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Bouchard, Paul Guenette, Micheline Guenette,
Norman Dufresne, Lucie Dufresne, Carmen
Guindon, Richard Guindon, Raymond Dallaire,
Gisele Dallaire, Richard Bouvier, Alice Bouvier,
1020590 Alberta Ltd., Gabriel Benoit, Lorraine
Benoit, Leo Roby, Lorraine Roby, Norman
Rochon, Lina Rochon, Roger Lambert, Cecile
Lambert, Tracey Beaudette, Michel Blais, Michel
Wolfe, Karen Wolfe, Reginald Bouchard, Annette
Bouchard, Rene Boisvert, Raymond Boisvert,
Lorraine Boisvert, Daniel Lavoie, Simon Lavoie,
Romeo Lavoie, Laurent Lavoie, Willie Couture,
Raydn Couture, Aurele Doran, Isabelle Doran,
Guy Gosselin, Therese Gosselin, Edna Boisvert,
Marcel Roy, Sandra Roy, Gary Doran, Jocelyne
Doran, Jean Nicolet, Elaine Nicolet, Michael
Paradis, Lise Paradis, Nobel Gabriel, 966567
Alberta Ltd., Roger Couillard, Louise Couillard,
Gerard Maure, Louis Hebert and Yvonne Hebert

DEFENDANTS

North Commons Commercial Limited
Partnership, North Commons Commercial GP
Ltd., University Park Regina Investment
Corporation, University Park Regina Limited
Partnership, University Park Regina GP Ltd.,
Prince of Wales Drive Regina Limited
Partnership, Prince of Wales Drive Regina GP
Ltd., Hills of Cold Lake Investment Corporation,
Hills of Cold Lake Limited Partnership, Hills of
Cold Lake GP Ltd., Windsor Hills Investment
Corporation, Windsor Hills Limited Partnership,
Windsor Hills GP Ltd., D.R. Real Estate Ltd., D.
Robinson and Associates Inc., LibertyGate
Investment Corp., LibertyGate Management
Corp., 1360109 Alberta Ltd., 101130281
Saskatchewan Ltd., Dedric Robinson and Allan
Holomey



DOCUMENT

**FORENSICS REPORT – PRINCE OF
WALES DRIVE PROJECT**

**PREPARED BY MNP LLP
INVESTIGATIVE AND FORENSICS
SERVICES**

DATED June 28th, 2011

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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Solicitors for the Interim Receiver, MNP
Limited

INTRODUCTION AND PURPOSE OF THE REPORT

1. Pursuant to an Interim Receivership Order of the Court of Queen's Bench of Alberta (the "Court") granted July 10th, 2010 (the "Receivership Order"), MNP Limited was appointed as Interim Receiver (the "Receiver") of all of the current and future assets, undertakings and property of North Commons Commercial Limited Partnership, North Commons Commercial GP Ltd., University Park Regina Investment Corporation, University Park Regina Limited Partnership, University Park Regina GP Ltd., Prince of Wales Drive Regina Limited Partnership, Prince of Wales Drive Regina GP Ltd., Hills of Cold Lake Investment Corporation, Hills of Cold Lake Limited Partnership, Hills of Cold Lake GP Ltd., Windsor Hills Investment Corporation, Windsor Hills Limited Partnership, Windsor Hills GP Ltd., D.R. Real Estate Ltd., D. Robinson & Associates Inc., LibertyGate Investment Corporation, LibertyGate Management Corporation, 1360109 Alberta Ltd., and 101130281 Saskatchewan Ltd. (collectively as the "Debtor").
2. The purpose of this Report is to advise the Court of the Receiver's activities in relation to the Forensic Review of the Prince of Wales Drive Project which includes the activities and transactions of Prince of Wales Drive GP Ltd., Prince of Wales Drive Limited Partnership, as well as activities, agreements, and transactions of D. R. Real Estate Ltd., D. Robinson & Associates Inc., 1360109 Alberta Ltd., and LibertyGate Management Corporation related to the Prince of Wales Drive Project.

BACKGROUND

3. The Prince of Wales Drive Project ("the Project") was a real estate development investment plan in the City of Regina, Saskatchewan. The Project included a planned purchase of a parcel of undeveloped land to be rezoned, some improvements added, and resold as a single parcel of land.
4. The Project included the offering of shares in the Prince of Wales Drive Limited Partnership ("limited partnership"), in order to raise funds to secure the purchase of the land, and obtain zoning and subdivision development approvals from the City of Regina. Prince of Wales Drive GP Ltd. was formed to serve as the General Partner. The corporation and partnership were formed by May 2008, and the head office of each was Dedric Robinson's principal office of 10027 – 170 Street, Edmonton, Alberta.
5. At all times, the corporations and partnership involved with the Project were controlled by Dedric Robinson.
6. See Appendix A for a depiction of the entities involved in the Prince of Wales Drive Project and the flow of funds between parties.

SCOPE OF REVIEW

7. The Receiver's work on this Project is ongoing. Thousands of banking and financial documents have been reviewed and analyzed, as well as offering memorandums, individual investor files, correspondence, and operational, corporate, and legal documents. Information is outstanding in some instances relative to financial transactions of the Project; these transactions have been isolated and requested from the appropriate financial institutions pursuant to the Interim Receivership Order.
8. The Forensic team has not conducted any interviews to date. Once the financial analysis is complete pending the receipt of outstanding information, interviews may be conducted with Dedric Robinson and other parties to the Project.
9. This Interim Receivership Report summarizes analyses to date on the Prince of Wales Drive Project, encompassing information from May 2008 to the present. The

analysis is not complete and is subject to change based on new information that may become available or additional analyses conducted.

REQUIREMENTS OF INTERIM RECEIVERSHIP ORDER

10. Section 3 (o) of the Interim Receivership Order requires the Receiver to perform the following:
 - a. Investigate the solicitation of funds pursuant to the offering memorandums issued for the limited partnerships and corporations
 - b. Prepare an accounting and a reconciliation of the solicited funds for each limited partnership and corporation
 - c. Investigate the use and/or whereabouts of the solicited funds
 - d. Investigate whether any funds were received or assets purchased and acquired by the Debtor arising from the solicited funds

SUMMARY OF THE PROJECT AS REPRESENTED

11. The Offering Memorandum for the Prince of Wales Drive Project included the planned involvement of several different legal entities (limited partnership and corporations) to execute the Project, all of which were materially controlled by Detric Robinson, directly or indirectly. It appears that the Project was designed to generate a profit for Mr. Detric Robinson first and foremost, financed by investors, and investors to participate in any subsequent profit should the Project be completed as planned.
12. The described series of events for the Project, as outlined in the limited partnership offering memorandum, were as follows:
 - a. A limited partnership was formed and a general partner was incorporated. An investment corporation was subsequently incorporated as well. The general partner, Prince of Wales Drive GP Ltd., was issued 100 Class B shares for \$10 and was entitled to 10% of profits from the planned project. Prince of Wales Drive GP Ltd. is wholly-owned by Detric Robinson.

- b. The limited partnership released an offering memorandum to solicit investment in the Project. The limited partnership released one known offering memorandum on August 22, 2008.
- c. The limited partnership offering memorandum offered Class "A" voting shares of the partnership at a fee of \$1,000 each. Investors were required to purchase a minimum of ten shares; a minimum investment of \$10,000. The desired investment generated from sale of Class "A" shares was \$10,000,000.
- d. The limited partnership offering memorandum described a plan to raise funds from investors to purchase land from D.R. Real Estate Ltd., a company wholly-owned by Dedric Robinson, which was purchasing the land from Kanosis Development Corporation for the Project. The parcel of land in the City of Regina was to be purchased for \$4,990,000 by "D.R. Real Estate and any others who participate with it". Subsequently, D.R. Real Estate Ltd. would sell the land to the limited partnership for \$8,500,000, realizing a \$3.51 Million dollar profit immediately. The land was described as bare land in the North Portion of Block "A" Plan AV4844 containing 9.58 acres located in the City of Regina, Saskatchewan.
- e. The offering memorandum indicates that the title to the property was in the name of Kanosis Development Corporation. It also states that Kanosis Development Corporation purchased the property for \$4,300,000 from Willow Dale Holdings Inc on August 7, 2007. Kanosis Development Corporation, according to the offering memorandum, is an unrelated party to the Project. The offering memorandum states the property was mortgaged for \$4,300,000 from the Bank of Nova Scotia, and that the mortgage would be removed once the purchase by D. R. Real Estate Ltd. was finalized. These details of historical ownership and encumbrance registered against the property cannot be confirmed at this time. The Receiver has not been provided with a proper legal land description for the property and therefore cannot obtain current and historical land title documents to review.

- f. After incurring planned development costs of \$50,000 the limited partnership would re-sell the land as an intact parcel “for approximately \$13,000,000 to an entity owned, controlled, or affiliated with Dedric Robinson.”
- g. The limited partnership offering memorandum indicated sales of Class “A” shares in the partnership would be facilitated by LibertyGate Investment Corporation, a company wholly-owned by Dedric Robinson, which would receive a 15% fee on gross proceeds of the sale of shares to subscribers introduced to the General Partner by LibertyGate Investment Corporation. LibertyGate Investment Corporation and the General Partner are both 100% owned by Dedric Robinson. Should all 10,000 offered shares be sold to subscribers introduced by LibertyGate Investment Corporation, the commission paid to LibertyGate Investment Corporation would be \$1,500,000.
- h. The limited partnership offering memorandum also described a plan by which the general partner would delegate management responsibilities for the Project to 1360109 Alberta Ltd., a company wholly-owned by Dedric Robinson, for a monthly fee of \$15,000 subsequent to August 22, 2008.
- i. The return on investment for investors projected in the limited partnership offering memorandums was as follows:

Prince of Wales Drive Project Projected Return on Investment	Land Re-Sale
Gross Proceeds of Sale of Land	\$13,000,000
Costs of Project:	
Property Purchase Price	(\$8,500,000)
Development and Sales Costs	(\$50,000)
Offering Costs	(\$80,000)
Selling Commission and Fees	(\$1,500,000)
	(\$10,130,000)
Net Return on Investment for Class A and Class B Investors to Share	\$2,870,000

- j. The intended split of net return on investment was 90% for Class A shareholders (investors) and 10% to Class B shareholders (the general partner) per the offering memorandum.

- k. The Receiver reviewed the offering memorandum issued by the limited partnership for the Prince of Wales Drive Project. Key observations from this review are:
- i. The offering memorandum included statements about the risk of the investment opportunity.
 - ii. The offering memorandums did not require funds to be segregated and pooled until sufficient funds were raised to execute the project. The offering memorandum indicated how funds were intended to be spent but did not make guarantees on how solicited funds were to be used.
 - iii. Thresholds are not set in the offering memorandums to indicate whether the Project will proceed or not. Working backward through project cost projections, it appears that at least \$10 Million needed to be raised in order to finance the Project, through either sale of shares or mortgages/loans. The offering memorandums do not explicitly state how much money is required to go ahead. Instead, the offering memorandums state:

Insufficient Funds

"There is no minimum amount of funds that are required to be raised under this offering, therefore, the net proceeds of this offering may be insufficient to meet all of our proposed short-term objectives and there is no assurance that additional financing will be available. Failure to obtain sufficient funding whether through this offering or additional financing could have adverse effect on the Partnership's ability to carry out its business plans."

- i. The limited partnership offering memorandums state that the Class A units are not qualified investments for registered retirement savings plans.
- ii. The offering memorandums state several times that offered investments are risky, including the following:
 - 1. There is no market through which the Class A units may be sold, and it is not expected that any market will develop.
 - 2. The purchase price of the Class A units was determined primarily by capital needs of the Partnership and bears no

relation to any established criteria of value such as book value or current market value.

3. In the event that the Partnership is unable to raise funds under this offering and/or debt or equity financings, the Partnership may have insufficient funds to achieve short-term and long-term objectives and investors may lose their investment.
4. If Municipal development approvals are not obtained, the Partnership will be forced to sell the Property as a single parcel.

ANALYSIS OF SOLICITED FUNDS

13. The Receiver reviewed the following information in an attempt to ascertain the exact number of investors and their corresponding investment for each of the limited partnership Class A share sales and the investment corporation Class B share sales.
 - a. 70 individual investor files;
 - b. Funds deposited to the limited partnership bank accounts;
 - c. Detric Robinson's affidavits filed with the courts;
 - d. The offering memorandum of August 22, 2008;
 - e. Documentation provided by LibertyGate Investment Corporation to the Receiver; and
 - f. Audited financial statements of the limited partnership and investment corporation.
14. The total sales of shares per the sources of information available do not reconcile at this time. The differences may be due to information the Receiver has not yet received, and/or because some of the information reviewed contained incorrect or incomplete values.

Investor Files

15. Based on the review of 70 individual investor files, 2,486 Class A shares in the limited partnership were sold and distributed directly to shareholders. The total investment funds generated per the investor files available for review was \$2,486,000. Detric Robinson's affidavits (see below) indicate 2,356 shares sold in the limited partnership, a difference of 130 shares.

Dedric Robinson Affidavits

16. Affidavits of Dedric Robinson dated May 25, 2010, and filed with the Court of Queen's Bench in Edmonton, list individual investors by name, and the number of shares they own. They do not list the total investment received from each shareholder. The listing for the limited partnership shares issued totals 2,356 shares sold. At \$1,000 per share, the revenues for the Project would be \$2,356,000 based on the affidavit.

Bank Deposits

17. The Receiver reviewed bank account deposits for the Alberta Treasury Branch chequing account no. 1373633-24 in the name of Prince of Wales Drive Limited Partnership Ltd., from September 2008 to August 31, 2009. The limited partnership banking analysis indicates that deposits that could have been investor funds generated totaled \$2,692,088. The following table shows funds into the limited partnership bank account that may represent the sale of shares to investors:

Selected Deposits to the Limited Partnership	Amount
Deposits from Identified Individual Sales of Shares	\$2,497,088
Transfer from D. Robinson & Associates Inc. Account	\$180,000
Unknown Deposit Transfer (1 transaction)	<u>\$15,000</u>
Possible Share Sales Deposits	\$2,692,088

Offering Memorandums

18. The offering memorandum did not indicate prior sales of shares to investors.

LibertyGate Investment Corporation

19. Antoine Palmer of LibertyGate Investment Corporation provided the Receiver with electronic data regarding the share sales for the Prince of Wales Project. According to a spreadsheet file dated July 8, 2009, share sales for the Hills of Cold Lake Project totaled \$2,636,000. This same document also indicated total share sales offered for the Project were 10,000,000.

Financial Statements

20. Audited financial statements for the limited partnership at December 31, 2008 indicate proceeds from sale of partnership units were \$884,861. The Receiver's analysis of investor files indicates that \$1.4 Million dollars in share sales took place in

2008, and over \$1 Million dollars in 2009. The audited financial statements appear to be inconsistent with the analysis of investor files performed by the Receiver.

Conclusion – Solicited Funds

21. Our review and attempted reconciliation of invested funds has resulted in a range of possible sales revenues for the Project of \$2,356,000 to \$2,692,088 based on information analyzed to date. We have concluded that at least \$2.3 Million dollars was invested into the Project via purchase of shares in the limited partnership. At least 2,356 shares in the limited partnership were issued to individual investors. Further analysis of share sales documents recently obtained from Parlee McLaws LLP, as well as further reconciliation of funds between related party accounts, will assist in calculation of the exact number of shares issued, as well as a finalized listing of shareholders. A listing of all identified shareholders in the Project has been prepared and is attached to this report as Appendix B.

USE OF SOLICITED FUNDS

22. Appendix A depicts the flow of funds between parties to the Project resulting from the analysis of banking transactions.

Limited Partnership Bank Transactions

23. The following table summarizes the flow of funds in the limited partnership account from September 2008 to August 2009:

Description of Transactions	Transaction Deposit (Withdrawal)
Deposits from Identified Individual Sales of Shares	2,497,088
Transfer from Dedric Robinson’s Personal Account	2
Transfer from D. Robinson & Associates Inc. Account	180,000
Unknown Deposit Transfer (1 transaction)	15,000
Payments to Parlee McLaws LLP and Hillenbrand Kozicki LLP	(11,918)
Transfers to D. Robinson & Associates Inc. Account	(2,006,200)
Transfers to Libertygate Investment Corporation Account	(375,600)
Transfers to 1360109 Alberta Ltd. Account	(150,000)
Transfers to Hills of Cold Lake LP	(117,000)
Unknown Withdrawal transfer (1 transaction)	(15,000)
Payments to Peter Lawrek for Appraisal	(1,995)
Payments to Alberta/Manitboa Securities Commission and Minister of Finance	(2,701)
Payments to Urbanics Consultants Ltd.	(7,350)

Description of Transactions	Transaction Deposit (Withdrawal)
Payments to Tejpar Chartered Accountants	(3,000)
Investment Refunds	(1,088)
Miscellaneous net bank account fees	<u>(226)</u>
Net funds remaining in bank account	\$12

24. The limited partnership bank account did maintain a sizeable balance; the average being \$344,417 over the period of time MNP reviewed.
25. As mentioned previously in this report, D. R. Real Estate Ltd. was to purchase the property and then sell it to the limited partnership for \$8,500,000. No transactions with D. R. Real Estate Ltd. were identified in the bank account analysis. However, disbursements of \$2 Million dollars were made to D. Robinson & Associates Inc., a party not mentioned in the offering memorandum, but also a company wholly-owned by Dedric Robinson. The payments were made in 17 increments from September 2008 to August 2009; the most significant payment being \$800,000 made on March 4, 2009. One transfer to the limited partnership account from the account of D. Robinson & Associates Inc. for \$180,000 was also made. The purpose of these transactions with D. Robinson & Associates Inc. is unknown to us at this time.
26. LibertyGate Investment Corporation received \$375,600 from the limited partnership. Known share sales identified through a review of investor files totalled at least \$2.356 Million dollars. LibertyGate Investment Corporation's 15% commission of the gross sales proceeds of \$2.356 Million dollars would be \$353,400, if all shares were sold through LibertyGate Investment Corporation. LibertyGate Investment Corporation's actual payment is consistent with the terms and conditions of the offering memorandum and the range of identified share sales discussed in this report, if it participated in each share sale.
27. 1360109 Alberta Ltd. was paid total management fees of \$135,000 from the limited partnership bank accounts. The offering memorandum and management agreement called for a \$15,000 per month fee to be paid to this company subsequent to August 2008. The payments made to 1360109 Alberta Ltd. were made during until May 2009, a 9-month period. Based on the offering memorandum terms, the payments to 1360109 Alberta Ltd. should have totaled \$135,000 – which they did.

28. A payment of \$117,000 was made to the Hills of Cold Lake Project, which was also controlled by Dedric Robinson. It is unknown at this time why this payment was made.

PURCHASE OF ASSETS

29. No assets have been identified as purchased by the limited partnership at this time.
30. We found no evidence that D. R. Real Estate Ltd. ever purchased the Property, and therefore was not in a position to sell the Property to the Limited Partnership. However, as mentioned previously in this report, the Receiver has not reviewed a clear legal land description that would enable us to research the historical title and encumbrances to the property. The legal land description as provided in the offering memorandum did not return a title when a title search was conducted.

CORRESPONDENCE

31. Very little Project-related correspondence was obtained in the course of the Receivership. However, one printed email message of note was appended to the affidavit of Dedric Robinson. The message from Dedric Robinson at the email address of djrobinson0201@msn.com to Murray Engelking at mengelking@eng.ca on May 20, 2010 reads:

<p>Prince of Wales Drive LP The LP did not complete its purchase of the lands as per the purchase agreement. The LP is in default. The purchase contract is null and void.</p>
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32. The purchase agreement referenced in the email has not been available for review by the Receiver.

CONCLUSIONS: PRINCE OF WALES DRIVE PROJECT

33. The Receiver has confirmed that at least \$2.3 Million dollars was solicited from investors and received into the limited partnership. \$2,006,200 of these funds were paid to D. Robinson & Associates Inc. – a party not mentioned in the offering

memorandum or the project plan. The remainder of the funds were paid to companies wholly-owned by Dedric Robinson.

34. The Project did not continue. The investors did not receive their money back.

Respectively Submitted this 28th day of June
2011.

MNP LIMITED
In its capacity as Interim Receiver of
D. Robinson & Associates Inc.
And not in its personal capacity

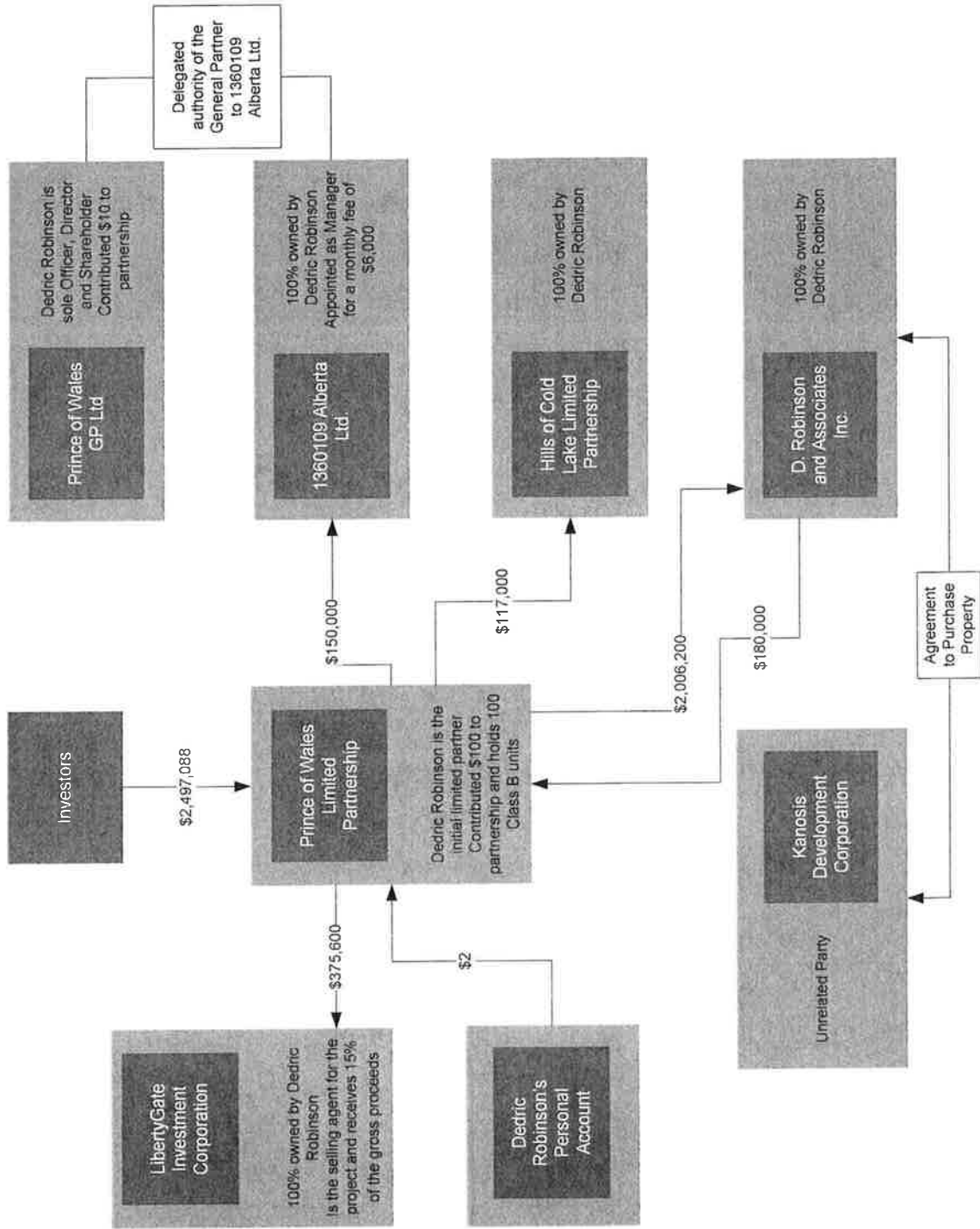
Per:



Eric Sirrs, CIRP, Trustee
Vice President

APPENDIX A

PRINCE OF WALES PROJECT
Parties to the Project and Flow of Funds



Prince of Wales Drive Project

Appendix B

Listing of Known Investors

Prince of Wales Drive LP

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
1	1424148 Alberta Ltd.	11	11,000
2	966567 Alberta Ltd.	100	100,000
3	Addanet Corp.	20	20,000
4	Ahmed, Yasmin	10	10,000
5	All In One Design & Build Inc.	40	40,000
6	Almond, Danielle & Roland	20	20,000
7	Amlani, Latifa	20	20,000
8	Aubin, Henri & Linda	15	15,000
9	Bardoel, Tim	40	40,000
10	Belsheim, Allan & Yasuko Inoue	17	17,000
11	Bennett, Cory & Shirley	150	150,000
12	Betts, Dennis	15	15,000
13	Bouchard, Charlie M.	10	10,000
14	Corbiell, Wade	20	20,000
15	Cretney, James	10	10,000
16	Dallaire, Raymond & Gisele	10	10,000
17	Doran, Aurele & Isabelle	20	20,000
18	Drysdale, William	10	10,000
19	Dyck, David & Brenda	10	10,000
20	Fadi, Kenneth & Lisa	28	28,000
21	Gabriel, Nobel	20	20,000
22	Gans, Lucille	15	15,000
23	Gawryluk, Dallas	50	50,000
24	Hasting, Donna May Prof. Corp.	60	60,000
25	Herc Holdings Inc.	100	100,000
26	Hereychuk, Nataliya & Olen Kutsan	30	30,000
27	Hori, Tokio	10	10,000
28	Hutterian Brethren of Bow City	100	100,000
29	K.W. Oilfield Consulting	20	20,000
30	Knelsen, Craig	10	10,000
31	Ko, Sunrose Siu Lam	10	10,000
32	Krieger, Karin	20	20,000
33	Lalji, Shamira	10	10,000
34	Leonard, Brian	105	105,000
35	Lucke, Karen	10	10,000
36	MacDonald, Grant & Heather	100	100,000
37	Mak, Melvin	10	10,000
38	Mak, Sunny & Anna	50	50,000
39	Mann, Myles & Linda	30	30,000
40	Mather, Vicki	200	200,000
41	Maure, Gerard	10	10,000
42	Mckervervey, Mark & Carol	10	10,000
43	Morrow, William	15	15,000
44	Motz, Sarah	65	65,000
45	Olain, Larry	50	50,000

Listing of Known Investors

Prince of Wales Drive LP

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
46	Pang, Li Yun	10	10,000
47	Petryshyn, Jean	10	10,000
48	Plomp, Jack	100	100,000
49	Price, Gordon & Helen	100	100,000
50	Ramji, Raffat	10	10,000
51	Rangwala, Huseni & Shabana	20	20,000
52	Raymer, Barbara & Larry	15	15,000
53	Reban, John & Josephine	150	150,000
54	Reiter, Keith & Joanne	45	45,000
55	Roby, Leo & Lorraine	10	10,000
56	Rosmer, Ronald & Barbara	20	20,000
57	Roy, Marcel & Sandra	25	25,000
58	Santos, Robin	25	25,000
59	Saskatoon Spinal Assessment Services Inc.	25	25,000
60	Scott, Don	50	50,000
61	Selanders, Gary	25	25,000
62	Sharlo Oilfield Services Ltd.	10	10,000
63	Stakievech, Maureen	10	10,000
64	Stein, James	15	15,000
65	Thuy Le, Lillian	25	25,000
66	Walji, Parviz	10	10,000
67	Wegner, Helen & Ronald	10	10,000
68	Wong, Herold	10	10,000
69	Wray, David	70	70,000
	Grand Total	2,486	2,486,000