Court File No. 32-2338424
Estate File No. 32-2338424

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL IN BANKRUPTCY OF CON-KER CONSTRUCTION CORPORATION OF THE CITY OF OAKVILLE IN THE PROVINCE OF ONTARIO

FIRST REPORT OF THE PROPOSAL TRUSTEE
February 23, 2018

INTRODUCTION

1. On January 29, 2018, Con-Ker Construction Corporation (**"Con-Ker"**, the **"Company"** or the **"Debtor"**), filed a Notice of Intention to Make a Proposal (**"NOI"**). Crowe Soberman Inc. consented to act as the Proposal Trustee (in such capacity, the **"Proposal Trustee"**) for the Company. A true copy of the Certificate of Filing of a Notice of Intention is attached hereto as **Appendix "A"**.

2. Attached hereto as **Appendix "B"**, are the NOI, cover letter, and list of creditors (collectively, the **"NOI Mailing Package"**) for the Company that were sent to all known creditors on January 31, 2018.

3. Con-Ker will bring a motion returnable on February 27, 2018 (the "**Motion**") for an order, *inter alia,*

    a) Extending the time within which a Proposal must be filed with the Official Receiver to April 13, 2018;

4. In support of the Motion, Con-Ker filed an Affidavit of Mr. Dino Marchioni, sworn February 22, 2018 (the "**Marchioni Affidavit**") which describes, among other things, Con-Ker's history and the reasons for the commencement of these proceedings. The Proposal Trustee has not repeated those details in this first report to the Court (the "**First Report**"), except to the extent necessary.

5. Con-Ker is the owner and operator of a company located in the City of Oakville, which specializes in sewer, water main work, and other transportation infrastructure for the Regional Municipalities of Peel and Halton. Con-Ker has worked on projects for the City of Mississauga, Town of Oakville, Town of Milton, City of Burlington, and City of Brampton. The Company maintains a large fleet of leased and owned equipment, has a small amount of in-house employees carrying out maintenance and administrative work, and is largely reliant on unionized staff to carry out its contracts.

6. Con-Ker's primary clients are municipal governments in Southern Ontario. Con-Ker has two active jobs, completing a large project on the James Snow Parkway for the Regional Municipality of Halton ("**Halton**"), and another project in Streetsville for the Regional Municipality of Peel ("**Peel**") (together, the "**Ongoing Projects**").

7. Due to Con-Ker's liquidity issues, a number of construction liens have been registered on the Ongoing Projects, and the Company has been notified that additional liens are being registered in the near future. The liens have resulted in Con-Ker no longer receiving payments from Halton or Peel for its ongoing work. Echelon Insurance ("**Echelon**") has issued bonds in connection with the Ongoing Project, and has advised Con-Ker that it has received a number of claims under the bonds. The principals of Con-Ker believe that Echelon will not retain the Company to complete the Ongoing Projects.

8. The Proposal Trustee has had discussions with Con-Ker's principals regarding the Company's intentions in initiating these proposal proceedings. The principal purposes of these proceedings, are to (i) provide Con-Ker with an opportunity to explore assigning the Ongoing Projects to a replacement contractor that has the ability to complete the contracts and assume the liabilities relating to the Ongoing Projects; (ii) allow Con-Ker time to

continue to litigate or settle outstanding proceedings involving certain municipalities for the benefit of its creditors; (iii) allow Con-Ker time to collect certain accounts receivable in the normal course of business for the benefit of its creditors; (iv) allow Con- Ker time to perform an orderly liquidation of its equipment and assets; and (v) negotiate and make a viable proposal to its creditors.

PURPOSE OF THE FIRST REPORT

9. The purpose of this First Report is to advise the Court of the filing of the NOI, and the Proposal Trustee's position with regard to the Company's application for a 45 day extension of time for filing a Proposal, specifically to and including April 13, 2018, pursuant to Section 50.4(9) of the Bankruptcy and Insolvency Act ("**BIA**"). The Proposal Trustee hereby submits this report to the Court pursuant to Section 50.4(7)(b) (ii) of the BIA

DISCLAIMER

10. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Debtor's books and records, management and employees, and information from other third party sources. The Proposal Trustee assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of this First Report. Any use which any party, other than the Court, makes of this First Report, or any reliance on, or any decisions to be made, based upon it, is the responsibility such party.

BACKGROUND

11. A corporation search indicates that the Company was incorporated on December 22, 1994, and began operating shortly thereafter. The corporate profile indicates that its current directors and officers of Con-Ker are Francesco Fusillo and Dino Marchioni, who each either directly or indirectly own 50% of Con-Ker. The Company operates out of leased premises at 860 Progress Court, Oakville, Ontario (the "**Oakville Property**"). The

Proposal Trustee understands that a related company, 1276058 Ontario Inc., ("**127**") owns the Oakville Property and has been declared a creditor.

CAUSES OF FINANCIAL DIFFICULTY

12. The Proposal Trustee understands that the Company's financial difficulties stem from issues that arose on specific contracts and bids with Peel and Halton, which involved delays and add-ons. Due to delays in receiving certain holdback payments, the Company was required to borrow funds from third parties and the directors, to repay its obligations, and various liens were subsequently registered against these projects. The Proposal Trustee understands that there are still ongoing legal actions commenced by the Company against both Peel and Halton over these specific contracts, with mediation dates scheduled for the spring.

CURRENT LEGAL PROCEEDINGS

13. Upon the filing of the NOI, the Proposal Trustee issued fifteen (15) separate Notices of Stay of Proceeding to various creditors related to actions commenced against Con-Ker prior to the filing of the NOI;

	Court File Number	Plaintiffs	Defendants
1	CV-13-475513	Robert B Sommerville Co. Ltd.	Con-Ker, F. Fusillo, D. Marcioni.
2	CV-4220-15	EC Power & Lighting Ltd.	Con-Ker, Halton
3	CV-4222-15	EC Power & Lighting Ltd	Con-Ker, Halton
4	CV-4223-15	EC Power & Lighting Ltd	Con-Ker, Halton
5	CV-4224-15	EC Power & Lighting Ltd.	Con-Ker, Halton
6	CV-4299-17	EC Power & Lighting Ltd.	Con-Ker, F Fusillo, D Marcioni
7	CV-5473-14	Belor Construction Ltd.	Con-Ker
8	CV-15-521075	Belor Construction Ltd.	Con-Ker, F Fusillo, D Marcioni
9	CV-15-523620	Belor Construction Ltd.	Con-Ker, Zurich Insurance
10	CV-15-523620	Belor Construction Ltd.	Con-Ker, Zurich Insurance

11	CV-59-16	Coco Paving Inc.	Con-Ker, Zurich Insurance
12	CV-871-16	Coco Paving Inc.	Con-Ker, F Fusillo, D Marcioni
13	CV-4322-15	Coco Paving Inc.	Con-Ker, Halton
14	CV-1145-17	Bell Canada	Con-Ker
15	CV-1101-17	Multiseal Paving Company	Con-Ker

14. After circulating the NOI Mailing Package to all known creditors, the Proposal Trustee was advised of an additional action commenced against Con-Ker;

	Court File Number	Plaintiffs	Defendants
1	CV-16-55710	Peel	Con-Ker, ,GHD Limited, Williams Parkway, Mattamy Limited, Sungold Group, Creview Development, Nicolau Properties Ltd.

15. The Workplace Safety & Insurance Board ("**WSIB**") and International Erosion Control Systems Inc. forwarded to the Proposal Trustee two notices of garnishment. The garnishment notices were served on the TD Bank branch where Con-Ker held its operating account after the date of the NOI. The Proposal Trustee notified the branch manager of the Stay of Proceedings that was in place, but was not able to send the Notice of Stay of Proceedings until after the garnishment notices were received at the branch, which resulted in Con-Ker's bank account being frozen for several business days.

16. In the course of its monitoring, the Proposal Trustee noted that approximately $125,000 was transferred to the bank account of 127 the same date that the WSIB garnishment notice was received. Con-Ker advised the Proposal Trustee that although the Debtor was aware that a Stay of Proceedings was in place, it was concerned that the funds would not be available to the Company for its ongoing operations. The Proposal Trustee has confirmed that the funds have been subsequently transferred back to the bank account by 127, and TD Bank has been properly notified of the Stay of Proceedings.

CASH FLOW AND MONITORING

17. The Company submitted its projected cash-flow statement dated February 5, 2018 ("**Cash Flow**"), which was reviewed for its reasonableness by the Proposal Trustee. The Proposal Trustee uploaded the Cash Flow to the Office of the Superintendent of Bankruptcy ("**OSB**") on February 7, 2018, alongside the Proposal Trustee's report and the report by the insolvent person on the Cash Flow. A copy of the Cash Flow is attached hereto as **Appendix "C"**.

18. The Company has prepared a draft amended cash flow ("**Amended Cash Flow**") with the assistance of the Proposal Trustee, based on the actual activity for January and February. The Amended Cash Flow indicates that the Company has sufficient cash on hand to meet its obligations until the proposed Proposal extension date of April 13, 2018. A copy of the draft Amended Cash Flow is attached hereto as **Appendix "D"**.

19. The Trustee has been actively monitoring the affairs of the Debtor following the filing of NOI to the date of this First Report. The daily monitoring has focused on cash management, collecting daily banking activity, reviewing online banking, and daily conversations with staff on the deposits and withdrawals occurring in the corporate bank account, and review of supporting material.

20. Representatives of the Proposal Trustee have attended at the Oakville Property on separate occasions to meet with the Debtor's staff and inspect the premises. A list of owned and leased equipment has been prepared by the Debtor, which the Proposal Trustee is having verified and appraised by a licensed appraiser.

21. The Proposal Trustee has confirmed that payments towards the Canada Revenue Agency ("**CRA**") for payroll remittances since the filing of the NOI have been processed. The returns and reporting for the HST account are being finalized by Con-Ker's staff.

STAY EXTENSION APPLICATION

22. As the Debtor is applying for an extension of the 30 day period within which the Proposal must be filed, in the Proposal Trustee's view, the Company has acted and continues to act in good faith and with due diligence. In this regard, prior to the filing of the NOI, the Company worked closely with the Proposal Trustee to prepare its Cash Flow, and continues to explore its restructuring options with the Proposal Trustee.

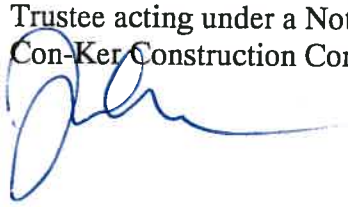
23. In light of the Debtors' plans to find a replacement contractor to take over its obligations and liabilities under the Ongoing Projects, and the likelihood that the Debtor will recover funds from its actions against Halton and Peel in the near future, the Debtor will likely be able to make a viable proposal if an extension is granted.

24. No creditor is likely to be materially prejudiced if an extension of the time within which the Proposal could be filed is granted.

25. Based on the foregoing, the Proposal Trustee supports the Debtor's application for an Order extending the time for the Company to file its Proposal to creditors.

All of which is respectfully submitted this 23rd day of February, 2018.

CROWE SOBERMAN INC.
Trustee acting under a Notice of Intention to Make a Proposal for
Con-Ker Construction Corporation



EXHIBIT

‘A’

Industry Canada
Office of the Superintendent of Bankruptcy Canada

Industrie Canada
Bureau du surintendant des faillites Canada

District of	Ontario
Division No.	07 - Hamilton
Court No.	32-2338424
Estate No.	32-2338424

In the Matter of the Notice of Intention to make a proposal of:

CON-KER CONSTRUCTION CORPORATION
Insolvent Person

CROWE SOBERMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: January 29, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act.*

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 29, 2018, 15:09

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

EXHIBIT

‘B’

Crowe Soberman™

Crowe Soberman Inc.
Licensed Insolvency Trustee
Member Crowe Horwath International

2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500
416.929.2555 Fax
www.crowesoberman.com

January 31, 2018

TO THE CREDITORS OF CON-KER CONSTRUCTION CORPORATION

Please be advised that Con-Ker Construction Corporation filed a Notice of Intention to Make a Proposal on January 29, 2018 under the *Bankruptcy and Insolvency Act*. A copy of this Notice is enclosed herewith.

This is a procedure whereby a debtor, with creditor and Court approval, reorganizes its financial affairs. Our role as Trustee in this matter is to assist the debtor with the development of the Proposal, to liaise with creditors so as to fully explain the Proposal to them, and to support and facilitate the decision-making process which creditors will ultimately undertake, ending with their acceptance or rejection of the Proposal.

All liabilities, actual and contingent, of Con-Ker Construction Corporation as at January 29, 2018 are subject to the Proposal mentioned above and are fixed by Section 62(1.1) of the *Bankruptcy and Insolvency Act* as at that date.

All creditors are STAYED from commencing or continuing any actions as against Con-Ker Construction Corporation until the Proposal is dealt with by the creditors.

Con-Ker Construction Corporation has thirty (30) days from the date of filing the Notice of Intention to Make a Proposal (subject to Court approved extensions of this time period) to lodge a Proposal with us so that we may file it with the Official Receiver.

We will be calling a meeting of creditors to consider the Proposal within twenty-one (21) days of the date on which the Proposal is filed. You will receive notice of the meeting along with all other necessary documents including the proof of claim form and voting letter, at least ten days in advance of the meeting.

Please feel free to contact Graeme Hamilton at 416.963.7140, if you require any further information with respect to this matter.

Yours very truly,

CROWE SOBERMAN INC.
Licensed Insolvency Trustee
acting in re: the Proposal of
Con-Ker Construction Corporation

Per: Graeme Hamilton
Direct 416-963-7140
graeme.hamilton@crowesoberman.com

Industry Canada
Office of the Superintendent of Bankruptcy Canada

Industrie Canada
Bureau du surintendant des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2338424
Estate No. 32-2338424

In the Matter of the Notice of Intention to make a proposal of:

CON-KER CONSTRUCTION CORPORATION
Insolvent Person

CROWE SOBERMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: January 29, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 29, 2018, 15:09

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

District of: Ontario
Division No. 09 - Toronto
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
CON-KER CONSTRUCTION CORPORATION
of the City of Oakville, in the Regional Municipality of Halton
in the Province of Ontario

Take notice that:

1. I, CON-KER CONSTRUCTION CORPORATION, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.

2. Crowe Soberman Inc. of 2 St. Clair Ave East, Suite 1100, Toronto, ON, M4T 2T5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.

3. A list of the names of the known creditors with claims of $250 or more and the amounts of their claims is also attached.

4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 15th day of January 2018.

CON-KER CONSTRUCTION CORPORATION
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
Division No. 09 - Toronto
Court No.
Estate No.

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(Subsection 50.4(1) of the Act)

In the matter of the proposal of
CON-KER CONSTRUCTION CORPORATION
of the City of Oakville, in the Regional Municipality of Halton
In the Province of Ontario

List of Creditors with claims of $250 or more.			
Creditor	Address	Account#	Claim Amount
1219503 Ontario	860 Progress Court Oakville ON L6L 6K1		575,000.00
1276058 Ontario	860 Progress Court Oakville ON L6L 6K1		300,000.00
407 ETR Express Toll Route Marlon Richardson/Collections	6300 Steeles Ave W Woodbridge ON L4H 1J1		15,087.73
Advance Underground	38857 Webb Dr Westland MI 48186-1979 USA		3,935.23
Amg Metals Inc.	21 Bales Drive West, Sharon ON L0G 1V0		21,006.75
Anmol Corporation			2,096.83
Aquatech Dewatering Company	331 Rodinea Rd Maple ON L6A 4P5		12,668.49
Atlantic Industries Limited	640 Waydom Drive AYR ON N0B 1E0		105,208.00
Barricade Traffic Services Inc.	8572 Keele St, Concord ON L4K 2N2		1,615.80
Belor Construction Ltd.	160 Admiral Blvd, Mississauga ON L5T 2N6		825,824.75
Bennington Consutruction	4787 Aurora Rd Whitchurch-Stouffville ON L4A 7X4		7,430.00
Black & McDonald	2 Bloor Street East, Suite 2100 Toronto ON M4W 1A8		77,763.60
Brown's Fuel	3975 Keele St North York ON M3J 1P1		28,310.00
Bruell Contracting Limited	37 Shorncliffe Rd, ETOBICOKE ON M8Z 5K2		497.40
Cedar Infrastructure Products Inc	330 Rodinea Rd #1 Maple ON L6A 4P5		57,389.00

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In the matter of the proposal of
CON-KER CONSTRUCTION CORPORATION
of the City of Oakville, in the Regional Municipality of Halton
In the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Centennial Construction	353 Townline Road, Niagara-On-The-Lake ON L0S 1J0		6,248.41
CRA - Tax - Ontario Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	RP0001	1,000,000.00
CRA - Tax - Ontario Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	RT0001	2,507,656.70
Craftsmen Cutting	5455 Diaz St Irwindale CA 91706 USA		4,993.40
D. Crupi & Sons Limited Tim Hand	PO Box 272 Scarborough ON M1S 3B6		54,338.20
DBA Environmental Services Inc.	625 Greenhill Ave, # 3 Hamilton ON L8K 5W9		1,243.00
DECAST Ltd.	8807 Simcoe Country Rod 56, Utopia ON L0M 1T0		245,000.00
Dibco Underground Ltd.	135 Commercial Road, Bolton ON L7E 1R6		47,140.98
Dino Marchioni	860 Progress Court Oakville ON L6L 6K1		3,000,000.00
Direct Equipment Ltd.	1363 Cornwall Road, Oakville ON L6J 7T5		19,668.78
DOL Hydroseeding Inc.	6839 Seventh Line Beeton ON L0G 1A0		19,668.00
Drudi Alexiou Kuchar LLP Mariella Descanio	7050 Weston Road Suite 610 Woodbridge ON L4L 8G7		3,897.70
E.C. Power & Lighting Ltd.	2461 Beryl Rd, Oakville ON L6J 7X3		677,442.12

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In the matter of the proposal of
CON-KER CONSTRUCTION CORPORATION
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in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Echelon Environmental	505 Hood Rd Markham ON		20,261.00
Envyrozone	25 Clairville Dr, ETOBICOKE ON M9W 5Z7		13,857.76
Estate of Sam Herzog	ON		630,000.00
Fer-Pal Construction Ltd.	171 Fenmar Dr, North York ON M9L 1M7		231,083.68
Forterra Pressure Pipe Inc	511 E John Carpenter Freway IRVING TX 75062 USA		126,470.00
Frank Fusilla	680 Progress Court Oakville ON L6L 6K1		3,000,000.00
Furlani Paving Co	2751 Markham Rd Scarborough ON M1X 1M4		597,170.00
GeoShack- Toronto	35 McCleary Ct, Concord ON L4K 3Y9		8,530.28
Golder Associates Ltd.	141 Adelaide St West, # 910 Toronto ON M5H 3L5		28,432.64
Green Sphere Inc.	C-420 Main St, East, Suite 818 Milton ON L9T 5G3		6,329.14
Greenhorizons Group of Farms - Hamilton Sod	2907 Upper James Street Mount Hope ON L0R 1W0		7,128.03
Greenville Pavecrete Inc.	31 Delta Park Blvd Brampton ON L6T 5E7		47,250.00
Greystone Grading Ltd.	7155 Eighth Line, Hornby ON L0P 1E0		2,847.60
Imperial Fence & Landscaping	969 Erie Ave Brantford ON N3S 2H7		79,057.87
International Erosion Control Systems	22295 Hoskins Line Rodney ON N0L 2C0		30,397.00

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Creditor	Address	Account#	Claim Amount
International Union of Operating Engineers Local 793	2245 Speers Rd Oakville ON L6L 6X8		42,348.00
J Lipani Turf Group	2374 Holborn Rd Queensville ON L0G 1R0		62,861.00
King Hydroseeding	97 Healey Road Bolton ON L7E 5A9		586.00
LaFrentz Road Services Ltd.	1780 Ironstone Dr Burlington ON L7L 6V3		3,390.00
Lin-Con Concrete Products	5131 Bushler Line Wallenstein ON N0B 2S0		20,800.00
Liuna Local 183 Members' Benefit Fund Jennifer Brum	1263 Wilson Avenue North York ON M3M 3G3		160,000.00
Mastercrete Construction Inc.	290 Traders Boulevard East Mississauga ON L4Z 1W7		73,069.00
Ministry of Finance - ON PST, EHT & Other Taxes Mrs. Asta Albeny	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	EHT	264,232.00
Multi-Construction Services	10750 Longwoods Rd Chatham ON N7M 5J1		83,728.00
Multiseal Paving	4255 Weston Rd North York ON M9L 1W8		11,300.00
Napa Auto Parts	80 Hempstead Drive Hamilton ON L8W 2E7		2,688.00
Nature's Call	177 Creditstone Rd Concord ON L4K 1N5		1,520.00
Neltech Services Inc.	1230 Balmoral Rd Cambridge ON N1T 1A5		12,200.00
Nelson Aggregate	PO Box 1070 Burlington ON L7P 0G8		662,842.52

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List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Nortrax Canada Incorporated Marva Martin	1855 Britannia Rd. East Mississauga ON L4W 1S5		4,490.00
Ontario Cutting & Coring Ltd	2398 Haines Rd Mississauga ON L4Y 1Y6		1,460.00
Pacific Paving Ltd	5845 Luke Road Unit 204 Mississauga ON L4W.2K5		9,300.00
Pallett Valo LLP Frances Wales	300-77 City Centre Dr, West Tower Mississauga ON L5B 1M5		27,400.00
Petrie's Quality Top Soil Ltd.	4321 Sixth Line Milton ON L9T 5S3		3,107.00
Pipe Flow Contracting Corp.	111 Frid St Hamilton ON L8P 4M3		13,803.00
Platinum Infrastructure Inc.	ON		23,730.00
Powell Contracting Ltd.	180 Ram Forest Rd Gormley ON L0H 1G0		21,760.00
Power Premium Financing Corp	290 Rowntree Dairy Road Woodbridge ON L4L 9J7		26,689.00
Pro Concrete and Paving Ltd.	788 Burlington St E Hamilton ON L8L 4K3		4,294.00
Purolator Courier Limited Ortie Nesci	5995 Avebury Rd. 3rd Flr. Mississauga ON L5R 3T8		1,100.00
Quikrete Toronto Inc.	1501 Whistle Bare Rd Cambridge ON N1R 5S3		800.00
R & M Construction	254 Main St N Acton ON L7J 1W9		67,000.00
R. Kidd Fuels Corp.	1741 Albion Road Etobicoke ON M9V 1C9		25,210.00
Robert B Somerville Inc.	13176 Dufferin St King City ON L7B 1K5		121,130.00

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in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Sanaar Contracting	11244 Keele St Maple ON L6A 1S1		10,072.00
St. Marys Cement Inc	55 Industrial St East York ON M4G 3W9		182,840.00
Stepcon Industries	2364 Haines Rd Mississauga ON L4Y 1Y6		10,101.00
Stephensons Rental Services Inc. - Oakville Billy Dempster	1329 Speers Road Oakville ON L6L 2X5		19,720.00
Stinson Owl Lite	130 Creditstone Rd Vaughan ON L4K 1P2		5,430.00
Strada Survey Inc.	31 Gaudaur Rd Woodbridge ON L4L 3R8		8,136.00
sub terrain directional drilling ltd	Box 555 Stouffville ON L4A 7Z7		4,720.00
Sweep All	Unknown ON		78,500.00
T Bolton Sod Co	9043 Simcoe County Rd 1 Palgrave ON		54,817.00
Technical Standards and Safety Authority Nasra Abdalla	3300 Bloor Street West 14th Floor Centre Tower Etobicoke ON M8X 2X4		8,080.00
Teti Transport	100 Treelawn Blvd KLEINBURG ON L0J 1C0		18,306.00
Thurber Engineering Ltd.	2010 Winston Park Dr Unit 103 Oakville ON L6H 5R7		1,230.00
Toromont Industries Ltd	3131 Highway 7 West PO Box 5511 Concord ON L4K 1B7		1,065.00
Treadworx Tire Sales	290 Traders Blvd East Mississauga ON L4Z 1W7		8,650.00

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Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
CON-KER CONSTRUCTION CORPORATION
of the City of Oakville, in the Regional Municipality of Halton
in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Unilock Ltd	287 Armstrong Ave Georgetown ON L7G 4X6		8,440.00
Union Gas Bankruptcy Department	348 Elgin Street PO Box 10 Brantford ON N3T 5M4		640.00
United Rentals	116, Ardelt Avenue Kitchener ON N2C 2E1		11,280.00
Wamco Supply Inc.	116 Rodinea Rd Vaughan ON L6A 1R5		330,202.00
Waynco Limited	1417 Waynco Rd Cambridge ON N1R 6C9		76,749.00
WM J Trotter & Associates	85 West Wilmot St Unit 1 Richmond Hill ON L4B 1K7		225,000.00
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1		173,894.00
Wristen's Home Specialties Inc.	838 Fennell Ave E Unit 301 Hamilton ON L8V 1V8		25,608.00
Total	[redacted]		17,453,792.49

CON-KER CONSTRUCTION CORPORATION
Insolvent Person

District of: Ontario
Division No. 09 - Toronto
Court No. 32-2338424
Estate No. 32-2338424

- Notice of stay of proceeding -

In the matter of the proposal of
CON-KER CONSTRUCTION CORPORATION
of the City of Oakville, in the Regional Municipality of Halton
in the Province of Ontario

Date of Proposal: January 29, 2018.

Notice is hereby given that the above debtor filed a proposal.

Every proposal made in pursuance of this Act takes precedence over all judicial or other attachments, garnishments, certificates of judgment, judgments operation as hypothecs, executions or other process against the property of a bankrupt, except such as have been completely executed by payment to the creditor or his agent, and except also the rights of a secured creditor.

Upon the filing of a proposal made by an insolvent person or upon the bankruptcy of any debtor, no creditor with a claim provable in the bankruptcy shall have any remedy against the debtor or his/her property or shall commence a claim provable in bankruptcy until the trustee has been discharged or until the proposal has been refused, unless with the leave of the Court and on such terms as the Court may impose.

Where a proposal has been made, the Sheriff or other officer of any Court or any person having seized property of the bankrupt under execution of attachment or any other process shall, upon receiving a copy of the proposal certified by the Trustee as a true copy thereof, forthwith deliver to the Trustee all the property of the bankrupt in his hands.

Where the Sheriff has sold the property of the bankrupt or any part thereof , he/she shall deliver to the Trustee the money so realized by him/her less fees and the costs referred to in subsection 70 (2) .

Any property of a bankrupt under seizure for rent or taxes shall on production of a copy of the proposal certified by the Trustee as a true copy thereof be delivered forthwith to the Trustee, but the costs of distress are a first charge thereon, and if such property or any part thereof has been sold, the money realized therefrom, less the costs of distress and sale shall be paid to the Trustee.

Dated at the City of Toronto in the Province of Ontario, this 31st day of January 2018.

Crowe Soberman Inc. - Licensed Insolvency Trustee

2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555

EXHIBIT

‘C’

In the Matter of the Proposal of Con-Ker Construction Corporation
Statement of Projected Cash Flow for the Period January- December 2018

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
Cash Inflows													
Project 1- James Snow				300,000	600,000	600,000	800,000	500,000					2,800,000
James Snow holdbacks										350,000			350,000
Deduct Anticipated Liens to clear				(300,000)	(60,000)								(360,000)
Project 2- Streetsville		105,000	205,000	205,000	205,000	300,000	300,000	300,000	300,000	300,000	300,000	180,000	2,700,000
Streetsville holdbacks										490,000			490,000
Streetsville Delayed Claim	60,000	45,000	45,000	45,000	45,000	45,000	45,000						330,000
Deduct Anticipated Liens to clear	(60,000)	(140,000)											(200,000)
Misc income/service call													0
Sale of Equipment-Dumptrucks			20,000		20,000		20,000	75,000	75,000	75,000	50,000	50,000	385,000
Holdbacks other projects		50,000		238,000				100,000	140,000				528,000
Total Cash flow from income	**0**	**60,000**	**270,000**	**488,000**	**810,000**	**945,000**	**1,165,000**	**975,000**	**515,000**	**1,215,000**	**350,000**	**230,000**	**7,023,000**
Project Disbursements													0
													0
Project 1 Expenses James Snow													0
Subtrades													0
Con-Ker expenses, labour and material				60,000	150,000	175,000	200,000	250,000	200,000	275,000			1,310,000
Insurance Bond				80,000	100,000	150,000	150,000	175,000	175,000	200,000			1,030,000
Project 2 Expenses Streetsville													0
Subcontractor													0
Con-Ker material			100,000	100,000	200,000	250,000	300,000	200,000	200,000	410,000			1,760,000
Con-Ker labour	40,000	20,000	40,000	40,000	20,000	20,000	20,000	20,000					220,000
Insurance Bond	20,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000					300,000
													0
Total Project Disbursements	**60,000**	**60,000**	**180,000**	**320,000**	**510,000**	**635,000**	**710,000**	**685,000**	**575,000**	**885,000**	**0**	**0**	**4,620,000**
Operating Expenses													0
Payoll Expenses (incl. Remittances)	12,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	12,000	12,000	0
Rent		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	0	0	0	306,000
													120,000
Vehicle/Equipment Expenses	45,200	45,200	30,000	20,000	20,000	15,000	15,000	15,000	15,000	0	0	0	220,400
Hydro	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Water	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Gas/Fuel	2,000	2,000	5,000	5,000	7,000	7,000	7,000	7,000	5,000	2,000	2,000	2,000	53,000
Bell Canada	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Office Expenses	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Shop Expenses	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Total Operating Disbursements	**68,700**	**101,700**	**89,500**	**79,500**	**81,500**	**76,500**	**76,500**	**76,500**	**74,500**	**41,500**	**23,500**	**23,500**	**813,400**
Misc and Other Expenses													
Bank Charges	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Professional Fees - CSI (Trustee)	0	25,000	15,000	15,000	15,000	15,000	15,000	15,000	10,000	10,000	10,000	10,000	155,000
Professional Fees- Trustee's Counsel (Aird & Berlis)		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
Professional Fees - Legal Counsel (Chaitons)	10,000	25,000	20,000	20,000	20,000	20,000	20,000	15,000	15,000	10,000	10,000	10,000	195,000
HST Remittances (Estimated as a Monthly Credit)	0	0	0	0	0	0	0	0	0	0	0	0	0
WSIB	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
Total Misc and Other Expenses	**18,400**	**68,400**	**53,400**	**53,400**	**53,400**	**53,400**	**53,400**	**48,400**	**43,400**	**38,400**	**38,400**	**38,400**	**560,800**
Total Disbursements	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Cash Flow	**(147,100)**	**(170,100)**	**(52,900)**	**35,100**	**165,100**	**180,100**	**325,100**	**165,100**	**(177,900)**	**250,100**	**288,100**	**168,100**	
Opening Cash	**340,000**	**192,900**	**22,800**	**(30,100)**	**5,000**	**170,100**	**350,200**	**675,300**	**840,400**	**662,500**	**912,600**	**1,200,700**	
Closing Cash	**192,900**	**22,800**	**(30,100)**	**5,000**	**170,100**	**350,200**	**675,300**	**840,400**	**662,500**	**912,600**	**1,200,700**	**1,368,800**	**1,368,800**

CERTIFICATION

THE PURPOSE of this Statement of Projected Cash flow is to provide creditors with sufficient information to make an informed decision regarding the Proposal, and to fully disclose to the Trustee and the Official Receiver, the state of Con-Ker Construction Corporation's financial affairs. This Statement of Projected Cash flow is prepared pursuant to the requirements of sections 50.4(2)(a) and 50(6)(a) of the Bankruptcy and Insolvency Act and solely for that purpose.

Dated this 5th day of February 2018.
Con-Ker Construction Corporation

Per: Frank Insillo Per: Dino Marchioni

Dated this 5th day of February 2018
CROWE SOBERMAN INC.
Licensed Insolvency Trustee Acting in re: Proposal of Con-Ker Construction Company

Per: Hans Rizarri, CIRP, LIT

EXHIBIT

'D'

In the Matter of the Proposal of Con-Ker Construction Corporation
Draft Statement of Amended Cash Flow for the Period January- December 2018

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
Cash Inflows													
Project 1- James Snow				300,000	600,000	600,000	800,000	500,000					2,800,000
James Snow holdbacks										350,000			350,000
Deduct Anticipated Liens to clear				(300,000)	(600,000)								(900,000)
Project 2- Streetsville			120,000	205,000	205,000	300,000	300,000	300,000	300,000	300,000	300,000	180,000	2,510,000
Streetsville holdbacks			238,000										238,000
Streetsville Delayed Claim				45,000	45,000	45,000	45,000						180,000
Deduct Anticipated Liens to clear			(43,000)										(43,000)
Misc income/service call													0
Sale of Equipment-Dumptrucks			70,000		20,000		20,000	75,000	75,000	75,000	50,000	50,000	435,000
Holdbacks other projects								100,000	140,000				240,000
Total Cash flow from income	**0**	**0**	**385,000**	**250,000**	**270,000**	**945,000**	**1,165,000**	**975,000**	**515,000**	**725,000**	**350,000**	**230,000**	**5,810,000**
Project Disbursements													**0**
													0
Project 1 Expenses James Snow													**0**
Subtrades				60.000	150.000	175.000	200.000	250.000	200.000	275.000			**0**
Con-Ker expenses, labour and material				80.000	100.000	150.000	150.000	175.000	175.000	200.000			**1.310.000**
Insurance Bond													**1.030.000**
Project 2 Expenses Streetsville													**0**
Subcontractor			100.000	100.000	200.000	250.000	300.000	200.000	200.000	410.000			**0**
Con-Ker material	52.000	16.200	40.000	40.000	40.000	40.000	40.000	40.000					**1.760.000**
Con-Ker labour													**308.200**
Insurance Bond													**0**
Total Project Disbursements	**52,000**	**16,200**	**140,000**	**280,000**	**490,000**	**615,000**	**690,000**	**665,000**	**575,000**	**885,000**	**0**	**0**	**4,408,200**
Operating Expenses													**0**
Payoll Expenses (incl. Remittances)	50.448	65.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	12.000	12.000	**0**
Rent	13.500	13.500	15.000	15.000	15.000	15.000	15.000	15.000	15.000	0	0	0	**379.448**
													132.000
Vehicle/Equipment Expenses	26.062	0	30.000	20.000	20.000	15.000	15.000	15.000	15.000	0	0	0	**156.062**
Hydro	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	**24.000**
Water	500	500	500	500	500	500	500	500	500	500	500	500	**6.000**
Gas/Fuel	9.723	7.000	5.000	5.000	7.000	7.000	7.000	7.000	5.000	2.000	2.000	2.000	**65.723**
Bell Canada	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	**60.000**
Office Expenses	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	**12.000**
Shop Expenses	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	**12.000**
Total Operating Disbursements	**109,233**	**95,000**	**89,500**	**79,500**	**81,500**	**76,500**	**76,500**	**76,500**	**74,500**	**41,500**	**23,500**	**23,500**	**847,233**
Misc and Other Expenses													
Bank Charges	682	400	400	400	400	400	400	400	400	400	400	400	5.082
Professional Fees - CSI (Trustee)	0	0	15.000	15.000	15.000	15.000	15.000	15.000	10.000	10.000	10.000	10.000	**130.000**
Professional Fees- Trustee's Counsel (Aird & Berlis)	0	0	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	**100.000**
Professional Fees - Legal Counsel (Chaitons)	10.000	0	20.000	20.000	20.000	20.000	20.000	15.000	15.000	10.000	10.000	10.000	**170.000**
HST Remittances (Estimated as a Monthly Credit)	0	0	0	0	0	0	0	0	0	0	0	0	0
WSIB	0	0	500	500	500	500	500	500	500	500	500	500	5,000
Total Misc and Other Expenses	**10,682**	**400**	**45,900**	**45,900**	**45,900**	**45,900**	**45,900**	**40,900**	**35,900**	**30,900**	**30,900**	**30,900**	**410,082**
Total Disbursements	**171,915**	**111,600**	**275,400**	**405,400**	**617,400**	**737,400**	**812,400**	**782,400**	**685,400**	**957,400**	**54,400**	**54,400**	**5,665,515**
Net Cash Flow	**(171,915)**	**(111,600)**	**109,600**	**(155,400)**	**(347,400)**	**207,600**	**352,600**	**192,600**	**(170,400)**	**(232,400)**	**295,600**	**175,600**	
Opening Cash	**362,390**	**190,475**	**78,875**	**188,475**	**33,075**	**(314,325)**	**(106,725)**	**245,875**	**438,475**	**268,075**	**35,675**	**331,275**	
Closing Cash	**190,475**	**78,875**	**188,475**	**33,075**	**(314,325)**	**(106,725)**	**245,875**	**438,475**	**268,075**	**35,675**	**331,275**	**506,875**	**506,875**

Dated this 23rd day of February 2018.

Court File No. 32-2338424

IN THE MATTER OF NOTICE OF INTENTION TO MAKE
A PROPOSAL IN BANKRUPTCY
CON-KER CONSTRUCTION CORPORATION
OF THE CITY OF OAKVILLE
IN THE REGIONAL MUNICIPALITY
IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

FIRST REPORT OF PROPOSAL TRUSTEE

Crowe Soberman Inc.
Licensed Insolvency Trustee
2 St. Clair Avenue East, Suite 1100
Toronto, Ontario, M4T 2T5
Tel: 416-929-2500 Fax: 416-929-2555
Hans Rizarri, CPA, CA, LIT, CIRP
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Hans.Rizarri@CroweSoberman.com