District of Alberta
Division No. 1 - Edmonton
Estate No. 24 - 2245571

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF
1445052 ALBERTA LTD.
OF THE CITY OF EDMONTON, IN THE PROVINCE OF ALBERTA

ERNST & YOUNG INC.
Trustee in Bankruptcy

SECTION A - BACKGROUND

On April 27, 2017, 1445052 Alberta Ltd. (the "Debtor") filed an assignment into bankruptcy. On April 28, 2017, the Office of the Superintendent of Bankruptcy appointed Ernst & Young Inc. as Trustee (the "Trustee").

The Debtor was a holding company with no actual business operations.

The sole director and shareholder of the Debtor is Leon Provencher.

SECTION B - ASSETS

The following summary represents the Debtor's realizable assets as per its Statement of Affairs:

Cash on hand:	$ 42,000.00
Debts due to Debtor:	$ 1,900,000.00
Shares in 0803745 BC Ltd.	$ 595,073.00
Total	$ 2,537,073.00

The Trustee has been advised that the Cash on Hand has been paid to Canada Revenue Agency ("CRA") in its entirety pursuant to a Requirement to Pay received prior to the date of bankruptcy. There are no other bank accounts to realize upon.

The Debts due to the Debtor are comprised of approximately $2.2 million owed by the Provencher Family Trust ("Family Trust"), and approximately $800,000 owed by 888018 Alberta Ltd. ("888"). Notwithstanding these amounts owing on the face amount, the amount shown above of $1.9 million represents the estimated amount realizable from the collection of the debts owed by the Family Trust and 888.

Mr. Provencher, on behalf of the Family Trust, is cooperating and working with the Trustee to realize on the Family Trust's assets to pay to the Trustee on account of the debt owed by the Family Trust to the Debtor. Mr. Provencher has provided HSBC Private Wealth Services with a "Direction to Pay" all investments held by and for the Family Trust to the Trustee, and the and $1.4 million to $1.7 million of investments will be realizable as a result. The Trustee understands that the Family Trust does not have any physical assets, and other than the $1.7 million of investments noted above that are maintained at HSBC Private Wealth Services (Canada) Inc., the Family Trust does not have any other assets. The Trustee will be requesting an affidavit from the Family Trust to confirm that it has no additional assets that can be realized on to pay the outstanding debt to the Debtor.

In addition to the Family Trust receivable, as noted above the Debtor also loaned 888 approximately $800,000. The Trustee has been advised that the only asset of 888 is a loan to Titan Tubular Solutions Ltd. (of approximately $221,000), along with an equity investment in this same company of approximately $579,000. The Trustee has engaged Field Law as its counsel, whom has issued a Demand Notice to 888, and will assist the Trustee to confirm 888's assets and pursue the realization of such assets as required.

In addition to the above, the Debtor owns shares in 0803745 BC Ltd., which is a joint venture business which owns a piece of land in Kelowna, British Columbia. Trustee's counsel will be reviewing the Joint Venture Agreement and assisting the Trustee in taking any necessary steps required to realize on this asset. At this point in time, the Trustee is not able to confirm the method or expected amount of recovery in relation to this asset, but will continue to investigate and pursue as required.

Secured Claims

There are no secured claims.

SECTION C - BOOKS AND RECORDS OF THE BANKRUPT

The Trustee has obtained the Minutes Book for the Debtor and is in the process of obtaining copies of financial records from the Debtor's accountant.

SECTION D - CONSERVATORY AND PROTECTIVE MEASURES

The Trustee sent a request to the bank for cash on hand and was advised that the funds had been paid to CRA.

As discussed the Trustee is working with the Director in order to realize on the funds owed to the Debtor by the Family Trust.

The Trustee engaged Field Law to assist with realization efforts.

There were no physical assets to secure or safeguard.

SECTION E - PROVABLE CLAIMS

The only known creditors of the Debtor are CRA and Alberta Tax and Revenue for corporate taxes of approximately $3.3 million in aggregate.

SECTION F - LEGAL PROCEEDINGS / PREFERENCE PAYMENTS

At this time, the Trustee is not aware of any fraudulent conveyances, preferences or transfers at undervalue made by the Debtor.

SECTION G - THIRD PARTY DEPOSITS OR GUARANTEES

There are no deposits or guarantees paid or provided in regard to this engagement.

SECTION H - APPOINTMENT OF RECEIVER

No Receiver has been appointed.

SECTION I - ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

As discussed in Section B there are significant realizations expected; however, the Trustee is uncertain as to how much exactly will be received and subsequently available for distribution.

SECTION J - OTHER MATTERS

The Trustee is not aware of any other matters affecting the Estate, however, if anyone is aware of matters that should be brought to the attention of the Trustee for further review and investigation, please contact the Trustee's office with details and copies of any available documentation.

Dated at the City of Edmonton, the 15th day of May, 2017.

ERNST & YOUNG INC.
Trustee in Bankruptcy for the estate of
1445052 Alberta Ltd.

Per:

Dan McCulloch, CIRP, LIT
Vice President