

CANADA
PROVINCE OF SASKATCHEWAN

Q.B. No. 1331 of 2012

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

**SIXTH REPORT OF
PRICEWATERHOUSECOOPERS INC.,
INTERIM RECEIVER OF SHANE SCOTT and MICHELLE SCOTT**

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INTRODUCTION

1. This report (the “**Sixth Report**”) is filed by PricewaterhouseCoopers Inc. (“**PwC**”) in its capacity as interim receiver (the “**Receiver**”) of substantially all of the assets, undertakings and properties (collectively, the “**Property**”) of Shane Scott and Michelle Scott (collectively, the “**Debtors**”).
2. The Receiver was appointed by an Order granted by the Court of Queen’s Bench of Saskatchewan (the “**Court**”) on October 9, 2012 (the “**Interim Receivership Order**”).
3. It is recommended that this report be read in conjunction with the Receiver’s prior reports, which can be found on our website at www.pwc.com/car-scott.
4. The purpose of this report is to provide information and background to this Honourable Court in support of an application by the Bank of Montreal to amend the Interim Receivership Order into a full receiver over the Property.

ACTIVITIES OF THE RECEIVER SINCE JANUARY 15, 2013

5. The Receiver continues to secure the Property in accordance with the Interim Receivership Order.
6. Based on the observations of and information provided to the Receiver by its agents, the cattle appear to be properly cared for and there is adequate feed on hand.

PROPERTY CLAIMS PROCESS

7. The Receiver completed the administration of the Claims Process pursuant to the December 6, 2012, Order of this Honourable Court. A summary of the Receiver’s determination of the claims is as follows:

Receiver’s Determination	Number of Claims
Allowed	2
Disallowed	9
Total Claims	11

8. Both of the Allowed claims are allowed to the extent the animals bear the brands of the claimants. From our inventory counts in October 2012 there are a total of approximately 18 cows and 58 yearlings which may be subject to the Allowed claims.
9. Although the timeline for the Claims Process still allows for appeals to be made by February 1, 2013, at this time the Receiver has no knowledge that any appeals will be filed.
10. Also we understand the Bank of Montreal will not be appealing the Receiver’s Allowed

Claims.

11. The Receiver is now in a position to provide the following approximate inventory numbers (subject to any further appeals or orders of this Court):

	Scotts	Allowed claims	Total
Cows	837	18	855
Yearlings	189	58	247
Bulls	36		36
Calves	772		772
Total	1,834	76	1,910

STATEMENT OF RECEIPTS AND DISBURSEMENTS

12. Pursuant to paragraph 18 of the Interim Receivership Order and the subsequent Order dated January 18, 2013, the Receiver was granted the liberty and empowerment to borrow up to \$250,000 under the Interim Receiver's Borrowings Charge.

13. As more particularly described in the Receiver's Statement of Receipts and Disbursements for the period of October 9, 2012, to January 23, 2013, a copy of which is attached hereto as Appendix "A". The Receiver has made disbursements of \$121,060.99 as of January 23, 2013.

14. The principal expenditures in that regard are namely:

- a. Inventory monitoring — \$41,000;
- b. Payroll — \$8,800;
- c. Debtor Salary — \$9,000;
- d. Fuel — \$8,000;
- e. Feed - \$15,500;
- f. Equipment leases - \$6,000;
- g. Repairs and maintenance - \$10,400; and
- h. Veterinary — \$14,400.

15. Costs still continue to accrue to the account of the Receiver and will be paid in the normal course. As noted in our 5th Report, the Receiver anticipates expending at least

\$200,000 in total by the end of January 2013 to fulfil its duties.

RECEIVERSHIP APPLICATION

16. We understand the Bank of Montreal is making an application to appoint a receiver and PwC has consented to act as the receiver. The proposed amount of the receiver's borrowing charge will be used to cover costs such as:
 - a. Possession, transportation and feed until the Livestock is sold; and
 - b. Funds for such other services to the extent required for the receiver to fulfil its duties.
17. As the Receiver has completed its mandate to take an inventory of the Property and determine the ownership of the Property (subject to the final completion of the claims process), the Receiver recommends the creditors be allowed, subject to the direction of this Court, to take further action.

All of which is respectfully submitted this 23th day of January, 2013.

**PricewaterhouseCoopers Inc. as Interim Receiver
of Shane Scott and Michelle Scott**

Per: Laura Roberts

**Shane Scott and Michelle Scott - Interim Receivership
Statement of Receipts and Disbursements
for the period October 9, 2012 to January 23, 2013**

Appendix A

Receipts	\$
Receiver's Certificate	250,000.00
 Total Receipts	 <u>250,000.00</u>
 Disbursements	
Bank Charges	215.98
Court Fees re Examination	628.00
Debtor Salary	9,000.00
Feed	15,508.81
Fuel	8,012.82
GST Paid/Remitted	3,112.92
Interest	1,065.58
Inventory Monitoring	40,692.10
National Leasing Equipment Lease Payment	6,050.24
Office and Miscellaneous	156.59
Payroll Expenses	8,880.17
Propane	1,945.18
PST	132.32
Repairs and Maintenance	10,405.22
Tub Grinding	600.00
Utilities Including Telephone	272.97
Veterinary Costs	14,382.09
 Total Disbursements	 <u>121,060.99</u>
 Balance of Funds	 <u>128,939.01</u>

