

June 29, 2016

Via Regular Mail

Dear Creditors:

Re: In the Matter of the Bankruptcy of Ore Construction Ltd.

As you are aware, Albert Gelman Inc. was appointed as Trustee in Bankruptcy of Ore Construction Ltd. (“Company”), pursuant to an Assignment in Bankruptcy filed on June 3, 2016.

Assets

Pursuant to the Company’s Statement of Affairs sworn on June 3, 2016, the Company’s main assets consist of unpaid accounts receivable due in relation to the following contracts:

<u>Contract</u>	<u>Balance due per Company's records</u>
2055 Danforth	\$ 25,295.05
Ajax 2014	13,551.84
Blackstone Paving	3,842.00
City of Oshawa, contract 15-12	99,768.53
Primrose Contracting Ontario Inc.	10,234.13
City of Toronto, contract 15EY-110TM	22,909.22
City of Toronto, contract 15SC-117TA	117,220.96
	<u>\$ 292,821.73</u>

Please note that the Trustee has not verified the amounts outstanding, nor the collectability of the accounts receivable, directly with the customers. Therefore, the amounts set out above may be subject to change.

Trust Claims and Secured Claims

Given that the Company is in the construction industry, creditors will be asserting a trust claims (“Trust Claims”) over the Company’s accounts receivable in accordance with the *Construction Lien Act* (“CLA”). To date the Trustee has been notified by several creditors of their intention to assert trust claims over the Company’s accounts receivable. If valid, claims of creditors with valid trust claim will rank in priority to any interest claimed by the Trustee.

Furthermore, the Trustee has received a proof of claim from the Company’s Union, Labourers’ International Union of North America, Local 183 claiming security for wages and prescribed pension plans for \$56,073.96 and \$74,927.40, respectively (“Secured Claims”). These claims will also rank in priority to the Trustee.

At this stage, given the potential for Trust Claims and Secured Claims set out above, the Trustee has no funding to pursue collection of accounts receivable.

Unless all creditors agree to postpone their priority claims in favour of AGI for its fees and disbursements, including legal fees, to ensure that its costs to pursue the receivables will be covered or alternative arrangements satisfactory to AGI are put in place, the Trustee will not be taking any steps to collect the Company's accounts receivable.

You are free to take steps under section 38 of the *Bankruptcy and Insolvency Act* to obtain an Order authorizing you to pursue collection of the accounts receivable in your own name and at your own expense/risk and on other terms as the Court directs. Creditors are encouraged to seek legal advice if they wish to pursue realization of the Company's assets of under section 38 of the BIA.

Sincerely,

ALBERT GELMAN INC.,
Trustee of the Estate of Ore Construction Ltd.

Per:



Bryan A. Gelman, *CIRP, Licensed Insolvency Trustee*

cc. *Sanj Mitra, Aird & Berlis LLP, Solicitor to the Estate*