

District of ONTARIO  
Division No. 08 - Waterloo  
Court File No. 35-2481393  
Estate No. 35-2481393

ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF  
THE BANKRUPTCY OF

SIRIUS CONCRETE INC.  
OF THE CITY OF WATERLOO,  
IN THE PROVINCE OF ONTARIO

SUPPLEMENT TO THE FIRST REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED

March 18, 2019

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## **1.0 INTRODUCTION AND PURPOSE**

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- 1.1** BDO Canada Limited was appointed as the trustee in Bankruptcy (“BDO” or the “Trustee”) of the property of Sirius Concrete Inc. (the “Company” or “Sirius”) and filed its first report to the Court (the “First Report”) dated March 11, 2018. All terms not otherwise defined shall be as defined in First Report.
- 1.2** This report is a supplement to the First Report (the “First Supplement”). The purpose of this First Supplement is to provide the information necessary to support the Trustee’s recommended Claims Administration Procedure. Specifically, this report encompasses the following:
- the benefits of the Claims Administration Procedure;
  - the details of the billings on each of Sirius’ ongoing projects; and,
  - a listing of all known sub-trades on each project and the amount owing to each.

## **2.0 CLAIMS ADMINISTRATION PROCEDURE BENEFITS**

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### **2.1.1 The benefits associated with the proposed Claims Administration Procedure include:**

- (i) As a result of its involvement with the Debtor's estate since its appointment and through a review of the Debtor's books and records which are in its possession, the Trustee has gained substantial knowledge related to amounts due to the Debtor from Customers and is in a position to negotiate with those Customers for the benefit of the Claimants;**
- (ii) Through discussions with Customers and the Debtor and from the books and records, the Trustee has gained substantial knowledge related to lien and trust claims and certain associated issues and is in a position to review lien claims to ensure the quantum and the registration of certain liens are proper;**
- (iii) The Trustee is in a position to distribute funds in an equitable manner and with consideration to the various priorities and classes of creditors;**
- (iv) The Trustee is knowledgeable in establishing and administering claims processes and can establish an efficient system for dealing with each claim and a methodology for liens to be released;**
- (v) This process centralizes the negotiation, review and resolution of lien and trust claims rather than the Trustee being appointed in the construction lien actions commenced relating to each project. This should streamline the process and reduce court attendances thereby reducing costs which is to the benefit of the creditors; and,**
- (vi) Any distribution by the Trustee from the Claims Administration Procedure will be pursuant to an Order from this Court.**
- (vii) The Trustee's fees and expenses will be allocated to each project on the basis of approximate time spent associated with the Claims Administration Procedure in relation to each Project and the Trustee will seek approval of any allocation.**

### 3.0 PROJECT SUMMARY AND SUB-TRADES

#### 3.1 Active Projects

3.1.1 The Company had five active projects at the time of the bankruptcy as follows:

Project Location	Engaging Party	Street Address	Appendix
Waterloo, ON	Stonerise Construction	18 Barrel Yards Blvd.	A, B
Kitchener, ON	Stonerise Construction	112 Benton St.	C, D
St. Catharines, ON	Skyrise Construction	111 Church St.	E, F
Newcastle, ON	Skyrise Construction	109 King Ave.	G, H
Guelph, ON	Ayerswood Development	45 Yarmouth Street	I, J

3.1.2 The chart below is based on the Company's internal records and details the amounts owing to Sirius on each of the active projects and the amounts owing by Sirius to the sub-trades on each project. The holdback receivable and the holdback payable do not include HST.

3.1.3 The Trustee has collected one receivable on the Guelph project as shown in the chart.

Project Location	Owing to Sirius		Funds on Deposit	Owing to Sub-trades	
	AR	Holdback on AR		AP	Holdback on AP
Waterloo	60,565.91	20,837.88	-	62,237.89	-
Kitchener	214,587.00	24,850.00	-	15,896.41	-
St. Catharines	214,702.42	106,388.86	-	420,294.11	81,945.04
Newcastle	20,405.48	132,006.22	-	227,253.52	-
Guelph	158,652.00	326,435.62	381,578.40	728,858.66	74,909.13

3.1.4 The complete details of the amounts owing on each project are included in Appendix A through Appendix J.

#### 3.2 Completed Projects

3.2.1 In addition to the five active projects noted above, the Company had six complete projects as detailed in the chart below

Project	Engaging Party	Appendix
Huron Crossing	Van-Del Construction	K
Hilton Hills	Skyrise Prefab	K
Hilton Hills	Synrg Group	L
University Heights	Skyrise Prefab	M

Wilson Street Parking	Newton Group	N
Elora Bridge	Ried & Deleye Construction	O

3.2.2 The chart below is based on the Company's internal records and details the amounts owing to Sirius on each of the completed projects and the amounts owing by Sirius to the sub-trades on each project. The holdback receivable and the holdback payable do not include HST.

Project Location	Owing to Sirius		Owing to Sub-trades		Comment
	AR	Holdback on AR	AP	Holdback on AP	
Huron Crossing	-	-	2,529.28	-	All funds collected
Hilton Hills	120,119.57	-	-	5,059.00	Holdback billed
Hilton Hills	546.91	-	-	-	Holdback billed
University Heights	-	-	9,994.90	-	All funds collected
Wilson St. Parking	11,789.79	46,635.84	2,532.33	1,249.50	Holdback to be billed in June
Elora Bridge	-	-	34,750.33	-	All funds collected

3.2.3 The complete details of the amounts owing on each project are attached in Appendix K through Appendix O.

## **4.0 RECOMMENDATIONS**

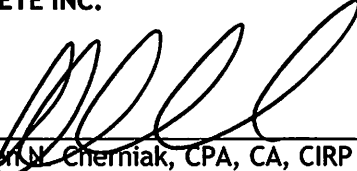
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**4.1** The Trustee recommends the following:

- i. Approval of the Claims Administration Procedure as requested in the First report and this Supplement to the First Report.

This Supplement to the First Report is respectfully submitted this 18<sup>th</sup> day of March, 2019.

**BDO CANADA LIMITED  
TRUSTEE OF  
SIRIUS CONCRETE INC.**

Per:   
Stephen N. Cherniak, CPA, CA, CIRP  
Licensed Insolvency Trustee  
Senior Vice President