

District of Alberta
Division 01 - Edmonton
Court No. 24-2569361
Estate No. 24-2569361

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF CERTIFIED WIRE & ROPE TESTING INC.

Formerly carrying on business in the Hamlet of Nisku, in the Province of Alberta

Background

On October 10, 2019, Certified Wire & Rope Testing Inc. (the "**Company**") filed an assignment in bankruptcy and Deloitte Restructuring Inc. (the "**Trustee**") was appointed Licensed Insolvency Trustee.

The Company formerly operated as a supplier and certifier of wire and rope to the oil and gas, construction, and manufacturing industries. The Company was based in Nisku, Alberta. The Company's sole director is Ms. Bonita Carter.

Section A – Assets

Class I – Inventory

The Company estimated on its Statement of Affairs, a total inventory value of \$527,000. The Company's inventory is primarily located in the Company's yard. There is also some inventories located in the Company's warehouse. The Trustee has attended the premises to view and photograph the inventory, and identify 3rd party property.

The Trustee has not removed the inventory as there would be a high cost to move and store the inventory relative to its value.

The Trustee has requested proposals from auctioneers to consider the inventory value and conduct a coordinated sale process (the "**Sale Process**") of the Company's assets at an appropriate time so that the Estate does not incur unnecessary occupation rent, subject to creditor direction and/or inspector approval.

Class II – Cash on Hand

None.

Class III – Plant, Machinery and Equipment and Office Equipment

The Company estimated on its Statement of Affairs, a total equipment value of \$341,000. The Company has provided the Trustee with a fixed asset list (the "**Fixed Asset List**") comprising vehicles, equipment, office furniture and computers. The asset listing contained several assets that were no longer in possession of the Company. The Trustee has verified the assets of the Company at the date of bankruptcy.

All equipment currently remains at the Company's location until the Trustee considers valuation of the assets and costs to remove in conjunction with the Sale Process. The Trustee is attending the premises daily.

Class IV – Building and Real Estate

None.

Class V – Books and Records

The books and records of the Company for the previous two (2) fiscal years as well as an electronic backup of the accounting records were submitted to the Trustee and are being held at the Trustee's office. The remaining records are currently stored at the Company's office.

Class VI – Other Assets

Accounts Receivable

On the Statement of Affairs, the Company disclosed accounts receivable totalling \$368,000, and an expected realizable amount of \$234,000. The Trustee has signified the accounts receivable. To date, the Trustee has collected \$143.39.

Section B – Conservatory and Protective Measures

The Trustee signified the Company's bank account with Canadian Imperial Bank of Commerce ("CIBC") and requested that any funds on deposit be forwarded to the Trustee. The Trustee has not yet received the cash balance at the date of bankruptcy from CIBC.

The Company's mail has been redirected to the Trustee's office until the end of November 2019. The Trustee will evaluate the value of continuing to redirect mail at that time.

The Trustee has blanket insurance coverage for 30 days from the date of bankruptcy. The Trustee will review insurance coverage to determine the requirement for further coverage.

Section C – Legal Proceedings

None.

Section D – Provable Claims

The Company's records estimate unsecured claims to be approximately \$3,584,603. Claims filed to date appear to correspond to the Statement of Liabilities.

Section E – Secured Creditors

None.

Section F – Realization and Projected Distribution

Due to the uncertainty of realization of the Company's assets, the Trustee is unable to provide estimated realization and recovery to unsecured creditors at this time.

Section G – Reviewable Transactions and Preference Payments

The Trustee will conduct a review for preference payments and transfers at under value.

Section H – Other Matters

None.

Dated at Edmonton, this 28th day of October, 2019.

DELOITTE RESTRUCTURING INC.

In its capacity as Licensed Insolvency Trustee of the Estate of
Certified Wire Rope & Testing Inc., in bankruptcy
And not in its personal capacity



Darren Crocker, CPA, CGA, CIRP, LIT
Senior Vice-President