004	1.89%	4,953,300
Canada T-Bill \$3,000,000	7/15/2004	T-Bill	10/23/2003	2.59%	
Canada T-Bill \$3,000,000	9/9/2004	T-Bill	2/10/2004	2.11%	2,963,670
Funds on hand - In Trust re Equipment Sale & Wells Fargo		GIC	11/24/2003	1.75%	103,500
		GIC	10/2/2003	2.05%	147,250
Funds on hand - In trust from Monitor's Equip. sales		demand account		n/a	95,564
Funds on hand - In trust re Sale of leased vehicles		GIC	2/20/2003	2.15%	53,909
Total Investments at Cost					13,502,426

SCHEDULE "OTHER EXPENSES" TO STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING JULY 31, 2004

	March 13/02 - April 30/04	May 1 to July 31	March 13/02 - July 31/04
	\$	\$	\$
OTHER EXPENSES			
Appraisal fee	35,701		35,701
Computer file maintenance and training	10,049	300	10,349
Court costs	3,060		3,060
HST consultant's fee	28,222		28,222
Insurance	37,228		37,228
Miscellaneous expenses	27,185	80	27,266
Office expenses	14,902		14,902
Rent and occupancy costs	48,197	600	48,797
Repairs & maintenance	9,471		9,471
Salaries and benefits	24,978		24,978
Security	11,412		11,412
Tender advertising	8,117		8,117
Travel expenses	2,652		2,652
Total Other Expense	261,175	980	262,155