

2018

Hfx No. 470769

**IN THE MATTER OF THE *COMPANIES'S CREDITORS ARRANGEMENT ACT*, R.S.C 1985, C. C-36 AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLANTICA DIVERSIFIED
TRANSPORTATION SYSTEMS INC.**

**REPORT OF
BDO CANADA LIMITED
IN ITS CAPACITY AS MONITOR OF
THE APPLICANT UNDER THE *COMPANIES'S CREDITORS ARRANGEMENT ACT*
THIRD MONITOR'S REPORT**

DATED February 14, 2018

Introduction

1. This report ("**Third Report**") is filed by BDO Canada Limited ("**BDO**") in its capacity as monitor (the "**Monitor**") appointed on December 7, 2017 by the Supreme Court of Nova Scotia ("**Honourable Court**") pursuant to certain relief granted Atlantica Diversified Transportation Systems Inc. ("**ADTS**" or the "**Company**") under the Companies' Creditors Arrangement Act, R.S.C. 1985, C. C-36, as amended ("**CCAA**").
2. This Third Report should be read in conjunction the Monitor's Pre-Filing Report, First Report, Second Report, Notice of Material Adverse Change, and other materials posted by the Monitor at www.extranets.bdo.ca/adts.

Termination of the CCAA

3. Accutrac Capital Solutions Inc. ("**Accutrac**"), the factoring company who is providing the operating financing for ADTS has ceased to provide factoring which is require by the Company to continue operations. The Company's bank has frozen its bank account due to the receipt of an enhanced requirement to pay from the Canada Revenue Agency.
4. ADTS has run out of cash and has ceased operations.
5. The Monitor understands that ADTS has withdrawn its application for an extension and will not be filing a plan of arrangement.
6. The Monitor recommends that the CCAA process be terminated.
7. Stakeholder are advised that the stay of proceedings will expire on February 20, 2018 and to govern themselves accordingly.
8. The Monitor routinely updates its website at www.extranets.bdo.ca/ADTS. Creditors will be advised of this recommendation and any subsequent orders through the website and the service list.

Directors' Charge

9. Stakeholders are advised that the Initial Order dated December 7, 2017 provided a Directors' Charge against the assets of the Company for an amount not to exceed the aggregate of \$50,000. The Monitor is aware of unpaid post filing source deductions and unpaid wages as a result of the Company ceasing to operate. Details on unpaid post filing source deductions are included in the Monitor's Second Report. The Monitor is unable to determine, or estimate, the possible claims that may arise against the Directors Charge.

Administrator's Charge

10. Stakeholders are advised that the Initial Order dated December 7, 2017 provided an Administration charge against the assets of the Company as security for the professional fees of the Monitor, the Monitor's counsel, the Applicant's counsel and Assistants ("Professionals"), for an amount not to exceed \$75,000.
11. The Monitor is advised by the Professionals that the unpaid fees total \$88,926.56. Detailed invoices and affidavits are attached as **Exhibit 1**.
12. The Monitor proposes to allocate those fees as outlined in **Exhibit 2** against secured creditors:
 - a. As the unpaid professional fees exceed the maximum provided in the Initial Order, the Professionals will be allocated a proportion of the Administration Charge based on their respective proportion of the total unpaid Professionals Fees. Details and calculation of this allocation is shown in **Exhibit 2, Part A**.
 - b. The unpaid professional fees are proposed to be allocated to the secured creditors on a proportional basis, using the most current balance outstanding as the denominator. Details and calculation of this allocation is shown in **Exhibit 2, Part B**.
 - c. The Monitor has used the most current information it has available in its calculation.
13. This Honourable Court, on December 22, 2017, in paragraph 5, amended the Initial Order dated December 7, 2017, such that the Director's Charge and Administrative Charge rank behind the rights of the Crown pursuant to subsection 227(4) & (4.1) of the Income Tax Act.
14. The secured creditors, as outlined in Exhibit 2, would report to the Monitor on the proceeds received from the sale of any of the Applicant's property.
15. Funds, if any, available to satisfy the Administrative charge would be remitted to the Monitor for distribution.

Recommendations

16. The Monitor recommends that the CCAA proceedings be terminated.
17. The Monitor recommends that the Claims Procedure Order issued December 22, 2017 be set aside.
18. The Monitor recommends that this Honourable Court approve the proposed allocation of the Administrative Charge.

19. The Monitor respectfully requests that this Honourable Court approve the discharge of the Monitor.

Respectfully submitted February 14, 2018

BDO Canada Limited
In its capacity as Monitor



Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Exhibit 1 – Unpaid Professional Fees subject to the Administrative Charge

Exhibit 2 – Proposed Allocation of the unpaid Professional Fees

EXHIBIT 1

SUPREME COURT OF NOVA SCOTIA
In Bankruptcy and Insolvency

IN THE MATTER OF: The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF: A Plan of Compromise or Arrangement of Atlantica Diversified Transportation Systems Inc.

Affidavit of Adam D. Crane

I, Adam D. Crane, of Halifax, Nova Scotia make oath and give evidence as follows:

1. I am a Partner at the law firm of Patterson Law.
2. I have personal knowledge of the evidence sworn to in this affidavit except where otherwise stated to be based on information or belief.
3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge, and I state my belief of the source.
4. By Initial Order of the Honourable Justice James L. Chipman dated December 7, 2017 ("**Initial Order**"), BDO Canada Limited was appointed pursuant to the *Companies' Creditors Arrangement Act* as the Monitor ("**Monitor**") of Atlantica Diversified Transportation Systems Inc.
5. Pursuant to the Initial Order, the Monitor retained Patterson Law to advise it with regards to the matters related to its appointment and the performance of its duties and powers.
6. Patterson Law has provided the following invoice(s) to the Monitor in relation to the CCAA proceeding:

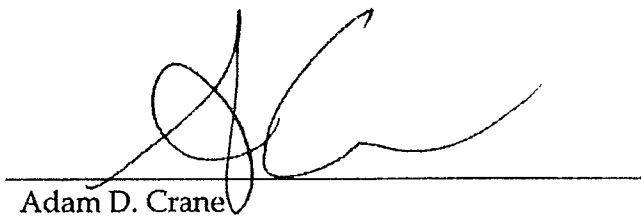
Date	Invoice	Legal Fees	HST on Fees	Disbursements	HST on Disb.	Total
Dec. 31, 2017	86814	\$9,450.00	\$1,417.50	\$38.50	\$40.28	\$11,176.28

7. Patterson Law has unbilled work in progress and disbursements in the amount of \$4,900 and anticipated incurring approximately \$3,000 in fees, disbursements and HST to complete its work in the CCAA proceeding.
8. This affidavit is sworn in support of the Monitor's motion for approval of its fees and disbursements as well as the fees and disbursements of its legal counsel.

SWORN before me at)
Halifax, Nova Scotia on February)
14, 2018.)



ROBERT M. PURDY, Q.C.
A Barrister of the Supreme
Court of Nova Scotia



Adam D. Crane



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BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

December 6, 2017

Mr. David Montgomery
10 Morris Drive, Unit 19
Dartmouth, NS B3B 1K8

Invoice **89188810**
HST Registration No. R101518124

TO: Professional services in connection with CCAA proceeding re Atlantica Diversified Transportation Systems Ltd.

Time charges to November 30, 2017 (35.3 hours)	\$ 13,420.50
HST (15%)	<u>2,013.08</u>
Total Account	<u>\$ 15,433.58</u>

NOTE: See attached for full details of time charges.

WIP Detail for Invoice #89188810

Invoice Line	Date	Employee	Work Type / Expense	Hours	Rate	Amount	Comments
1	Nov-24-17	Breeze, Jason	INSV-CCAA	2.00	\$285.00	\$570.00	Review revised cash flow, discussion w P. Clarke re: same. Emails to/from Keith Foster. Review emails from K. Foster, B. Clarke, D. Boyd, D. Montgomery, P. Clarke.
	Nov-27-17	Clarke, Phil	INSV-CCAA	2.00	\$425.00	\$850.00	communication to customer and discussion on same; discussion on path in dealing with CWB debt - offer to purchase, refinancing, new lender. etc. prep for team call
	Nov-28-17	Clarke, Phil	INSV-CCAA	2.50	\$425.00	\$1,062.50	pre for and attendance at team conference call; call wit Vaughn Sturgeon Shareholder and guarantor of Atlantica
	Nov-28-17	Breeze, Jason	INSV-CCAA	0.40	\$285.00	\$114.00	p/c/w and email to A. Crane re: application for initial order.
	Nov-29-17	Breeze, Jason	INSV-CCAA	0.40	\$285.00	\$114.00	Review supplemental affidavit of David Montgomery. Email to B. Clarke re: same. Review correspondence from B. Clarke re: leases.
	Nov-29-17	Clarke, Phil	INSV-CCAA	1.00	\$425.00	\$425.00	calls and email to Irving Oil on CCAA application
	Nov-30-17	Clarke, Phil	INSV-CCAA	3.00	\$425.00	\$1,275.00	Transf. from Clarke, Phil 11/14/17 working on XProspective (Prospective) - call with AFTS and Tim Hill on status and potential CCAA filing; various emails on documents from Company and Tim Hill; call to CWB Agent on discussion pon seizure of equipment and discussions with staff
	Nov-30-17	Clarke, Phil	INSV-CCAA	1.00	\$425.00	\$425.00	Transf. from Clarke, Phil 11/16/17 working on XProspective (Prospective) - various emails to Company and status; outline o fertical discussion points
	Nov-30-17	Clarke, Phil	INSV-CCAA	2.00	\$425.00	\$850.00	Transf. from Clarke, Phil 11/16/17 working on XProspective (Prospective) - call with debtor, PwC and legal advisor; conflict check and arrange for risk mgmt
	Nov-30-17	Clarke, Phil	INSV-CCAA	2.00	\$425.00	\$850.00	Transf. from Clarke, Phil 11/17/17 working on XProspective (Prospective) - draft engagement letter and consent to actnformation on process to Company
	Nov-30-17	Clarke, Phil	INSV-CCAA	3.00	\$425.00	\$1,275.00	Transf. from Clarke, Phil 11/22/17 working on XProspective (Prospective) - Atlantica Meeting with CEO and CFO on filing, action items, etc. email and calls with Breeze and Bruce Clarke on lack of stay etc.
	Nov-30-17	Clarke, Phil	INSV-CCAA	3.00	\$425.00	\$1,275.00	Transf. from Clarke, Phil 11/23/17 working on XProspective (Prospective) - review filing documents - draft order, CF statement - follow up with ADTS on various qeustions/issues
	Nov-30-17	Clarke, Phil	INSV-CCAA	4.50	\$425.00	\$1,912.50	Transf. from Clarke, Phil 11/24/17 working on XProspective (Prospective) - ADTS Conference call with ADTS CEO and CFO, Bruce Clarke - and various correspondence on filing. calls with Keith Foster on CF and assumptions; BDO consent letter; combnsent to Act to ADTS; email to Accutrac on initial filing
	Nov-30-17	Breeze, Jason	INSV-CCAA	1.30	\$285.00	\$370.50	Transf. from Breeze, Jason 11/16/17 working on XProspective (Prospective) - Atlantica Transport - p/c/w P. Clarke, draft engagement letter.
	Nov-30-17	Breeze, Jason	INSV-CCAA	0.20	\$285.00	\$57.00	Transf. from Breeze, Jason 11/17/17 working on XProspective (Prospective) - Atlantica. Emails to/from Mike Hanson and Josie Parisi re: CCAA engagement letter.

WIP Detail for Invoice #89188810

Invoice Line	Date	Employee	Work Type / Expense	Hours	Rate	Amount	Comments
1	Nov-30-17	Breeze, Jason	INSV-CCAA	5.00	\$285.00	\$1,425.00	Transf. from Breeze, Jason 11/22/17 working on XProspective (Prospective) - Atlantica. Meeting with David Montgomery (CEO) and Keith Foster (CFO) review of business operations, possible CCAA application, information required to file, timing of same, 13 week cash flow, condition of books and records.
							Follow up meeting with D. Montgomery, K. Foster, and Bruce Clarke (legal counsel for company) re: CCAA filing.
	Nov-30-17	Breeze, Jason	INSV-CCAA	2.00	\$285.00	\$570.00	Transf. from Breeze, Jason 11/23/17 working on XProspective (Prospective) - Atlantica - Discussions w and review of cash flow with P. Clarke re: cash flow. p/c/w Keith Foster re: same. Review draft affidavit of David Montgomery, p/c/w Bruce Clarke re: same. Discussion with P. Clarke re: legal counsel to monitor.
Line 1 Total:				35.30		\$13,420.50	
Invoice Total:				<u>35.30</u>		<u>\$13,420.50</u>	



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Halifax NS B3M 4G2 Canada

December 22, 2017

PRIVATE AND CONFIDENTIAL
VIA email: dmontgomery@atlantica-delivers.ca
Mr. David Montgomery
Atlantica Diversified Transportation Systems Inc.

Invoice # 89199349
HST Registration No. R101518124

TO: For professional services in acting as Monitor under the Companies' Creditors Arrangement Act ("CCAA") to December 15, 2017

Time charges for the period from December 1, 2017 to and including December 15, 2017 (62.5 hours) at standard rates	\$ 19,234.61
Less Courtesy Discount	<u>-5,027.50</u>
	14,207.11
HST (15%)	<u>2,131.07</u>
Total Account	<u>\$ 16,338.18</u>

WIP Detail for Invoice #89199349

Invoice Line	Date	Employee	Work Type / Expense	Hours	Rate	Amount	Comments
1	Dec-01-17	Breeze, Jason	INSV-CCAA	1.30	\$285.00	\$370.50	c/c/w A. Crane and P. Clarke re: pre-filing reports on cash-flow / proposed monitor. Emails to/from B. Clarke re: same. Review correspondence from G. MacDonald to B. Clarke re: Alton Bubar. Review additional submissions by CWB.
	Dec-01-17	Clarke, Phil	INSV-CCAA	2.50	\$425.00	\$1,062.50	update call with debtor and legal counsel on action items required for filing, pre-filing issues and court submissions; call with BDO team and monitor legal counsel on filings and application; various correspondence
	Dec-04-17	Breeze, Jason	INSV-CCAA	1.00	\$285.00	\$285.00	Prepare report of the proposed monitor regarding cash projections of the Company.
	Dec-04-17	Breeze, Jason	INSV-CCAA	0.50	\$285.00	\$142.50	Review proposed Monitor's speaking points - discussion w P. Clarke re: same.
	Dec-05-17	Breeze, Jason	INSV-CCAA	3.00	\$285.00	\$855.00	Review material filed with the Court by B. Clark in support of initial order. Pre-hearing meeting at Burchell's to review matter pertaining to application. Attend at hearing.
	Dec-05-17	Clarke, Phil	INSV-CCAA	2.50	\$425.00	\$1,062.50	draft monitors report on CF and pre-filing monitors report notes for court hearing; circulate for comments; email on dealing with Trailer Wizard trailers
	Dec-05-17	Clarke, Phil	INSV-CCAA	5.00	\$425.00	\$2,125.00	prep for and attendance at the initial order hearing which was adjourned due to the conflict of the judge; various communications in advance of initial hearing
	Dec-05-17	Clarke, Phil	INSV-CCAA	3.00	\$425.00	\$1,275.00	draft written CCAA monitors pre-filing report
	Dec-05-17	Breeze, Jason	Parking-NS			\$19.13	The Law Courts
	Dec-06-17	Breeze, Jason	INSV-CCAA	1.00	\$285.00	\$285.00	Review and revise proposed monitors report to the court.
	Dec-06-17	Clarke, Phil	INSV-CCAA	2.00	\$425.00	\$850.00	circulate pre-filing report for comments and factual accuracy; changes based on various comments from legal and A/DTS various correspondence on pre-filing issues
	Dec-07-17	Clarke, Phil	INSV-CCAA	4.50	\$425.00	\$1,912.50	attendance at CCAA initial order hearing
	Dec-08-17	Clarke, Phil	INSV-CCAA	2.00	\$425.00	\$850.00	various email on creditor notice requirements
	Dec-08-17	Gammon, Sarah	INSV-CCAA	1.20	\$53.00	\$63.60	begin inputting liabilities
	Dec-08-17	Breeze, Jason	INSV-CCAA	1.50	\$285.00	\$427.50	Update website with initial order. Prepare Form 1, file same and Initial Order with OSB. File Application with OSB. Instructions to S. Gammon re: list of payables.
	Dec-11-17	Breeze, Jason	INSV-CCAA	0.50	\$285.00	\$142.50	Review filings with Official Receiver and Form 2, review same w P. Clarke. Emails to/from Keith Foster re: accounts payable.
	Dec-11-17	Clarke, Phil	INSV-CCAA	3.00	\$425.00	\$1,275.00	OSB Notices, Creditor Notices, etc. various correspondence with the OSB emails to debtor company
	Dec-12-17	Clarke, Phil	INSV-CCAA	4.00	\$425.00	\$1,700.00	various correspondence on notice requirements flowing from an initial order. Various correspondence with OSB; question on the possible repair lien; update Monitors website; call from IOL; call from Peterbuilt
	Dec-12-17	Gammon, Sarah	INSV-CCAA	7.00	\$53.00	\$371.00	inputting liabilities..

WIP Detail for Invoice #89199349

Invoice Line	Date	Employee	Work Type / Expense	Hours	Rate	Amount	Comments
1	Dec-12-17	Breeze, Jason	INSV-CCAA	1.50	\$285.00	\$427.50	Prepare Notice of Creditors and Notice to be published in newspaper. Prepare letter to creditors re: CCAA filing, review same with P. Clarke.
	Dec-12-17	Breeze, Jason	INSV-CCAA	0.30	\$285.00	\$85.50	Review list of long term liabilities as compared to service list, email to K. Foster re: same.
	Dec-13-17	Sandever, Tara	INSV-CCAA	1.70			Bulk mailout to creditors.
	Dec-13-17	House(Insol), Nova Sco	Postage & Couri-NS			\$17.59	USA postage advising of monitor status
	Dec-13-17	House(Insol), Nova Sco	Postage & Couri-NS			\$310.89	domestic postage advising creditors of monitor status
	Dec-13-17	Gammon, Sarah	INSV-CCAA	6.30	\$53.00	\$333.90	inputting creditors, prepare letter, mail letter to 470+ creditors
	Dec-13-17	Marsh, Andrea	INSV-CCAA	0.20	\$50.00	\$10.00	Phone call re: a creditor to be added, emails with Phil.
	Dec-13-17	Clarke, Phil	INSV-CCAA	4.00	\$425.00	\$1,700.00	various communications with debtor and with creditors; call with landlord in Moncton on being locked out of premises; news paper ad to all; review draft Claims Process and comments thereon; creditors notice to debtors / mail out
	Dec-14-17	Clarke, Phil	INSV-CCAA	1.50	\$425.00	\$637.50	planning meeting with stakeholders
	Dec-15-17	Clarke, Phil	INSV-CCAA	1.50	\$425.00	\$637.50	various calls and communications with Marine Atlantic and debtor company
Line 1 Total:				62.60		\$19,234.61	
Invoice Total:				62.50		\$19,234.61	



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BDO Canada Limited
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February 14, 2018

PRIVATE AND CONFIDENTIAL
VIA email: dmontgomery@atlantica-delivers.ca
Mr. David Montgomery
Atlantica Diversified Transportation Systems Inc.

Invoice # 89248207
HST Registration No. R101518124

TO: Final account for professional services in acting as Monitor under the Companies' Creditors Arrangement Act ("CCAA") pursuant to the Initial Order granted on December 7, 2017

Time charges for the period from December 18, 2017 to and including February 13, 2017 (64.60 hours) at standard rates	\$ 23,016.20
Less Courtesy Discount	<u>-4,000.00</u>
	19,016.20
Disbursements	<u>9,114.39</u>
	\$28,130.59
HST (15%)	<u>4,219.59</u>
Total Account	<u>\$32,350.18</u>

Open WIP for AtlanticaDTSLtd as of Feb-14-18

17-CCAA

Slip Date	Employee	Work Type / Expense	Hours	Rate	Amount	Cumulative	Comments
GL Month: Dec-17							
<i>Time Charges</i>							
Dec-18-17	Breeze, Jason	INSV-CCAA	0.10	\$285.00	\$28.50	\$28.50	Review invoice from Brunswick News.
Dec-18-17	Gammon, Sarah	INSV-CCAA	0.10	\$53.00	\$5.30	\$33.80	sent notice via email; print and file
Dec-18-17	Clarke, Phil	INSV-CCAA	6.00	\$425.00	\$2,550.00	\$2,583.80	various calls, call with SMSS on shareholder update; draft Monitors First Report to the Court
Dec-19-17	Clarke, Phil	INSV-CCAA	4.00	\$425.00	\$1,700.00	\$4,283.80	correspondence with Company on critical suppliers and provisions contained in the initial order; first monitors report to the court - circulate for review; CRA position in CCAA; creditor calls
Dec-19-17	Gammon, Sarah	INSV-CCAA	0.20	\$53.00	\$10.60	\$4,294.40	email or fax initial order and docs to creditors who called./emailed to request
Dec-19-17	Breeze, Jason	INSV-CCAA	0.10	\$285.00	\$28.50	\$4,322.90	p/c/w Lee Mitchell - Peterbilt re: outstanding payments. Email to D. Montgomery and P. Clarke re: same.
Dec-20-17	Gammon, Sarah	INSV-CCAA	0.40	\$53.00	\$21.20	\$4,344.10	discussions and prepare mailing affidavit
Dec-20-17	Gammon, Sarah	INSV-CCAA	0.20	\$53.00	\$10.60	\$4,354.70	update creditor addresses and resend returned mail
Dec-20-17	Clarke, Phil	INSV-CCAA	4.50	\$425.00	\$1,912.50	\$6,267.20	various correspondence and review and incorporate feedback into First Monitor's Report; send to legal counsel for submission to service list and filed with the court
Dec-21-17	Clarke, Phil	INSV-CCAA	1.50	\$425.00	\$637.50	\$6,904.70	review various email on CWB potential offer; suggestion to CWB, debtor and guarantor on process forward; various correspondence with creditors
Dec-22-17	Clarke, Phil	INSV-CCAA	4.50	\$425.00	\$1,912.50	\$8,817.20	review various filings by stakeholders; discussion on trailer wizard concerns/issues; attendance at extension hearing; review critical suppliers; payments and various conversations with David Montgomery on status and communication to stakeholders
Dec-28-17	Clarke, Phil	INSV-CCAA	0.50	\$425.00	\$212.50	\$9,029.70	various email correspondence
		<i>Time Charges for Dec-17:</i>	<u>22.10</u>		<u>\$9,029.70</u>		
		<i>Total for Dec-17:</i>	22.10		\$9,029.70		
GL Month: Jan-18							
<i>Time Charges</i>							
Jan-02-18	Clarke, Phil	INSV-CCAA	1.50	\$425.00	\$637.50	\$9,667.20	update website - Dec 28
Jan-03-18	Clarke, Phil	INSV-CCAA	1.50	\$425.00	\$637.50	\$10,304.70	draft letter on trailer wizard dispute and send to Company and Trailer Wizards; communications on retuning the trailers
Jan-04-18	Clarke, Phil	INSV-CCAA	2.00	\$425.00	\$850.00	\$11,154.70	questions from creditors on date on Schedule on Claims Procedure Order; various creditor calls; update meeting with Company; changes to Claims procedure
Jan-07-18	Clarke, Phil	INSV-Proposals Com	0.30	\$425.00	\$127.50	\$11,282.20	creditor correspondence
Jan-10-18	Clarke, Phil	INSV-CCAA	1.50	\$425.00	\$637.50	\$11,919.70	call with debtor company on action items for making a plan of arrangement; creditor calls; critical supplier information
Jan-11-18	Clarke, Phil	INSV-CCAA	0.50	\$425.00	\$212.50	\$12,132.20	email update to CWB; information on Moncton lease default

Open WIP for AtlanticaDTSLtd as of Feb-14-18

17-CCAA

Slip Date	Employee	Work Type / Expense	Hours	Rate	Amount	Cumulative	Comments
GL Month: Jan-18							
<i>Time Charges</i>							
Jan-11-18	Marsh, Andrea	INSV-CCAA	0.10	\$50.00	\$5.00	\$12,137.20	Received courier package for Phil, forwarded to Jason as Phil is not in office.
Jan-11-18	Breeze, Jason	INSV-CCAA	0.50	\$285.00	\$142.50	\$12,279.70	p/c/w P. Clarke re: notice of claims process to be published in the Chronicle Herald / review notice / discussions w. D. Coolen re: same.
Jan-11-18	Coolen, Darlene	INSV-CCAA	0.70	\$155.00	\$108.50	\$12,388.20	Discussions with Jason Breeze; prepared Notice of Claims Procedure and Claims Bar Date ad and arranged to publish in Chronicle Herald; reviewed and approved ad proof
Jan-12-18	Clarke, Phil	INSV-CCAA	0.50	\$425.00	\$212.50	\$12,600.70	Discussion with C&P regarding CWB payments and application to lift stay
Jan-14-18	Piggott, Matthew	INSV-CCAA	1.00	\$130.00	\$130.00	\$12,730.70	Read through emails to prepare updated list of creditors.
Jan-15-18	Clarke, Phil	INSV-CCAA	0.50	\$425.00	\$212.50	\$12,943.20	receipt of preliminary CRA balances and avrious correspondence on same; follow up on the trust audit
Jan-18-18	Clarke, Phil	INSV-Bankruptcies	1.00	\$425.00	\$425.00	\$13,368.20	call with; and various correspondence with CRA on claim
Jan-18-18	Hill, Judith	INSV-CCAA	0.10	\$155.00	\$15.50	\$13,383.70	chq prep
Jan-19-18	Piggott, Matthew	INSV-CCAA	0.50	\$130.00	\$65.00	\$13,448.70	Amend secured creditors list and reprint listing for phil
Jan-19-18	Clarke, Phil	INSV-CCAA	1.00	\$425.00	\$425.00	\$13,873.70	discussion with company on critical path - CF and CRA; creditor correspondence
Jan-19-18	Marsh, Andrea	INSV-CCAA	0.10	\$50.00	\$5.00	\$13,878.70	Helping Matt with input issues.
Jan-22-18	Piggott, Matthew	INSV-CCAA	0.10	\$130.00	\$13.00	\$13,891.70	amend creditors listing
Jan-23-18	Piggott, Matthew	INSV-CCAA	0.70	\$130.00	\$91.00	\$13,982.70	Help with Proof of claim mailing. Get Tara and Sheryl started to hdlp.
Jan-23-18	Blackburn, Sheryl	INSV-CCAA	3.50	\$70.00	\$245.00	\$14,227.70	Preparing information for mail out to creditors - Stuffing envelopes
Jan-23-18	Clarke, Phil	INSV-CCAA	0.70	\$425.00	\$297.50	\$14,525.20	creditor inquiries /proof of claim forms
Jan-23-18	Sandever, Tara	INSV-Proposals Com	3.50		\$0.00	\$14,525.20	500 Piece mailout.
Jan-24-18	Clarke, Phil	INSV-CCAA	2.50	\$425.00	\$1,062.50	\$15,587.70	TWL initial decision on Dec 22, 2017 action item; upate to Company and legal counsel on creditro notices for the claims procedure and critical path items; CRA correspondence
Jan-24-18	Breeze, Jason	INSV-CCAA	0.10	\$285.00	\$28.50	\$15,616.20	Cheques
Jan-25-18	Clarke, Phil	INSV-CCAA	0.70	\$425.00	\$297.50	\$15,913.70	correspondence with creditors; correspondece to Company and TWL on initial decision
Jan-25-18	Sandever, Tara	INSV-Summaries	0.60		\$0.00	\$15,913.70	Posted add. labels for mail out.
Jan-26-18	Clarke, Phil	INSV-CCAA	2.20	\$425.00	\$935.00	\$16,848.70	various creditor calls, call with Company and message to Company and legal counsel on requirements, call with CWB on same; critical supplier information to ADTS
Jan-29-18	Clarke, Phil	INSV-CCAA	1.50	\$425.00	\$637.50	\$17,486.20	TWL letter to TWL and ADTS; various communications

Open WIP for AtlanticaDTSLtd as of Feb-14-18

17-CCAA

Slip Date	Employee	Work Type / Expense	Hours	Rate	Amount	Cumulative	Comments
GL Month: Jan-18							
<i>Time Charges</i>							
Jan-30-18	Clarke, Phil	INSV-CCAA	6.00	\$425.00	\$2,550.00	\$20,036.20	drafted monitors second report; call with company on material adverse change; call with CRA trust auditor and rview Copmany materials; call with CWB; call with SMSS re Sturgeon
<i>Time Charges for Jan-18:</i>			35.40		\$11,006.50		
<i>Recoverables</i>							
Jan-23-18	House(Insol), Nova Sc	FRS Other-NS			\$4,000.00	\$24,036.20	Photocopying - 500 packages of 8 pages each
Jan-23-18	House(Insol), Nova Sc	FRS Other-NS			\$530.07	\$24,566.27	Postage required for mail out to creditors
Jan-23-18	Blackburn, Sheryl	FRS Other-NS			\$4,000.00	\$28,566.27	Photocopying - 500 packages of 8 pages each
Jan-23-18	Blackburn, Sheryl	FRS Other-NS			\$460.93	\$29,027.20	Postage for creditor mail out
Jan-25-18	Blackburn, Sheryl	FRS Other-NS			\$57.39	\$29,084.59	Additional postage required
Jan-25-18	House(Insol), Nova Sc	FRS Other-NS			\$66.00	\$29,150.59	Additional postage required on mail out to creditors
<i>Recoverables for Jan-18:</i>					\$9,114.39		
<i>Total for Jan-18:</i>			35.40		\$20,120.89		
GL Month: Feb-18							
<i>Time Charges</i>							
Feb-01-18	Clarke, Phil	INSV-CCAA	3.50	\$425.00	\$1,487.50	\$30,638.09	lease disclaimer; POC's; email to CRA on ERP; material adverse change report
Feb-02-18	Clarke, Phil	INSV-CCAA	2.50	\$425.00	\$1,062.50	\$31,700.59	various discussoins on CRA post filing arrears; information from Company; information to CRA and follow up discussion with legal counsel for CRA
Feb-05-18	Clarke, Phil	INSV-CCAA	0.50	\$425.00	\$212.50	\$31,913.09	creditor communications and POC's
Feb-06-18	Marsh, Andrea	INSV-CCAA	0.10	\$50.00	\$5.00	\$31,918.09	Phone call from creditor filling out poc, put through to Judy as I could not answer their question.
Feb-07-18	Clarke, Phil	INSV-CCAA	0.50	\$425.00	\$212.50	\$32,130.59	POC's
<i>Time Charges for Feb-18:</i>			7.10		\$2,980.00		
<i>Total for Feb-18:</i>			7.10		\$2,980.00		
<i>Total for 17-CCAA:</i>			64.60		\$32,130.59		
<i>Total Open WIP:</i>			64.60		\$32,130.59		

STATEMENT OF ACCOUNT

BURCHELLS LLP

1800-1801 Hollis Street
Halifax NS B3J 3N4

t. 902.423.6361
f. 902.420.9326
www.burchells.ca

Tuesday, February 06, 2018

Atlantica Diversified Transportation
Systems Inc.
David Montgomery
19-10 Morris Drive
Dartmouth NS B3B 1K8

Our records indicate that the invoices listed below remain unpaid.
In the event that payment has already been sent, please accept our thanks.
Your account will be credited upon receipt.

<u>Inv. Date</u>	<u>Inv. No.</u>	<u>Matter I.D.</u>	<u>Matter Description</u>	<u>Amount</u>	<u>Paid</u>	<u>Balance</u>
1/31/2018	112647	16040-1072091	CCAA Proceeding	14,461.87	0.00	14,461.87
Total Now Due:				\$14,461.87	\$0.00	\$14,461.87



Invoice

David Montgomery
Atlantica Diversified Transportation Systems Inc.
10 Morris Street, Unit 19
Dartmouth NS Canada B3B 1K8

PricewaterhouseCoopers LLP
1601 Lower Water Street, Suite 400
Halifax, NS, Canada B3J 3P6
Telephone: +1 902 491 7400
Facsimile: +1 902 422 1166
Contact: Andre Boudreau
Telephone: +1 902 491 7424
Email: andre.m.boudreau@ca.pwc.com

Invoice number:	HL138100331	Account number:	60159362
Invoice date:	January 5, 2018	Payment requested by:	January 20, 2018

For professional services rendered to December 31, 2017 in respect of pre-filing advice on restructuring alternatives and post CCAA filing matters

See attached appendix for details

Fees
Disbursements
Total fees and disbursements
HST
Total due

CAD
7,975.00
558.25
8,533.25
1,279.99
9,813.24

Remittance information
Electronic wire or EFT (not e-Transfer): CIBC, 199 Bay Street, CCW Concourse Level, Toronto, Ontario, M5L 1G9
Account name: PricewaterhouseCoopers LLP
Transit no.: 010:00002 Swift code: CIBCCATT CAD account: 63-55412 USD account: 04-77419
Email payment details, including invoice number and amount paid, to: accounts.receivable@ca.pwc.com.
Cheques payable to: PricewaterhouseCoopers LLP *Enclose remittance copy of invoice with payment.*
Send to: PwC CAC, PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5

HST registration # 87057 6089 RT0001

Invoice details

Appendix

Invoice number: HL138100331

Atlantica Diversified Transportation
Systems Inc.

Invoice date: January 5, 2018

Payment requested by: January 20, 2018

Fee details

CAD

- Telephone discussions and onsite meetings with David Boyd and David Montgomery on CWB and alternatives for ADTS
- Direct calls on CWB bailiff matters, advices to David Montgomery
- Calls to Phil Clark at BDO and Bruce Clark at Burchell
- Fielded numerous phone calls and had an onsite meeting to review strategy and discussed with Phil Clarke on potential CCAA, and had further discussions with David Montgomery
- David Boyd reviewed the draft CCAA Order and reviewed the emails between Burchells, Company, Cox and Palmer
- André met with David Boyd and review of emails from Gavin with Cox and Palmer
- David Boyd attended a conference call with B. Clark and P. Clarke on CCAA filing, made a to-do list and discussed PwC's role
- David Boyd received emails form B Clarke, P Clarke and D. Montgomery on various matters
- Various discussions between Derek Cramm and Andre Boudreau regarding the status of selling leased vehicles
- Follow up conversations between Andre Boudreau and David Montgomery
- Various follow up meetings with David Boyd regarding alternatives to protect the company
- Discussions regarding the pros and cons on carrying out a CCAA
- Attendance at meetings

7,975.00

Total fees

7,975.00

EXHIBIT 2

BDO Canada Limited
Atlantica Diversified Transportation Systems Inc.
Monitor's Third Report
Exhibit 2

A. Allocation of Professional Fees to the Administration Charge

	Invoices	Balance of Retainer		Max
Patterson Law	19,176.28	4,292.74	14,883.54	12,552.67
BDO Canada Limited	64,121.94	14,354.05	49,767.89	41,973.88
Burchells LLP	14,461.87	-	14,461.87	12,197.04
PwC Inc.	9,813.24	-	9,813.24	8,276.42
	<u>107,573.33</u>		<u>88,926.54</u>	<u>75,000.00</u>

B. Allocation of the Administration charge to the Secured Creditors

Canadian Western Bank and Canadian Western Bank Leasing Inc.	7,357,700.00	73.30%	54,975.85	Note 1
Penske Truck Leasing Canada Inc.	871,649.00	8.68%	6,512.86	Note 2
Wells Fargo Equipment Finance Company	1.00	0.00%	0.01	Note 1
Royal Bank of Canada	45,023.00	0.45%	336.41	Note 1
Clarke Road Transport Inc.	15,035.00	0.15%	112.34	Note 1
Accutrac Capital Solutions Inc.	1,514,708.00	15.09%	11,317.72	Note 1
Design Group Staffing Inc.	11,735.00	0.12%	87.68	Note 1
Trailer Wizards Ltd.	162,000.00	1.61%	1,210.44	Note 1
Roops Cleaners 2009 Limited	-	0.00%	-	Note 2
National Leasing Group Inc.	125.00	0.00%	0.93	Note 1
RCAP Leasing Inc.	3,304.79	0.03%	24.69	Note 2
Bank of Montreal	1.00	0.00%	0.01	Note 1
Bodkin Capital Corp.	1.00	0.00%	0.01	Note 1
PACCAR Financial Ltd.	1.00	0.00%	0.01	Note 1
Northeast Truck & Trailer Sales	6,816.00	0.07%	50.93	Note 1
3237541 Nova Scotia Limited	1.00	0.00%	0.01	Note 1
Blue Chip Leasing Corporation	11,043.00	0.11%	82.51	Note 2
Element Financial Corporation	1.00	0.00%	0.01	Note 1
Nissan Canada Financial Services Inc.	26,325.00	0.26%	196.70	Note 1
1354439 Ontario Inc.	3,817.16	0.04%	28.52	Note 2
Ford Credit Canada Company	8,347.85	0.08%	62.37	Note 2
	<u>10,037,634.80</u>		<u>75,000.00</u>	

Note 1 Source is the books and records of ADTS

Note 2 Figures based on the creditor proof of claims as initially filed with the Monitor.