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Daniel Charest, Suzanne Charest, Alfred Toews, Doris Toews, Denis Gagnon, Lorraine Gagnon, Paul Rochon, Winnie Rochon, Charles 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., Detric Robinson and Allan Holomey

DOCUMENT

**FORENSIC REPORT
THE HILLS OF COLD LAKE PROJECT**

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

DATED June 28, 2011

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
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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 Hills of Cold Lake Project, which includes the activities and transactions of Hills of Cold Lake Investment Corporation, Hills of Cold Lake GP Ltd., and Hills of Cold Lake Limited Partnership, as well as activities, agreements, and transactions of D. Robinson & Associates Inc., 1360109 Alberta Ltd., and LibertyGate Management Corporation related to the Hills of Cold Lake Project.

BACKGROUND

3. The Hills of Cold Lake Project (“the Project”) was a real estate development investment plan near Cold Lake, Alberta in the Municipal District of Bonnyville. The Project included a planned purchase of 150 acres of agricultural land to be subdivided and re-sold in 168 – 185 individual residential lots.
4. The Project included the offering of shares in the Hills of Cold Lake Limited Partnership (“limited partnership”), and the Hills of Cold Lake Investment Corporation (“investment corporation”) in order to raise funds to secure the purchase of the land as well as incur costs of subdivision and resale. Hills of Cold Lake GP Ltd. was formed to serve as the General Partner. The corporations and partnership were formed in 2007 and 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 Hills of Cold Lake 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 some 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 Hills of Cold Lake Project, encompassing information from July 2007 to the present. The analysis is not complete and is subject to change based on new information that may come 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 Memorandums for the Hills of Cold Lake Project included the planned involvement of several different legal entities (partnership and corporations) to execute the Project, all of which were materially controlled by Dedric Robinson, directly or indirectly. It appears that the Project was designed to generate a profit for Mr. Dedric 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, consistent throughout the various Offering Memorandums, 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, Hills of Cold Lake GP Ltd., was issued 100 Class B shares

for \$10 and was entitled to 35% of profits from the planned project. Hills of Cold Lake GP Ltd. is wholly-owned by Dedic Robinson.

- b. The limited partnership and the investment corporation both released offering memorandums to solicit investment in the Project. The limited partnership released three offering memorandums, on January 15, 2008, October 20, 2008, and November 12, 2008, respectively. The investment corporation released two offering memorandums on March 31, 2008 and November 12, 2008.
- c. The limited partnership offering memorandums described a plan to raise funds from investors to purchase the Property from D. Robinson & Associates Inc., a company wholly-owned by Dedic Robinson, for \$6,000,000. D. Robinson & Associates Inc. reportedly had an accepted agreement in place to purchase two parcels of land from the title holders for \$6,200,000 – half of which (\$3,100,000) would be allocated to the Hills of Cold Lake Project and sold to the limited partnership. The offering memorandum states that D. Robinson & Associates Inc. would realize an immediate profit of \$2,900,000.
- d. After incurring between \$10.2 Million and \$11.8 Million in development costs, the limited partnership would sell the subdivided land as residential acreages. The offering memorandums indicate a plan to subdivide into either 168 or 185 individual lots, with anticipated revenue of \$230,000 or \$260,000 per lot.
- e. The limited partnership offering memorandums indicated sales of Class “A” shares in the partnership would be facilitated by LibertyGate Investment Corporation, a company wholly-owned by Dedic Robinson, which would receive a fee on gross proceeds of the sale of shares to subscribers introduced to the General Partner by LibertyGate Investment Corporation. The initial offering memorandum on January 15, 2008 indicated commission paid on share sales would be 10%. Subsequent offerings on October 20, 2008 and November 12, 2008 indicated commission paid on share sales would be 15%. Should all offered shares be sold to subscribers introduced

to the general partner by LibertyGate Investment Corporation, the commission paid to LibertyGate would be between \$800,000 and \$907,650 per the return on investment calculations presented in the offering memorandums (see *Planned Net Return on Investment* table, below).

- f. The limited partnership offering memorandums 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 one-time fee of \$225,000 plus a monthly fee of \$25,000. These fees were included in the development and sales fees, as shown in the *Planned Net Return on Investment* table (below).
- g. The limited partnership offering memorandums offered Class "A" voting shares of the partnership at a fee of \$1,000 each for the first offering in January 2008, and \$1,200 for the two offerings thereafter, with a minimum purchase of ten shares per investor. The desired investment generated from sale of Class "A" shares was \$8,000,000. The total desired share sales, per the offering memorandums, were confirmed by internal LibertyGate Investment Corporation documentation provided to the Receiver.
- h. The investment corporation offering memorandums offered Class "B" non-voting shares of the corporation at a fee of either \$1,000 or \$1,200 each, with a minimum purchase of ten shares per investor. The desired investment generated from sale of Class "B" shares was \$7,500,000. The Class "B" shareholder funds were planned to be used to purchase Class "A" voting shares from the partnership, to be held in the name of the investment corporation. Sales commission fees and offering memorandum fees were nil in the offerings.
- i. The return on investment for investors projected in the limited partnership offering memorandums was as follows:

Hills of Cold Lake Project Planned Return on Investment	\$230,000 per lot		\$260,000 per lot	
	168 lots	185 lots	168 lots	185 lots
Gross Proceeds of Lots Sold Individually	\$38,640,000	\$42,550,000	\$43,680,000	\$48,100,000
Costs of Project:				
Property Purchase Price	(\$6,000,000)	(\$6,000,000)	(\$6,000,000)	(\$6,000,000)
Developments and Sales Costs	(10,232,500)	((11,797,500)	(\$10,232,500)	(\$11,797,500)
Offering Costs	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Selling Commission and Fees	(\$800,000)	(\$800,000)	(\$800,000)	(\$800,000)
	(\$17,082,500)	(\$18,755,150)	(\$17,082,500)	(\$18,755,150)
Net Return on Investment	\$21,557,500	\$23,794,850	\$26,597,500	\$29,344,850
Distribution:				
Class A Unitholders (65%)	\$14,012,375	\$15,466,653	\$17,288,375	\$19,074,153
Class B Unitholders (35%)	\$7,545,125	\$8,328,198	\$9,309,125	\$10,270,698
	\$21,557,500	\$23,794,850	\$26,597,500	\$29,344,850

- j. Class A unit-holders in the limited partnership included shareholdings sold via the partnership offering memorandums, and shareholdings sold via the investment corporation offering memorandums (Class B shares in the corporation sold to bulk-purchase Class A shares from the limited partnership). 100 Class B units of the limited partnership were issued to the general partner for \$10.
- k. The offering memorandums include statements about the risk of the investment opportunity. In particular, they state that the proceeds of each offering are insufficient on their own to finance the entire Project, and if sufficient funds are not generated from other offerings or financing available, the Project may fail and the investors could lose their investment. However, nowhere do they declare how much money is required for the Project to continue.
- l. The offering memorandums are continuous; that is, the Project is described in the same manner from offering to offering, and prior sales in the Project are represented in each subsequent offering.

m. The Receiver reviewed the offering memorandums issued by the limited partnership and the investment corporation for the Hills of Cold Lake Project.

Key observations from this review are:

- i. 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. The limited partnership offering memorandums stated: "We intend to spend the net proceeds as stated. The Partnership will reallocate funds only for sound business purposes."
- ii. 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 \$17 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 effects on the Partnership's ability to carry out its business plans."

- iii. The limited partnership offering memorandums state that the Class A units are not qualified investments for registered retirement savings plans.
- iv. The Property to be purchased was encumbered by four mortgages at the time of the offerings, two of which were in the course of discharge.
- v. 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 or two parcels.

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. 237 individual investor files;
 - b. Dedric Robinson's affidavits filed with the courts;
 - c. Funds deposited to the limited partnership and investment corporation bank accounts;
 - d. Prior sales declared in each offering memorandum;
 - 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, according to the sources of information available, do not entirely 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 237 individual investor files, 6,421 Class A shares in the limited partnership were sold and distributed directly to shareholders or to the investment corporation to its Class B shareholders. The total investment funds generated per the investor files available for review was \$6,545,800. Investor files indicate 724 shares were sold at \$1,200 per share (11.2%), and 5,697 were sold at \$1,000 per share (88.8%). It is unclear whether we have complete documentation for investor files; it is plausible investor files are missing and this figure is understated as a result. Investor files show 6,421 Class A shares sold. Dedric Robinson's affidavits (see below) indicate 6,513 Class A shares sold - a difference of 92 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 investment corporation indicates total shares sold at 3,742 Class B shares. The listing for the limited partnership includes 6,513 Class A partnership shares sold, including 3,742 to the investment corporation.
17. Based on the split between shares sold at \$1,000 per share and shares sold at \$1,200 per share (11.2% and 88.8% ratio) determined from the review of investor files, the plausible revenue generated from sale of shares as listed in the affidavits is \$6,658,891.

Bank Deposits

18. The Receiver reviewed bank account deposits for the Alberta Treasury Branch account no. 1372084-24 in the name of Hills of Cold Lake Investment Corporation. The investment corporation banking analysis indicates deposits that could have been investor funds generated totaled \$3,886,400 from February 23, 2008 to April 3, 2009. Most of these funds (\$3,230,800) came from trust account cheques received from Parlee McLaws LLP, who received investment funds in trust from Olympia Trust Co. and subsequently provided them to the investment corporation.

The Receiver reviewed bank account deposits for the Alberta Treasury Branch account no. 136458-01 in the name of Hills of Cold Lake Limited Partnership Ltd., from November 2007 to August 2009, and one previous deposit on August 15, 2007. August and September 2007 banking statements were unavailable to review at this time. The limited partnership banking analysis indicates that deposits that could have been investor funds generated totalled \$6,796,616, including \$3,769,287 transferred into the account from the investment corporation account (see above).

The following table shows funds into the limited partnership bank account that may represent the sale of shares to investors, from both Class A and Class B share sales:

Selected Deposits to the Limited Partnership	Amount
Hills of Cold Lake Investment Corporation	\$3,769,287
Direct Share Sales (multiple investor deposits)	2,857,400
LibertyGate Investment Corporation	54,680
D. Robinson & Associates Inc.	20,249
1360109 Alberta Ltd.	6,000
Konscious Corporation	39,000
Unknown Deposit	50,000
Total Possible Share Sales Revenue	\$6,796,616

Offering Memorandums

19. The offering memorandums indicate direct sales of the limited partnership Class A shares were 4,234 for total proceeds of \$4,234,000 between July 2007 and October 2008. Sales of the Class B shares of the investment corporation were reported as 3,424 for total proceeds of \$3,424,000 between March 31, 2008 and November 6, 2008. Taken at face value, the combined sum of units sold and funds generated according to all of the offering memorandums is 7,658 shares and \$7,658,000. However, given that the Class B investment corporation shares were to be used to purchase Class A shares in the limited partnership (a flow through arrangement), it is likely that many declared share sales after March 31, 2008 were counted in both. The Dedric Robinson affidavits indicate shares sold to the investment corporation from the limited partnership were 3,742 – a value different than what was reported in the offering memorandums. However, the offering memorandums only include share sales prior to the final offering memorandum issuance; sales subsequent to November 12, 2008 would not be reported.

20. Sales reported in the offering memorandums for the Hills of Cold Lake Limited Partnership are:

Date of Issuance	Type of Security	# of Units	Price/Security Unit	Total Funds Received
July 13, 2007	Class B Units	100	\$.10	\$10
January 10, 2008	Class A Units	10	\$1,000.00	\$10,000
March 31, 2008	Class A Units	1	\$1,000.00	\$1,000
April 30, 2008	Class A Units	140	\$1,000.00	\$140,000
May 30, 2008	Class A Units	266	\$1,000.00	\$266,000
June 30, 2008	Class A Units	588	\$1,000.00	\$588,000
July 31, 2008	Class A Units	2224	\$1,000.00	\$2,224,000
August 29, 2008	Class A Units	10	\$1,000.00	\$10,000
September 30, 2008	Class A Units	624	\$1,000.00	\$624,000
October 31, 2008	Class A Units	371	\$1,000.00	\$371,000
	Total	4334		\$4,234,010

Sales reported in the offering memorandums for the Hills of Cold Lake Investment Corporation are:

Date of Issuance	Type of Security	# of Units	Price/Security Unit	Total Funds Received
March 31, 2008	Class B Units	1	\$1,000.00	\$1,000
May 31, 2008	Class B Units	156	\$1,000.00	\$156,000
May 27, 2008	Class B Units	52	\$1,000.00	\$52,000
June 5, 2008	Class B Units	219	\$1,000.00	\$219,000
June 17, 2008	Class B Units	247	\$1,000.00	\$247,000
June 27, 2008	Class B Units	35	\$1,000.00	\$35,000
July 7, 2008	Class B Units	561	\$1,000.00	\$561,000
July 15, 2008	Class B Units	406	\$1,000.00	\$406,000
August 23, 2008	Class B Units	273	\$1,000.00	\$273,000
September 7, 2008	Class B Units	354	\$1,000.00	\$354,000
August 25, 2008	Class B Units	172	\$1,000.00	\$172,000
August 27, 2008	Class B Units	94	\$1,000.00	\$94,000
September 2, 2008	Class B Units	179	\$1,000.00	\$179,000
September 18, 2008	Class B Units	132	\$1,000.00	\$132,000
October 1, 2008	Class B Units	301	\$1,000.00	\$301,000
November 6, 2008	Class B Units	242	\$1,000.00	\$242,000
	Total	3424		\$3,424,000

LibertyGate Investment Corporation

21. Antoine Palmer, formerly of LibertyGate Investment Corporation, provided the Receiver with electronic data regarding the share sales for the Hills of Cold Lake

Project. According to a spreadsheet file dated July 8, 2009, share sales for the Hills of Cold Lake Project totaled \$6,665,800. Share sales of Hills of Cold Lake 2 Project¹ totaled \$32,000. This same document also indicated total share sales offered for the Hills of Cold Lake Project and Hills of Cold Lake 2 Project were 8,000,000 and 10,000,000 respectively.

Financial Statements

22. Audited financial statements for the limited partnership indicate proceeds from issuance of partnership units were \$4,191,986 at December 31, 2008. Audited financial statements for the investment corporation indicate proceeds from issuance of shares were \$3,605,010 at December 31, 2008. These figures are not inconsistent with shares sold and proceeds of sales reported in the offering memorandums (see above).
23. The Hills of Cold Lake 2 audited financial statements reported proceeds from sale of partnership units of \$23,939 at December 31, 2008. The Receiver has not reviewed further information on this project.
24. The financial statements were audited by Tejpar LLP Chartered Accountants in Edmonton, Alberta.

Conclusion – Solicited Funds

25. Our review and attempted reconciliation of invested funds has resulted in a range of possible sales revenues for the Project of \$6,545,800 to over \$7 Million dollars, based on information analyzed to date. We have concluded that at least \$6.5 Million dollars was invested into the Project via purchase of shares in either the limited partnership or the investment corporation by individual investors. At least 6,421 shares in the limited partnership were issued to individual investors and to the investment corporation. Further analysis of share sales documents recently obtained from Olympia Trust Co. and Parlee McLaws LLP, as well as reconciliation of funds between projects, 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.

¹ A Project called *Hills of Cold Lake 2* was identified in the course of this review. Additional companies particular to this project were not identified, nor were specific offering memorandums found. It appears that Hills of Cold Lake 2 is a secondary project to Hills of Cold Lake on the same real property site.

USE OF SOLICITED FUNDS

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

Investment Corporation Bank Transactions

27. Funds that flowed into this account were primarily transferred to the limited partnership bank account. The following table summarizes the flow of funds in the investment corporation account from February 2008 to April 2009.

Description of Transactions	Transaction Deposit (Withdrawal)
Account Opening Deposit from D. Robinson's personal account	\$1,000
Deposits from Parlee McLaws LLP Trust Account	3,885,400
Transfer from LibertyGate Investment Corp. Account	50
Transfers from Hills of Cold Lake Limited Partnership Account	100
Transfers to Hills of Cold Lake Limited Partnership Account	(3,769,287)
Transfers to Windsor Hills Investment Corp. Account	(117,000)
Miscellaneous bank account fees	(268)
Net funds remaining in bank account	(\$5)

The investment corporation bank account did not maintain a balance. When funds were transferred into the account, they were immediately transferred out.

Limited Partnership Bank Transactions

28. The following table summarizes the flow of funds in the limited partnership account from November 2007 to August 2009.

Description of Transactions	Transaction Deposit (Withdrawal)
Transfer from Investment Corporation Account	3,769,287
Transfer from University Park Regina Account	343,448
Transfer from Prince of Wales Drive Limited Partnership Account	117,000
Transfer from LibertyGate Investment Corp. Account	54,680
Transfer from D. Robinson & Associates Inc. Account	20,249
Transfer from 1360109 Alberta Ltd. Account	6,000
Transfer from Windsor Hills Limited Partnership Account	866
Deposits from Individual Sales of Shares	2,857,400
Unknown Deposit (1 deposit)	50,000
Deposit from Konscious Corporation	39,000
Cash Deposit	100

Description of Transactions	Transaction Deposit (Withdrawal)
Payments to Cold Lake Estates Inc.	(4,704,840)
Transfer to LibertyGate Investment Corp. Account	(912,000)
Transfers/Cheque Payment to D. Robinson & Associates Inc.	(1,026,200)
Transfer to 1360109 Alberta Ltd. Account	(197,000)
Transfers to Hills of Cold Lake Limited Partnership Account	(100)
Wheatley Sadownik Barrister and Solicitors (Cold Lake Trust 7753)	(90,000)
Parlee McLaws LLP and Hillenbrand Kozicki LLP	(213,918)
Select Engineering Consultants Ltd.	(30,559)
Tejpar Chartered Accountants	(13,710)
Glen Cowan & Associates and Atlas Appraisal Services	(8,327)
Alberta/BC Securities Commission and Minister of Finance Fees	(9,270)
Payment to Allan Holomey	(1,000)
Refund of Investment to Imran Kanji	(500)
Miscellaneous bank account fees	(480)
Adjustment: unknown bank transactions in August/September 2007	<u>(50,000)</u>
Net funds remaining in bank account	\$126

29. The limited partnership bank account did maintain a sizeable balance; the average being \$222,785 over the period of time MNP reviewed.
30. It is notable that \$4,794,840 in payments were made directly to Cold Lake Estates Inc. or its legal Counsel Wheatley Sadownik LLP. According to the offering memorandums for the limited partnership, payment for the property purchase was to be made directly to D. Robinson & Associates Inc. who was to have purchased the land for \$3,100,000 from Cold Lake Estates Inc. previously, in order to resell it to the limited partnership for \$6,000,000. Payments to Cold Lake Estates Inc. and to D. Robinson & Associates combined totaled \$5,821,040 from the limited partnership. These payments are inconsistent with the terms and conditions of the Project as described in the offering memorandums.
31. LibertyGate Investment Corporation received \$912,000 from the Project in payments over the period of review, and made payments to the Project of \$54,730. Net payments to LibertyGate Investment Corporation were \$857,270. According to the offering memorandums, LibertyGate was to receive commission sales fees of 10% per the first offering, and 15% thereafter for sales to subscribers introduced by them to the general partner. The offering memorandums specified a range of anticipated fees to LibertyGate of \$800,000 to \$907,650. Known share sales identified through a review of investor files totalled \$6,545,800. LibertyGate Investment Corporation's net

payments represent 13% of known share sales from investor files, which is consistent with the offering memorandum, if LibertyGate did introduce all subscribers to the general partner.

32. As described previously in this report, 1360109 Alberta Ltd. was to receive management fees per the offering memorandums of a one-time fee of \$225,000 plus \$25,000 per month. On October 20, 2008, 1360109 Alberta Ltd. entered into a management agreement with the general partner to provide management services for the Hills of Cold Lake Project for a fee of \$20,000 per month. Management fees were paid to 1360109 Alberta Ltd. of \$197,000 from the Project. 1360109 Alberta Ltd. paid the Project \$6,000 for reasons unknown. The net payments to 1360109 Alberta Ltd. were \$191,000. These payments are less than the management fees specified in the offering memorandums.
33. It is unknown why transfers of funds between projects controlled by Dedric Robinson or his companies were made, or what business purpose they may have served. The inter-project fund transfers do not appear consistent with the intended use of funds as described in the offering memorandums.
34. The use of funds once received by the other projects, unknown parties, and Cold Lake Estates Inc. has not been investigated yet.

PURCHASE OF ASSETS

35. No assets have been identified for the investment corporation or the limited partnership at this time. Title to the property in the Municipality of Bonnyville, planned to be used for the Hills of Cold Lake Project, did transfer from Cold Lake Estates Inc. to D. Robinson & Associates Inc. on August 26, 2008. The purchase price was not listed on the land title. At the same time, in late August and early September 2008, two mortgages were registered against the property. One mortgage of \$2,080,000 was registered against the property by Cold Lake Estates Inc. Another mortgage of \$800,000 was registered against the property by Karim Somji.

36. Subsequently, title to the property transferred back to Cold Lake Estates Inc. as a result of default on the registered mortgage.
37. According to materials provided by Cold Lake Estates Inc. to the Receiver, Dedric Robinson (signing authority for D. Robinson and Associates Inc. and the limited partnership) consented to a Statement of Adjustments dated August 22, 2008 (the "Aug 22 SOA"). The Aug 22 SOA outlined total debt owing of \$8,509,804.40 comprised of the purchase price of the property of \$6,200,000, interest accrued on the purchase price of \$1,338,404.40, construction costs of \$467,400 and a deposit on the Property Management Agreement of \$480,000 plus \$24,000 GST.
38. The balance agreed to in the August 22 SOA was not paid and Cold Lake Estates Inc. initiated foreclosure action on the property. The Receiver has not been provided with any further documentation to support the claimed Construction Costs and Deposit on Property Management Agreement; however, as the signing authority for both D. Robinson & Associates Inc. and Hills of Cold Lake Estates Limited Partnership, Dedric Robinson consented to the Statement of Adjustments at that time.

CORRESPONDENCE

39. 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:

Hills of Cold Lake LP is currently in default under the purchase agreement whereby it was to close in full on the purchase and development costs from D. Robinson & Assoc Inc Dec 1, 2009. D Rob Assoc granted an extension to the LP to February 15, 2010. The LP did not close by this date either. The purchase agreement is void; however D Rob & Assoc has expressed willingness to enter into discussions about the possibility of a new purchase agreement if the LP can demonstrate it can complete the closing.

40. This email message is interesting because Dedric Robinson controls both the limited partnership and D. Robinson & Associates Inc.; in fact, he owns 100% of the latter. The email message describes circumstances where he granting extensions and

planning discussions with himself, as well as considering entering into a new agreement with himself. The situation described in the email message is contrived. The best interests of the investors do not appear to be a consideration of Mr. Robinson's in the circumstances described in the email message.

CONCLUSIONS: HILLS OF COLD LAKE PROJECT

41. MNP has confirmed that at least \$6.5 Million dollars was solicited from investors and received into the limited partnership. \$5,821,040 of these funds were paid to Cold Lake Estates Ltd. and or D. Robinson & Associates Inc. However, the purchase of the property was not completed, and title did not transfer to the limited partnership.
42. By consenting to the August 22 SOA with Cold Lake Estates Inc., Dedric Robinson agreed, on behalf of all parties involved, to pay \$2.3 Million dollars more for the property parcels than originally planned – and then defaulted on the loan.
43. The Project did not continue. The investors did not receive their money back.

Respectively Submitted this 28th day of June
2011.

MNP LIMITED

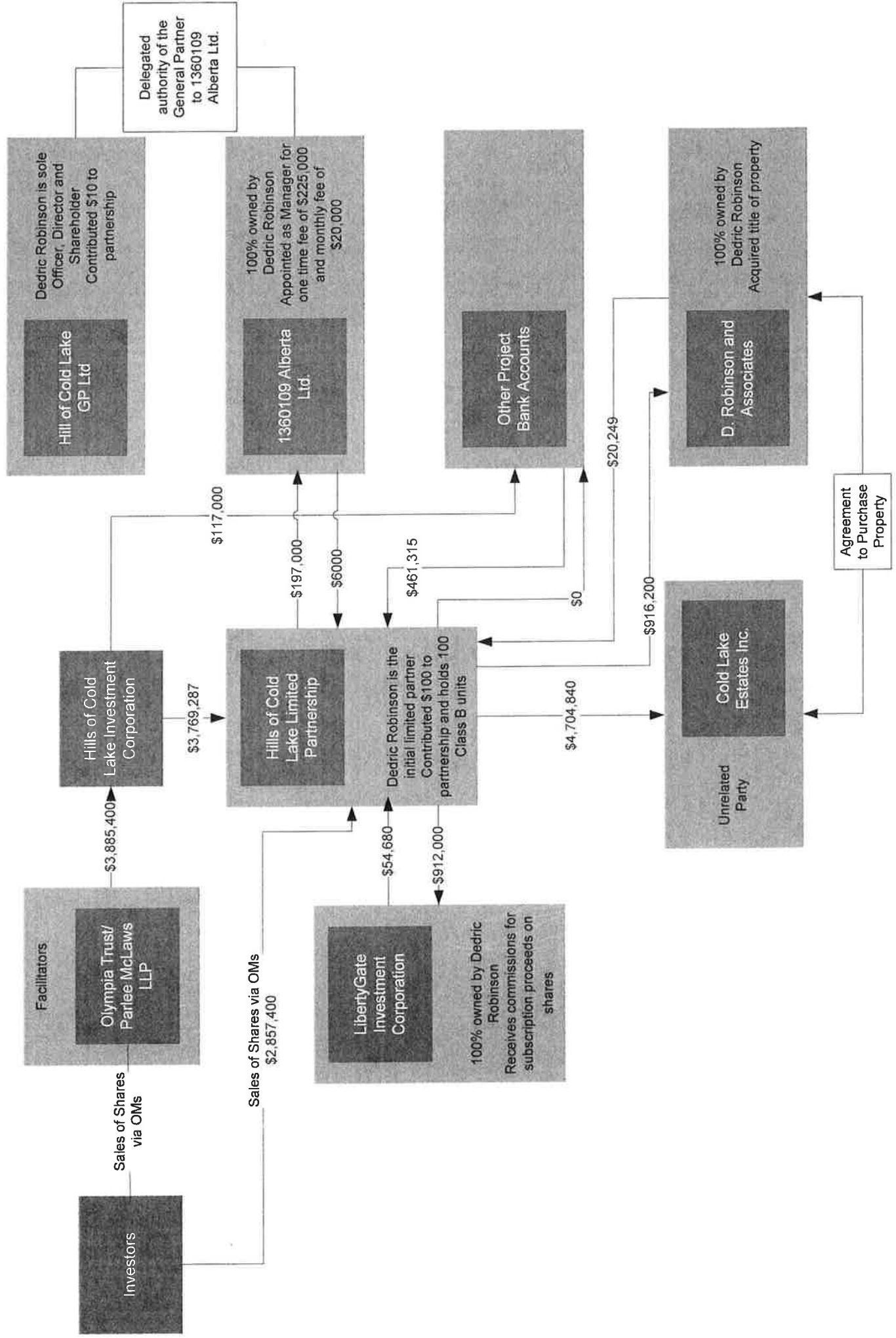
In its capacity as Interim Receiver of
D. Robinson & Associates Inc.
And not in its personal capacity

Per. 

Eric Sirrs, CIRP, Trustee
Vice President

**HILLS OF COLD LAKE PROJECT
Parties to the Project and Flow of Funds**

APPENDIX A



**Hills of Cold Lake Project
Listing of Known Investors**

Appendix B

Hills of Cold Lake Limited Partnership Ltd. and Hills of Cold Lake Investment Corporation

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
1	Couillard, Roger G. and Louise M.	20	20,000
2	1020590 Alberta Ltd.	100	100,000
3	1397020 Alberta Ltd.	20	20,000
4	Adilman, Nancy and Zyp, Robina	10	10,000
5	Ading Group	40	20,000
6	Ahmed, Zeenat	15	15,000
7	Ali, Shaun	20	20,000
8	Anheliger, Terry	20	20,000
9	Aubin, Henri J	100	100,000
10	Aubin, Linda S	18	18,000
11	Babbage, Lois	20	24,000
12	Baillie, Gail	10	10,000
13	Bain, John A	20	20,000
14	Bandali, Rashida	10	10,000
15	Beaudette, Tracey and Blais, Michael	40	40,000
16	Belland, Roger	15	15,000
17	Bennett, Andrea	10	10,000
18	Benoit, Gabriel	10	10,000
19	Benoit, Lorraine	34	34,000
20	Benson, Lois & Bill	100	100,000
21	Beyer, Thomas	75	75,000
22	Boisvert, Lorraine	38	38,000
23	Botha, June	50	50,000
24	Bouchard, Marjorie J	20	20,000
25	Boucher, Aline	100	100,000
26	Boucher, Jean-Marc	50	50,000
27	Bouvier, Alice E	24	24,000
28	Bouvier, Richard	11	11,000
29	Bouvier, Richard & Alice	20	20,000
30	Brandingen, Michael	26	26,000
31	Briggs, Joanne L	51	51,000
32	Brodie, Alexandra	10	10,000
33	Caccia, Marjorie	20	24,000
34	Canfield, Krista	15	15,000
35	Canfield, Marie	34	34,000
36	Canfield, Richard	20	20,000
37	Canfield, Ron	25	25,000
38	Carmel, D. and Simone	10	10,000
39	Carter, Terry	10	12,000
40	Chartrand, Albert	100	100,000
41	Cholak, Rick M	40	40,000
42	Cholak, Terry	40	40,000

**Hills of Cold Lake Project
Listing of Known Investors**

Appendix B

Hills of Cold Lake Limited Partnership Ltd. and Hills of Cold Lake Investment Corporation

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
43	Chupka, Harriet A	10	10,000
44	Cosh, Donna	31	31,000
45	Couture, Raydn M	28	28,000
46	Dallaire, Raymond and Giselle	10	10,000
47	Davidson, Ken and Marilynne	166	199,200
48	Day, Valerie E	20	20,000
49	Doherty, Amanda	18	18,000
50	Doherty, Dan	10	10,000
51	Dolezar, Darlene	100	100,000
52	Doran, Gary	38	38,000
53	Dowhun, Cynthia	10	12,000
54	Dowhun, Timothy	100	100,000
55	Dowling, Wendy	10	10,000
56	Eglinski, Denise N	20	20,000
57	Ehalt, Bruce	40	40,000
58	Evans, David	50	50,000
59	Fortin, Linda Marie	10	10,000
60	Gagnaux, Louis E	5	5,000
61	Gagnaux, Velma S	86	86,000
62	Gagnon, Denis	26	26,000
63	Gagnon, Lorraine	49	49,000
64	Gallant, Lois A	10	10,000
65	Gans, Lucille	15	15,000
66	Gnida, Walter	30	30,000
67	Gomez, Christian	10	10,000
68	Goudreau, Marie	10	10,000
69	Graham, Janice	16	16,000
70	Graham, Neil	10	10,000
71	Grygus, Don	50	50,000
72	Grygus, Karen	30	30,000
73	Grygus, Nicholas	40	40,000
74	Grygus, Nicholas P.	50	50,000
75	Guindon, Richard	17	17,000
76	Gustafson, Robert	29	29,000
77	Gustafson, Tara	14	14,000
78	Hartum, Adele	11	11,000
79	Harvey, Melissa	10	10,000
80	Hautmann, Jonathan	20	20,000
81	Hawreschuk Holdings Ltd.	100	100,000
82	Hebert, Louis & Yvonne	60	60,000
83	Hereychak, Nataliya	20	20,000
84	Heyer, Wes	10	10,000

**Hills of Cold Lake Project
Listing of Known Investors**

Appendix B

Hills of Cold Lake Limited Partnership Ltd. and Hills of Cold Lake Investment Corporation

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
85	Hinkelman, John	20	20,000
86	Holm, C.L.	10	10,000
87	Holomey, Alan	86	86,000
88	Honish, Deborah	10	10,000
89	Hooks, Terry W.	10	12,000
90	Hori, Tokio	10	12,000
91	Hung, Mei	10	10,000
92	Hupka-Butz, Debbie	20	20,000
93	Johnston, Wendy S	10	10,000
94	Jones, Garry	10	12,000
95	Jungwirth, Deborah	20	20,000
96	Keating, Fred	10	10,000
97	Keil, Curtis	10	10,000
98	Kennedy, Bruce	10	10,000
99	Kennedy, Jeanne	74	74,000
100	Kichma, Taras	10	10,000
101	Klatt, Pauline	15	18,000
102	Kletke, Ken	25	25,000
103	Klima, Mary Jean	21	25,200
104	Konscious Corp.	39	39,000
105	Kother, Barb & Kirby	10	10,000
106	Lambert, Roger	40	40,000
107	Langille, Joan	23	27,600
108	Langlois, Jo-ann	82	82,000
109	Larsen, Erik	20	20,000
110	Lavoie, Daniel	46	46,000
111	Lavoie, Laurent	33	33,000
112	Lavoie, Romeo	27	27,000
113	Lavoie, Simon	19	19,000
114	Lyall, Dustin	10	10,000
115	Marceau, Valerie	20	20,000
116	Marusiak-Klassen, Michelle	12	12,000
117	Mathews, Jimy	30	30,000
118	Maure, Gerard	10	10,000
119	McCaffrey, Anita N	10	10,000
120	McCaffrey, James Lloyd	10	10,000
121	McCaffrey, Robert	15	15,000
122	McGaraughty, Colleen	44	44,000
123	McKenzie, Debra	10	10,000
124	McKenzie, John B	51	51,000
125	McNeilly, Irene	50	50,000
126	Meier, Kevin	10	10,000

Hills of Cold Lake Project**Appendix B****Listing of Known Investors****Hills of Cold Lake Limited Partnership Ltd. and Hills of Cold Lake Investment Corporation**

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
127	Mercier, Greg & Corinne	30	30,000
128	Mohamed, Bijhan, Rashida, Samira	10	10,000
129	Mohamed, Shiraz	10	10,000
130	Moore, Crystal	25	25,000
131	Morris, Ron	10	10,000
132	Morrow, William	45	45,000
133	Motani, Alieda	10	10,000
134	Nelson, Corolyn	90	104,000
135	Nicolet, Elaine	50	50,000
136	Nicolet, John	39	39,000
137	Niebco Industries Ltd.	10	10,000
138	Nieder-Heitmann, Louise	100	100,000
139	Osicki, Mark	20	20,000
140	Ottesen, Wayne H	42	42,000
141	Palmer, Scott	20	20,000
142	Paradis, Lise	16	16,000
143	Paradis, Michael	20	20,000
144	Peckitt, Stephen	15	15,000
145	Peden, Russell	11	11,000
146	Petrodaniels International Inc.	25	25,000
147	Plamondon, Bertin	20	20,000
148	Plamondon, Cindy	20	20,000
149	Plomp, Jack & Nellie	167	200,400
150	Plomp, Stanley	21	25,200
151	Pon, Peter and Giang, Stephanie	20	20,000
152	Pysmeny, Susan	53	53,000
153	Pysmeny, Susan	25	25,000
154	Rahn, Henny and Doeserich, Alexander	10	10,000
155	Reck, Darren	15	15,000
156	Rehlau, Annette	16	16,000
157	Reiter, Edward H.	28	28,000
158	Reiter, Keith & Joanne	20	20,000
159	Reiter, Rick	50	50,000
160	Reiter, Roxanne	12	12,000
161	Reiter, Sylvia	15	15,000
162	Reiter, Trent	20	20,000
163	Renneberg, Roy	20	20,000
164	Robinson, Dedric	1	1,000
165	Robinson, Geraldine	8	8,000
166	Rochon, Lina	20	20,000
167	Rochon, Norman	37	37,000
168	Rochon, Paul and Winnifried	200	200,000

**Hills of Cold Lake Project
Listing of Known Investors**

Appendix B

Hills of Cold Lake Limited Partnership Ltd. and Hills of Cold Lake Investment Corporation

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
169	Rogalsky, Allison	20	20,000
170	Roy, Marcel	10	10,000
171	Roy, Sandra	31	31,000
172	Sarno, Alessandro	10	10,000
173	Saskatoon Spinal Assessment Services Inc.	20	24,000
174	Schreiber, Allen	47	47,000
175	Shearer, John	10	10,000
176	Shearer, Leeora	10	10,000
177	Shearer, Raymond J.	10	10,000
178	Shurko, Nicole	13	13,000
179	Slade, Vance	20	20,000
180	Smith, Eldon and Carolyn	10	12,000
181	Smith, Shannon	20	20,000
182	Sokalski, Brian and Sandra	10	10,000
183	Solalski, Eddie	12	12,000
184	Soldan, Kathy	19	19,000
185	Strang, Don	20	20,000
186	Strategic Software Management Corp. (T. Beyer)	75	75,000
187	Szabo, Christina	10	10,000
188	Tan, Hung	30	30,000
189	The Hills of Cold Lake Investment Corp.	1	1,000
190	Thuy, Lillian	12	14,400
191	Toews, Alfred	83	83,000
192	Toews, Doris	81	81,000
193	Toews, Doris & Alfred	30	30,000
194	Trelenberg, Brian	25	30,000
195	Tremblay, Lyse	85	85,000
196	Urban, Patricia	15	15,000
197	Vickar, Heather	10	10,000
198	Weaver, Gina	10	10,000
199	Werenka, Harry	58	58,000
200	Werenka, Harry & Erica	50	50,000
201	Werner, Michael	10	10,000
202	Wilson, Dennis & Janet	10	10,000
203	Wilson, Grace	10	10,000
204	Wirtz, Elaine	15	18,000
205	Wolfe, Michael	30	30,000
206	Wong, Herold	10	12,000
207	Wruck, Garth	12	14,400
208	Yasinski, Daniel	10	10,000
209	Yasinski, David	10	10,000
210	Yasinski, Janelle	21	25,200

**Hills of Cold Lake Project
Listing of Known Investors**

Appendix B

Hills of Cold Lake Limited Partnership Ltd. and Hills of Cold Lake Investment Corporation

No.	Subscriber Name	Shares Purchased	Sum of Total Investment
211	Yasinski, Ken	26	31,200
212	Yasinski, Kristin	10	10,000
213	Yasinski, Madeleine	20	20,000
214	Zentner, Cory	25	25,000
215	Zoschke, Michelle	28	28,000
216	Zoschke, Troy	45	45,000
217	Zurfluh, Albert and Gail	10	10,000
218	Zurfluh, Darwin	24	24,000
	Grand Total	6,421	6,545,800