

CANADA
Province of Alberta

District of Alberta
Division of 02 - Calgary
Court No. 25-3008663
Estate No. 25-3008663

TRUSTEE'S PRELIMINARY REPORT
IN THE MATTER OF THE BANKRUPTCY OF
Westmount Projects Inc.

Trustee: Deloitte Restructuring Inc.

Background

Westmount Projects Inc. (the “**Company**” or “**Westmount**”) is a private corporation which was incorporated pursuant to the laws of the province of Alberta on January 20, 2015. Westmount is a real estate holding company for approximately 17 residential properties. Based on an Alberta Corporate registry search dated November 9, 2023, the directors of Westmount are as follows: (i) Farhan Sattar and (ii) Abdul Sattar. The Trustee is advised that Abdul Sattar is not actively involved in the daily operations of the Company and Farhan Sattar is the mind and management of Westmount.

On April 27, 2023, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed by an Order (the “**Interim Receiver of Rents Order**”) of the Court of King’s Bench of Alberta (the “**Court**”) as the Interim Receiver of Rents, without security, to collect rents for five (5) specific properties owned by Westmount and it’s two (2) wholly owned subsidiary companies, 1975847 Alberta Ltd. (“**197**”) and 2218923 Alberta Ltd. (“**221**”). The Interim Receiver of Rents Order was granted as a result of an application by Bank of Montreal (“**BMO**”), who has registered security interests in respect of these five (5) specific Properties.

On May 15, 2023, Deloitte was appointed by Order of the Court (the “**Receivership Order**”) as the receiver (the “**Receiver**”), without security, over the three (3) properties legally described in the table below (collectively the “**Receivership Properties**”), the serial number property also described in the table below (collectively the “**Serial Number Property**”), and certain property located on the Receivership Properties or arising out of or in connection with the Serial Number Property and the Receivership Properties.

Receivership Properties				
Legal Land Description	Municipal Address	City	Province	Postal Code
Plan B1 Block 35 Lot 12	303 23 Avenue SW	Calgary	AB	T2S 0J3
Plan 4479p Block 9 Lots 18 to 20	1538 27 Avenue SW	Calgary	AB	T2T 1G4
Condominium Plan 2011798 Unit 1 to 4	2617 12 Avenue SE	Calgary	AB	T2A 0G1

Serial Number Property	
Serial Number	Description
LG170613A	2021 Miller XTM 350 Welder
LF1145A	2021 Miller XTM 350 Welder
LF304789	2021 Miller XTM 350 Welder
LF236463	2021 Miller XTM 350 Welder
3GTU2PEC2GG358326	2016 GMC Sierra
5NHUBL422MB482082	2021 FROR Moel BL714TA2
2CPUSD2F7MA043011	2021 Cantra Model DT8314-14K
2CPUSD2F9MA043012	2021 Cantra Model DT8314-14K

On May 15, 2023, Deloitte was also appointed by Order of the Court as Receiver of all current and future assets, undertakings, and properties of every nature and kind whatsoever and wherever situated of 197 and 221.

On October 31, 2023, Gordon D. Anderson (who the Trustee understands is a former director of Westmount), Anderson & Associates Financial Corporation, and Bindal Corp, (who the Trustee understands are creditors of Westmount), filed an application for a Bankruptcy Order against Westmount citing that the Company had committed various acts of bankruptcy including: (i) transferring assets at undervalue, (ii) fraudulent preferences, and (iii) failing to meet its obligations generally as they became due.

On November 3, 2023, the Court declared Westmount bankrupt and appointed Deloitte as Licensed Insolvency Trustee of the bankrupt (the "**Trustee**"). The terms of the bankruptcy order are being finalized as at the date of this report; however, the Trustee understands that the order will provide that certain extant actions are not stayed by the bankruptcy proceedings.

All documents related to the receivership and bankruptcy proceedings of the Company can be found on the Trustee's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Westmount-Group-of-Companies.aspx>

In preparing this Trustee's Preliminary report (the "**Report**"), the Trustee has relied on unaudited financial information, and the books and records of the Company. The Trustee has not performed an independent review or audit of the information obtained and does not express an opinion or any other form of assurance on the information presented herein. The Trustee may refine or alter its

observations as further information is obtained or is brought to its attention after the date of this report.

The Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the Report. Any use that any party makes of this Report, or any reliance on or decisions to be made based on this Report, is the responsibility of such party.

Assets and Books and Records

The Trustee has been advised by a number of parties including Greg Leia, counsel to Gordon Anderson, Farhan Sattar and that the books and records of Westmount were located at the registered office of the Company, the offices of YYC Legal and Stacey Butterfield (collectively "Former Bookkeepers") and Wolff Leia. The Former Bookkeepers maintained Westmount's accounting records over various time periods since the inception of the Company. Based on the information made available to the Trustee, the last month end completed for Westmount was as at November 30, 2022. The Trustee has received piecemeal accounting records from December 1, 2022, to the date of bankruptcy from Farhan Sattar, Wolff Leia, and Stacey Butterfield. However, these records appear to be incomplete and do not include original source documents and therefore cannot be relied upon.

The reported book values of the Company's potential realizable assets as at November 30, 2022, is as follows:

Description	Book Value (\$)
Investments	934,423
Machinery, plant and equipment	1,917,934
Buildings and improvements	16,664,653
Total	19,517,010

The Trustee has taken possession of the available and known books and records of the Company.

Current State of Operations

1. Conservatory and Protective Measures

The Trustee took possession of the Company's assets on November 9, 2023, and undertook the necessary conservatory and protective measures.

The Trustee understands that, prior to the bankruptcy, various secured creditors exercised their rights against Westmount and have seized certain serial numbered assets. The Trustee has not taken possession of any seized serial numbered assets.

The Trustee further understands that, prior to the bankruptcy, various secured creditors commenced foreclosure proceedings on 10 residential properties as further discussed later in this Report.

2. Carrying on Business

As at the date of bankruptcy, Westmount held a total of 17 properties. On November 22, 2023, the Receiver obtained sale and vesting orders with respect to the Receivership Property and the sales for those three (3) properties are anticipated to close on or before December 7, 2023. The remaining 14 residential properties comprise of:

- Two (2) properties that are under construction and appear to be at various levels of completion. The Trustee anticipates listing the properties for sale on an “as is where is basis” in due course as there are no funds available in the bankruptcy estate to complete construction.
- One (1) property is pending judicial sale order. The Trustee understands that the Judicial sale application set for November 24, 2023, was adjourned to December 15, 2023. The Trustee does not anticipate objecting to the judicial sale; however, in the interim, has taken steps to list the property for sale. The Trustee anticipates maintaining the two (2) existing tenancy agreements until the closing of the sale of the properties.
- 10 properties are in various stages of foreclosure proceedings which will continue simultaneously with the bankruptcy proceedings. Of the 10 properties, one (1) property appears to be vacant, one (1) property is in the earlier stages of construction, and the remaining eight (8) properties comprise a total of 11 units with no vacancies as at the date of bankruptcy. The Trustee will maintain all existing tenancy agreements until the closing of the sale of the properties.
- One (1) property is subject to a statement of claim and appears to be vacant. The Trustee anticipates listing the property for sale on an “as is where is basis” in due course.

Legal Proceedings

The Trustee is aware of the following legal proceedings that commenced against Westmount prior to the bankruptcy:

Action No.	Plaintiff	Westmount Role	Assets Involved	Status
2303-18938	Calgary House of Cars 9 Inc.	Respondent	Funds held in trust	Application adjourned
2303-13954	Canadian Western Bank	Respondent	Vehicles/Equipment	Application adjourned
2303-19983	Servus Credit Union Ltd.	Guarantor	Money judgement sought	Unknown
2301-10276 2303-08656	1401946 B.C. Ltd	Mortgagor	1722 44 Street SE	Sale and vesting application on November 27, 2023
2301-10275 2303-08658	1401946 B.C. Ltd	Mortgagor	1726 44 Street SE	Sale and vesting application on November 27, 2023
2303-20095	Servus Credit Union Ltd.	Borrower/Mortgagor	1701 43 Street SE	Stmt of Claim filed November 3, 2023
2301-07264	Alberta Treasury Branches	Borrower/Mortgagor	511-888 4 Avenue SW	Foreclosure application adjourned to December 15, 2023
2301-01013	AP Capital Mortgage Investment Corporation	Borrower/Mortgagor	1910 24A Street SW	Sale and vesting Order dated November 6, 2023 Sale to close December 15, 2023
2301-01013	AP Capital Mortgage Investment Corporation	Borrower/Mortgagor	1906 24A Street SW	Sale and vesting Order dated November 6, 2023 Sale to close December 15, 2023
2301-01013	AP Capital Mortgage Investment Corporation	Borrower/Mortgagor	1902 24A Street SW	Sale and vesting Order dated November 6, 2023 Sale to close December 15, 2023
	Canadian Imperial Bank of Commerce	Borrower/Mortgagor	3522 14A Street SW - Unit 1	Foreclosure in progress
	Canadian Imperial Bank of Commerce	Borrower/Mortgagor	3522 14A Street SW - Unit 2	Foreclosure in progress
	Canadian Imperial Bank of Commerce	Borrower/Mortgagor	3524 14A Street SW - Unit 1	Foreclosure in progress
	Canadian Imperial Bank of Commerce	Borrower/Mortgagor	3524 14A Street SW - Unit 2	Foreclosure in progress
2301-01500	Calvert Home Mortgage Investment Corporation	Borrower/Mortgagor	711 5 Street NE	Foreclosure in progress

The Trustee has not commenced any legal proceedings but has retained Dentons Canada LLP to act as its independent legal counsel ("**Counsel**").

Provable Claims

At the time of preparing this Report, several creditor claims have been filed. The Trustee is in the process of reviewing the validity of these claims in advance of the first meeting of creditors.

Creditors

The following is a summary of Westmount's known creditors at the date of this Report:

1. Deemed Trust/Contingent Claims

The estimated amount of any deemed trust/contingent claims is still to be confirmed.

2. Secured Claims

There are four (4) secured claims received for approximately \$3.1 million. These secured claims relate to various mortgages and loans provided to Westmount. The Trustee is conducting a review of these secured claims.

3. Preferred Unsecured Claims

The estimated amount of any preferred unsecured claims is still to be confirmed.

4. Unsecured Claims

There are two (2) unsecured proofs of claims received for approximately \$281,000. These unsecured proofs of claims relate to litigation matters that commenced prior to the date of bankruptcy and construction damages. The Trustee is conducting a review of these unsecured claims.

Transactions at Under Value

The Trustee has not completed a full review of the Company's financial transactions to determine if any preferences or transfers at under value have occurred.

Third Party Deposits

Gordon D. Anderson has provided the Trustee with a retainer in the amount of \$30,000 to cover the Trustee's initial fees and cost for the bankruptcy. The Trustee's fees and costs to date, including legal fees, have significantly exceeded the retainer amount.

Trustee's Intention to Act for Secured Creditors

As mentioned above, Deloitte was appointed Receiver of the Receivership Properties by application of BMO.

Projected Distribution and Comments on Anticipated Realization

The Trustee is currently unable to determine the estimated recovery on the remaining assets of the Company and if there will be any distributions to the unsecured creditors.

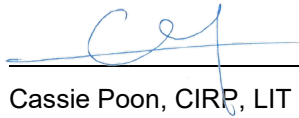
Other Matters

There are no other reportable matters at this time.

Dated at Calgary, Alberta on the 27th day of November 2023.

DELOITTE RESTRUCTURING INC.

In its capacity as Trustee in Bankruptcy
of Westmount Projects Inc.
and not in its personal or corporate capacity.



Cassie Poon, CIRP, LIT
Senior Vice-President