

District of     British Columbia  
Division       No. 03 - Vancouver  
Estate No.     11-254041  
Court No.      B-170129

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE BANKRUPTCY OF**

**WEST STONE QUARRIES INC.**

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**TRUSTEE'S PRELIMINARY REPORT**

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**March 16, 2017**

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## GLOSSARY

BC	British Columbia
Brencin	Brencin Management Group Inc.
Company / Quarries	West Stone Quarries Inc.
CRA	Canada Revenue Agency
Equipment	West Stone Equipment Inc.
Fill Tech	Fill Tech Industries Ltd.
Group	Collectively, West Stone Quarries Inc., West Stone Equipment Inc., and West Stone Quarries Group Inc.
GST	Goods and Services Tax
License	License Agreement between WSQG and Fill Tech dated April 10, 2014 allowing Quarries to access the Quarry for the extraction of stone/sand product
PST	Provincial Sales Tax
Quarry	Gravel quarry located at 39897 Quadling Road, Abbotsford, BC
RBC	Royal Bank of Canada
Report	Trustee's Preliminary Report dated March 16, 2017
SoA	Company's Statement of Affairs dated March 7, 2017
Stone West	Stone West Quarries Inc.
Trustee	Deloitte Restructuring Inc., in its capacity as Trustee of the Estate of West Stone Quarries Inc., a bankrupt, and not in its personal capacity
WSQG	West Stone Quarries Group Inc.

## **1. Introduction**

West Stone Quarries Inc. ("**Quarries**" or the "**Company**") was engaged in extracting and selling sand and gravel from a quarry located at 39897 Quadling Road, Abbotsford, BC (the "**Quarry**"). The sand and gravel products were sold to customers for industrial, commercial, residential and civil projects throughout the Greater Vancouver and Fraser Valley areas. The Company began operating in March 2014 and is registered under the *British Columbia Corporations Act*.

On February 15, 2017, Stone West Quarries Inc. ("**Stone West**"), an unsecured creditor and 50% shareholder of Quarries, filed an application for a Bankruptcy Order against Quarries citing that the Company had failed to meet its liabilities generally as they became due.

On February 28, 2017, the Supreme Court of BC granted an Order adjudging Quarries bankrupt and appointing Deloitte Restructuring Inc. as Trustee in Bankruptcy ("**Trustee**").

The purpose of the Trustee's Preliminary Report ("**Report**") is to:

- Provide background information concerning the Company's affairs and the causes of its financial difficulties;
- Outline the key activities of the Trustee since its appointment; and
- Provide the Trustee's preliminary evaluation of the assets and liabilities of the Company.

Throughout this Report, amounts are expressed in Canadian Dollars, unless otherwise specified.

## **2. Operations Overview**

Quarries is part of a closely-held corporate group which includes West Stone Equipment Inc. ("**Equipment**") and West Stone Quarries Group Inc. (formerly West Stone Pit 1 Inc.) ("**WSQG**") (collectively with Quarries, the "**Group**"). WSQG is a wholly owned subsidiary of Quarries. A copy of the Group structure chart is attached as Appendix A to this Report.

At the date of bankruptcy, the sole director of Quarries was Mr. Brent Palmer. Quarries' operations were managed by Mr. Palmer and he acted as the Quarry manager.

Mr. Gurbakhshish (Bob) Singh Hans was previously a director of Quarries. Mr. Hans resigned as a director on February 14, 2017. We understand that Mr. Hans was not actively involved in the daily operations of the Company during his tenure as director.

Both Mr. Palmer and Mr. Hans each indirectly own 50% of Quarries through their respective holding companies Brencin Management Group Inc. ("**Brencin**") and Stone West, respectively.

The business activities undertaken by the Group were as follows:

- Quarries – Main operating company. Extracted and sold sand and gravel from the Quarry, with an office located at 34912 Panorama Drive, Abbotsford, BC.
- WSQG – Party to a license agreement with Fill Tech Industries Ltd. ("**Fill Tech**") dated April 10, 2014 which permitted WSQG to access the Quarry and extract materials (the "**License**"). Pursuant to the License, WSQG was obligated to pay Fill Tech royalty payments on product extracted from the Quarry.
- Equipment – Lessee of various equipment used to extract and grade materials at the Quarry.

Quarries operated between March 2014 and December 2016 and had a maximum of 12 employees during the 12 months prior to the date of bankruptcy.

### **3. Background to the Company's Financial Difficulties**

The Trustee is advised by Mr. Palmer that the aggregate produced at the Quarry was of a lower quality than originally anticipated at the outset of operations, with a relatively high sand:gravel ratio. The sand produced by the Quarry requires further processing using a wash plant before it can be sold and has a lower profit margin than gravel.

Quarries' operations did not produce sufficient revenue to meet its cash flow needs, and the Company relied on shareholder loans, primarily from Stone West, to finance its operations and the initial down payments required for the lease-purchase contracts related to the equipment to run the Quarry.

A summary of the unaudited financial results of the Company is set-out below.

(\$)	<b>Year ended Dec 1, 2016</b>	<b>Year Ended Nov 30, 2015</b>	<b>Year Ended Nov 30, 2014</b>
Revenue	3,701,792	2,965,473	1,276,804
Gross profit	1,393,171	1,070,715	573,541
Expenses	(1,429,452)	(1,067,781)	(603,575)
Loss on disposal of assets	<u>(13,414)</u>	<u>(13,414)</u>	<u>-</u>
Net loss for the year	<u><u>(49,695)</u></u>	<u><u>(10,480)</u></u>	<u><u>(30,034)</u></u>

The business relationship between Mr. Palmer and Mr. Hans deteriorated in late 2016 arising from Mr. Hans' concerns regarding the financial losses and management of the business. In early December, the Group had substantial arrears owing to suppliers and to Fill-Tech under the License. Quarries was also in arrears with Canada Revenue Agency ("CRA") related to outstanding employee source deductions and Goods and Services Tax ("GST"), although we understand from Mr. Palmer that a payment plan had been agreed to with CRA.

As a result of the dispute between Mr. Palmer and Mr. Hans, and due to the cash flow difficulties faced by the Group, the Quarry operations were ceased in early December 2016, and all staff at the Quarry were laid off with two remaining office staff laid off in or around the first week of January 2017.

Following the shut-down of the Group's operations, several creditors took collection/enforcement actions against the Group including, but not limited to:

- On or about February 8, 2017, CRA garnished funds from Quarries' bank account amounting to \$72,036, and garnished a further amount of \$30,390 on or about February 28, 2017;
- On February 7, 2017, the BC Provincial Government registered a tax lien against all of Quarries' present and after-acquired personal property at the BC Personal Property Registry; and
- On or about February 13, 2017, Caterpillar Financial Services Limited removed several pieces of equipment leased to Equipment from the Quarry site.

On February 10, 2017, Stone West demanded repayment from Quarries in the amount of \$400,000, being the balance purportedly owing under the shareholder loan. The amount owing to Stone West is disputed by Quarries.

The Company has provided a balance sheet as at December 1, 2016, which shows the shareholder loan balance at \$418,056. However, the Company is of the view that this amount should be reduced by management fees paid to Stone West in the amount of approx. \$265,000. Accordingly, the Company's Statement of Affairs ("SoA") as at the date of bankruptcy, attached as Appendix B, shows an amount owing to Stone West of \$153,056.

Quarries failed to make payment of the amount demanded by Stone West, and Quarries was adjudged bankrupt by Order of the Supreme Court of BC on February 28, 2017.

On March 6, 2017, WSQG received a letter from Fill Tech's legal counsel electing to terminate the License due to, among other things, WSQG's failure to pay royalties as required under the License.

We note that WSQG and Equipment are not currently subject to bankruptcy proceedings.

#### **4. Conservatory and Protective Measures**

On March 1, 2017, the Trustee met with Mr. Palmer and the Company's legal counsel, Kuhn & Co. The Trustee also attended the Quarry to take an inventory of the assets of the Company.

The Trustee has made arrangements for all of the Company's mail to be forwarded to the Trustee's offices. All books and records of the Company have been collected and delivered to the Trustee.

#### **5. Assets**

##### **i) Cash**

The Company held bank accounts with CIBC in Abbotsford, BC and RBC in Cloverdale, BC. The Trustee has advised both banks of the bankruptcy proceedings and has arranged for the account balances and any subsequent receipts to be transferred to the estate trust account held by the Trustee.

As a result of the garnishment process undertaken by CRA, there was a nil balance in the Company's CIBC account. As at the date of bankruptcy, Quarries had a cash balance of \$14,812 in the RBC account.

On March 6, 2017 the Trustee received an amount of \$18,000 from Stone West representing cash balances of Quarries held by Mr. Hans (refer to Section 8 of this Report for details).

The Company's SoA shows cash in the amount of \$32,812 representing the sum of the amount received from Stone West (\$18,000) and the balance in the RBC account (\$14,812).

##### **ii) Accounts Receivable**

As a result of the termination of the accounting staff in December 2016, the Company's accounts receivable listing was not up to date. The Trustee was advised of various customer receipts deposited into the Company's CIBC and RBC accounts over the course of January and February 2017 and has worked with Mr. Palmer to update the listing to the extent possible based on the information provided.

The Company's SoA indicates that as at the date of bankruptcy, Quarries had outstanding accounts receivable of \$82,282. Given the ageing of these receivables and the difficulty in obtaining current information on balances outstanding, the Company estimated that the realizable value of the accounts receivable is approximately \$31,000 (10% of balances over 90 days old and 50% of balances less than 90 days old).

iii) **Inventory**

The Company's books indicate that it held an inventory of materials, primarily consisting of gravel and sand, valued at \$720,126.

We understand that there is currently no liability insurance in place to cover operations at the Quarry. Conditions at the Quarry are potentially hazardous given recent minor landslides, and remedial work would likely be required before operations could begin. In addition, there is no earth moving equipment at the Quarry as a result of various finance companies having seized assets leased by Equipment in order to recover amounts owed. Further, the License to remove product from the Quarry has been terminated by Fill-Tech.

As a result of these issues, the ability of the Trustee to realize the Company's sand and gravel inventory may be limited, and the costs of so doing may be prohibitive. The Company's SoA shows a net realizable value of \$1 for the gravel/sand inventory.

The Company also held an inventory of tools and various oils/filters for equipment with a net book value of approximately \$13,354. The estimated net realizable value of this inventory is \$2,150 per the Company's SoA.

iv) **Office Furniture, Equipment & Vehicles**

The Company's records indicate that it had office furniture and equipment with a net book value of \$13,893. This equipment includes an office computer which was previously located at the Quarry, and three laptops which were delivered by Mr. Hans to the Trustee, and which we understand were purchased new by Mr. Hans in December 2016.

Per the SoA, the Company has indicated an estimated realizable value of \$6,019 in relation to the office furniture and equipment. In addition, the Company has one pick-up truck with an estimated realizable value of \$3,000.

v) **Intercompany Balances**

The Company's records indicate that it has an intercompany balance receivable from Equipment totaling \$505,062. We understand that this amount is stated before a transaction which is usually posted at year-end to reflect amounts owing to Equipment by Quarries in relation to equipment rental. The estimated net realizable value of this balance in the SoA is \$1 as a result of this offset, and due to the current financial situation of Equipment (limited tangible assets aside from leased assets which have largely been seized by finance companies).

Based on discussions with Mr. Hans and Mr. Palmer, we understand that WSQG currently holds a cash balance of \$48,165 in a CIBC account which is the property of Quarries and derives from Quarries' customer receipts. Mr. Hans and Mr. Palmer have

committed to instruct CIBC to transfer this amount to the Trustee's estate trust account for the benefit of creditors. As at the date of this Report, this process is underway.

vi) **Investments in Subsidiary**

Quarries is the sole shareholder of WSQG. Mr. Palmer has expressed a potential interest in acquiring the shares of WSQG, and the assets of Quarries located at the Quarry. However, these discussions are in the early stages and the Trustee has not as yet received any formal offer from Mr. Palmer. The Company has estimated the net realizable value of its equity interest in WSQG at \$1.

**6. Creditors**

i) **Deemed Trust Claims and Secured Creditors**

*CRA – Source Deductions*

The Company's records indicate an amount owing to CRA in respect of employee source deductions and GST of \$112,864 and \$122,884, respectively. Prior to the date of bankruptcy, CRA garnished a total amount of \$102,426 from the Company's CIBC account, leaving a net balance owing in respect of source deductions and GST of approximately \$133,322. It is not yet clear how these garnished funds have been allocated to the amounts owing to CRA.

We note that any remaining amount of employee source deductions will rank as a deemed trust claim against the estate, which gives CRA priority over all assets of the estate, ahead of any other security interests or creditor claims. Any remaining amount in respect of GST will rank as an unsecured claim in the estate.

*Provincial Government*

On February 7, 2017, the BC Provincial Government registered a tax lien on the Company's present and after-acquired personal property to recover outstanding Provincial Sales Tax ("PST"). As indicated in the SoA, the Company's records indicate PST outstanding in the amount of \$8,534.

ii) **Unsecured Creditors**

Excluding amounts owing in respect of GST, the Company's SoA shows unsecured claims as follows:

Stone West (shareholder loan)	\$ 214,971
WSQG (royalties owing)	153,053
Brenchin (management fees/expenses)	46,176
WorkSafe BC fees	10,299
Trade creditors and other	<u>385,309</u>
<b>Total</b>	<b>\$ 809,811</b>

iii) **Provable Claims**

At the time of finalizing this Report, proofs of claims have been filed by eight unsecured creditors totaling approximately \$133,742.

Mr. Palmer has advised that the Company's former employees were paid all amounts owing in respect of wages and vacation pay, and believes that there are no amounts of termination/severance pay owing. However, the Trustee is in receipt of severance claims from three employees in the total amount of \$10,108.

**7. Anticipated Realization and Projected Distribution**

In summary, the Company's SoA shows assets with net realizable value of approximately \$123,149 before costs of realization. The outcome to unsecured creditors will primarily depend on the quantum of the deemed trust and secured claims advanced by CRA and the Province of BC, and the ability of the Trustee to realize amounts for the Company's accounts receivable and inventory.

Given the uncertainty associated with asset realizations and in consideration of the Trustee agreeing to act as trustee of the estate, Stone West provided the Trustee with a third party deposit in the amount of \$25,000 and a fee guarantee to a maximum amount of \$35,000. The deposit is to be held in trust by the Trustee and will be used only for the payment of reasonable costs of administering the estate, including payment of the Trustee's reasonable fees and disbursements, in the event that asset realizations are insufficient to satisfy these amounts.

The Trustee had no previous relationship with the Group or Mr. Palmer. Deloitte LLP acts as an accountant to several of Mr. Hans' other companies which are not directly related to the Group.

**8. Legal Proceedings, Reviewable Transactions and Preference Payments**

At the time of this Report, the Trustee is not aware of any legal proceedings against the Company.

The Trustee notes that in the affidavit of Mr. Hans dated February 14, 2017, provided in support of the bankruptcy application made by Stone West, Mr. Hans states: "I was also concerned by my discovery of several significant withdrawals from the Debtors' accounts which appeared unauthorized". The Trustee has requested that Mr. Hans provide details of these transactions. To date, the Trustee has only undertaken a limited review of the Company's books and records and has not identified any reportable transactions.

The Trustee is also aware that in the affidavit of Mr. Palmer dated February 23, 2017 in response to the bankruptcy application, Mr. Palmer claims that: "Mr. Hans took approximately \$100,264 by cash advances on the Company's visa credit card". The Trustee has since made enquiries of Mr. Hans' legal counsel in relation to these cash advances and

has been informed that on or about January 27, 2017, these funds were used to fully pay out Quarries' Visa credit card facility with RBC (approx. \$50,650) and Quarries' line of credit with RBC (approx. \$16,350).

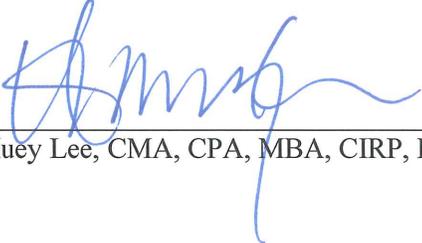
In addition, since Quarries ceased operations in December 2016, Mr. Hans deemed it necessary to engage security personnel to monitor and secure the Quarry in order to prevent theft and/or destruction of property and other unlawful activities which Quarries could potentially be liable for. Mr. Hans has advised that the costs of the security to the date of bankruptcy were approx. \$15,000, which we are advised can be verified by cheque records.

As noted in section 5(i) above, the difference between the cash advances received by Mr. Hans (\$100,000) and the amounts disbursed by Mr. Hans to RBC (\$67,000) and in respect of security costs (\$15,000), being \$18,000, has been paid by Stone West to the Trustee.

Dated at Vancouver, this 16<sup>th</sup> day of March, 2017.

**DELOITTE RESTRUCTURING INC.**

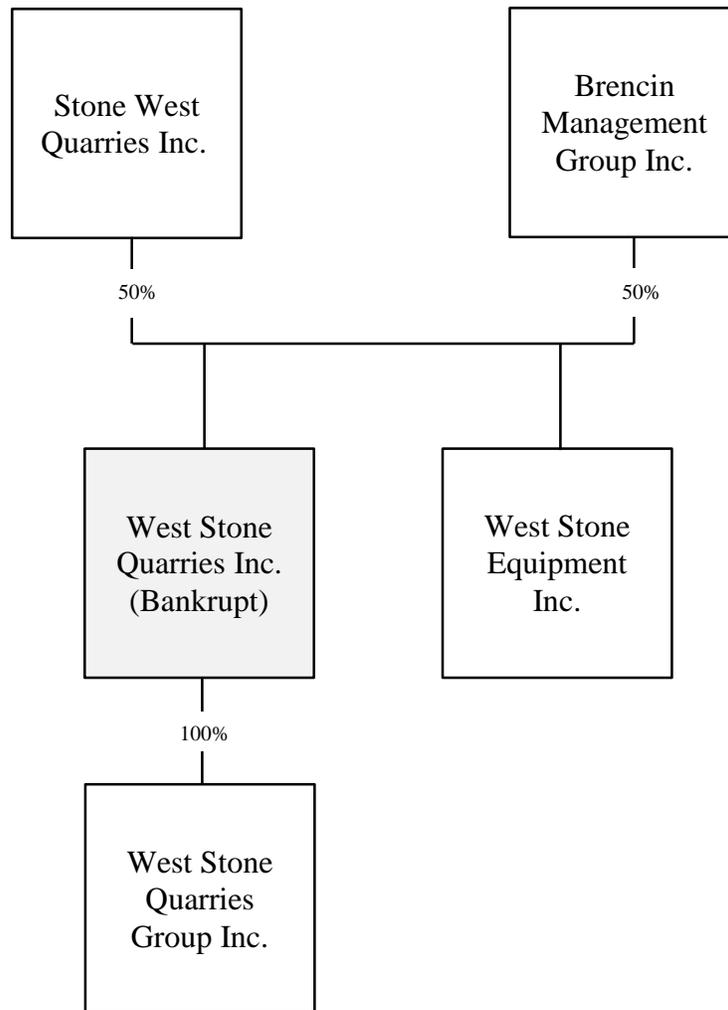
In its capacity as Trustee of the Estate of  
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Per: 

Huey Lee, CMA, CPA, MBA, CIRP, LIT

**APPENDIX A**

**West Stone Quarries Inc. Group Structure Chart**



**APPENDIX B**

**West Stone Quarries Inc. Statement of Affairs dated March 7, 2017**

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-170129  
 Estate No. 11-254041

Original  Amended

\_Form 78\_  
 Statement of Affairs (Business Bankruptcy) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

To the bankrupt:  
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 28th day of February 2017. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

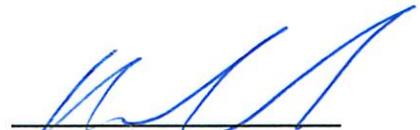
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If bankrupt is a corporation, add:																																																																					
Amount of subscribed capital .....	200.00																																																																				
Amount paid on capital .....	200.00																																																																				
Balance subscribed and unpaid .....	0.00																																																																				
Estimated to produce .....	0.00																																																																				
Total assets .....	123,149.00																																																																				
Deficiency .....	819,984.01																																																																				

I, Roger Brent James Palmer, of the City of Abbotsford in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 28th day of February 2017 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the City of Abbotsford in the Province of British Columbia, on this 7th day of March 2017.



Christopher A. Becker  
 Barrister & Solicitor  
 100 - 32160 South Fraser Way  
 Abbotsford, BC V2T 1W5  
 (604) 864-8877



Roger Brent James Palmer

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-170129  
 Estate No. 11-254041

FORM 78 -- Continued

List "A"  
 Unsecured Creditors

West Stone Quarries Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	AFD Petroleum Ltd	1444 - 78th Ave NW Edmonton AB T6P 1L7	2,937.01	0.00	2,937.01
2	Air Liquide Canada Inc	23231 Fraserwood Way Richmond BC V6V 3B3	308.02	0.00	308.02
3	Aldergrove A-1 Glass Ltd	8658 Commerce Ct Burnaby BC V5A 4N6	380.80	0.00	380.80
4	Allan, Denyse	44775 Lancaster Dr Chilliwack BC V2R 3B8	100.94	0.00	100.94
5	Alternative Belting Ltd	19762 - 98th Avenue Langley BC V1M 2X5	1,002.59	0.00	1,002.59
6	B&W Insurance brokers	201 - 5735 203rd St Langley BC V3A 8A7	2,119.92	0.00	2,119.92
7	Brencin Management Group Inc	34912 Panorama Drive Abbotsford BC V2S 7S3	46,176.21	0.00	46,176.21
8	Canadian Springs	PO Box 4514 Stn A Toronto ON M5W 4L7	50.10	0.00	50.10
9	Cheam Industries Ltd	PO 655 Harrison Hot Springs BC V0M 1K0	4,496.30	0.00	4,496.30
10	City of Abbotsford	4th Flr, 32315 South Fraser Way Abbotsford BC V2T 1W7	0.01	0.00	0.01
11	Coast Hose & Fitting	Unit 123 - 1776 Broadway Street Port Coquitlam BC V3C 2M8	253.83	0.00	253.83
12	Commander Navigation Inc.	9701 Benson Rd Lynden WA 98264 USA	4,362.60	0.00	4,362.60
13	Diana Kowaliuk	29707 Fraser Way Abbotsford BC V4X 1T3	0.01	0.00	0.01
14	Elite Fire Protection Ltd	Unit 1 - 33605 Maclure Rd Abbotsford BC V2S 7W2	282.45	0.00	282.45
15	Excalibur Industries	32690 Chilcotin Drive Abbotsford BC V2T 4Z8	15,996.75	0.00	15,996.75
16	First Class Waste Services Ltd	PO Box 2280 Stn. Sardis Main Chilliwack BC V2R 1A6	271.63	0.00	271.63
17	Fortis BC	PO Box 6666 Stn. Terminal Vancouver BC V6B 6M9	168.61	0.00	168.61
18	Freeway Communications	101-2602 Mt Lehman Road Abbotsford BC V4X 2N3	742.32	0.00	742.32
19	GFL Environmental	Suite B, 125 Villarboit Cres Vaughan ON L4K 4K2	75.60	0.00	75.60
20	Globe Printers	707-30711 Simpson Rd Abbotsford BC V2T 6Y7	1,951.04	0.00	1,951.04
21	Industry Canada	Postal Station D, Box 2330 Ottawa ON K1P 6K1	352.00	0.00	352.00
22	Kal Tire	44408 Yale Rd W Chilliwack BC V2R 4H1	1,194.07	0.00	1,194.07
23	Kuhn LLP Legal Counsel	100-32160 South Fraser Way Abbotsford BC V2T 1W5	733.53	0.00	733.53
24	Long Acres Jersey Farm Ltd	39877 Quadling Rd Abbotsford BC V3G 2T2	0.01	0.00	0.01

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-170129  
 Estate No. 11-254041

FORM 78 -- Continued

List "A"  
 Unsecured Creditors

West Stone Quarries Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	M.L. Welding & Fabrication Services	44873 Keith Wilson Rd Chilliwack BC V2R 3J9	11,722.23	0.00	11,722.23
26	Minister of Finance	PO Box 9443 Stn Prov Govt Victoria BC V8W 9V7	8,533.71	0.00	8,533.71
27	Mormak Equipoment Inc	8140 Becketts Rd Vernon BC V1B 3V3	1,288.00	0.00	1,288.00
28	Mr Leslie Harper	9265 Windsor St Chilliwack BC V2P 6C5	0.01	0.00	0.01
29	Mud Bay Drilling Co. Ltd.	19545 Telegraph Trail Surrey BC V4N 4G9	7,874.01	0.00	7,874.01
30	Murphy Wakefield (2007) Ltd	Unit U - 31087 Peardonville Rd Abbotsford BC v2t 6K4	282.69	0.00	282.69
31	Murray MacKenzie Co.	Suite 102 - 33230 Old Yale Rd Abbotsford BC V2S 2J5	262.50	0.00	262.50
32	Novus Glass Aldergrove	3060 275A Street Aldergrove BC V4W 3L4	476.00	0.00	476.00
33	Palmer, Brent	34912 Panorama Drive Abbotsford BC V2S 7S3	5,650.98	0.00	5,650.98
34	Pep's Fluid Power	#3 - 44667 Yale Road West Chilliwack BC V2R 4H3	51.48	0.00	51.48
35	Pit Stop Portable Toilet Services Ltd	102 - 430 Canfor Ave New Westminster BC V3L 5G2	343.68	0.00	343.68
36	Pollard Equip. (Chwk)	44755 Yale Rd West Chilliwack BC V2R 4H3	0.01	0.00	0.01
37	R.D.M Equipment Sales & Rentals Ltd	19288 Enterprise Way Surrey BC V3S 6J9	0.01	0.00	0.01
38	Riverside Equipment Inc.	PO Box 39 Abbotsford BC V2T 6Z4	12,600.00	0.00	12,600.00
39	Skreenquip Sales and Rentals	5627 Timber Valley Road Delta BC V4L 2E7	123,955.19	0.00	123,955.19
40	SMS Equipment	19520 Telegraph Trail Surrey BC V4N 4H1	17,354.60	0.00	17,354.60
41	Stone West Quarries Inc	7960 132nd Street Surrey BC V3W 4N1	5,841.73	0.00	5,841.73
42	Stone West Quarries Inc.	7960 132nd Street Surrey BC V3W 4N1	153,056.27	0.00	153,056.27
43	TAG Construction Ltd	Unit B 21869 56h Avenue Langley BC V2Y 2M9	67,403.83	0.00	67,403.83
44	Telus Communications	PO Box 7575 Vancouver BC V6B 8N9	356.17	0.00	356.17
45	Telus Mobility	PO Box 8950 Stn Terminal Vancouver BC V6B 3C3	305.24	0.00	305.24
46	Tiger Excavating Ltd.	4848 Willet Road Abbotsford BC V3G 2E8	0.01	0.00	0.01
47	Tracey Vanderveen	34611 Fore Rd Abbotsford BC V3G 1R6	0.01	0.00	0.01
48	Traction Truck Parts Chilliwack	#31 - 43915 Industrial Way Chilliwack BC V2R 3A4	4,948.22	0.00	4,948.22

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-170129  
Estate No. 11-254041

FORM 78 -- Continued

List "A"  
Unsecured Creditors

West Stone Quarries Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
49	Ultra Fuels	39615 Lougheed Hwy Deroche BC V0M 1G0	34,166.27	0.00	34,166.27
50	Under Pressure Hose and Fitting	PO Box 12162, Murrayville Langley BC V2Y 0M6	506.89	0.00	506.89
51	Valley Power Sweep	P.O. Box 2506, Sardis Stn Main Chilliwack BC V2R 1A9	19,215.00	0.00	19,215.00
52	Wajax Equipment	#30 26313 TWP Road 531A Acheson AB T7X 5A3	5,175.43	0.00	5,175.43
53	West Stone Quarries Group Inc	34912 Panorama Drive Abbotsford BC V2S 7S3	214,970.88	0.00	214,970.88
54	Westerra Equipment LP c/o Cass Litman	Litman Law, Suite 216, 3075 14th Avenue Markham ON L3R 0G9	19,215.00	0.00	19,215.00
55	WorkSafe BC	Att: Linsey Grantham PO Box 5350 Stn Terminal Vancouver BC V6B 5L5	10,298.67	0.00	10,298.67
<b>Total:</b>			<b>809,811.07</b>	<b>0.00</b>	<b>809,811.07</b>

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-170129  
 Estate No. 11-254041

FORM 78 -- Continued

List "B"  
 Secured Creditors

West Stone Quarries Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	CRA - Canada Revenue Agency - Tax - Pacific Att: Burnaby Fraser Tax Services Office, Regional Intake Centre for Insolvency	PO Box 11575, Stn Main Surrey BC V3T 0E5	133,321.94	Debts Due - Business - Trade Receivables	07-Feb-2017	82,282.00		
				Cash on hand - Funds held by Trustee	07-Feb-2017	18,000.00		
				Cash on hand - Funds in Bank	07-Feb-2017	14,812.00		
				Other - Inventory - tools/other	07-Feb-2017	13,354.00		
				Other - Intercompany due from West Stone Equipment Inc.	07-Feb-2017	4,872.94	500,189.06	
				Other - Investment in West Stone Quarries Group Inc.	07-Feb-2017	1.00		
				Other - Inventory - stone/rock	07-Feb-2017	0.00	720,126.00	
				Other - Funds held by West Stone Quarries Group Inc	07-Feb-2017	0.00	48,165.00	
				Furniture - Office furniture and equipment	07-Feb-2017	0.00	13,893.00	
				Motor Vehicles - Other - Truck	07-Feb-2017	0.00	3,000.00	
			<b>Total:</b>			<b>133,321.94</b>	<b>1,285,373.06</b>	<b>0.00</b>

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-170129  
Estate No. 11-254041

FORM 78 -- Continued

List "C"  
Preferred Creditors for Wages, Rent, etc.

West Stone Quarries Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-170129  
Estate No. 11-254041

FORM 78 -- Continued

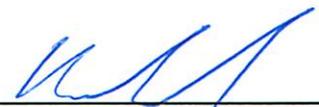
List "D"  
Contingent or Other Liabilities

West Stone Quarries Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-170129  
 Estate No. 11-254041

FORM 78 -- Continued

List "E"  
 Debts Due to the Bankrupt  
 West Stone Quarries Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Trade Receivables		Trade receivables	82,282.00 0.00 0.00		01-Feb-2017	31,000.00	Secured
Total:				82,282.00 0.00 0.00			31,000.00	

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-170129  
Estate No. 11-254041

FORM 78 -- Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

West Stone Quarries Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-170129  
Estate No. 11-254041

FORM 78 -- Continued

List "G"  
Real Property or Immovables Owned by Bankrupt  
West Stone Quarries Inc.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

07-Mar-2017

Date



Roger Brent James Palmer

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-170129  
 Estate No. 11-254041

FORM 78 -- Concluded

List "H"  
 Property

West Stone Quarries Inc.  
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			14,812.00 18,000.00	14,812.00 18,000.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture		Office furniture and equipment	13,893.00	6,019.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Other - Truck	3,000.00	3,000.00
(l) Taxes			0.00	0.00
(m) Other		Inventory - tools/other Investment in West Stone Quarries Group Inc. Intercompany due from West Stone Equipment Inc. Funds held by West Stone Quarries Group Inc Inventory - stone/rock	13,354.00 1.00 505,062.00 48,165.00 720,126.00	2,150.00 1.00 1.00 48,165.00 1.00
			<b>Total:</b>	<b>92,149.00</b>

07-Mar-2017

Date



Roger Brent James Palmer

Court No. B-170129

Estate No. 11-254041

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

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Deloitte Restructuring Inc.

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2800 - 1055 Dunsmuir Street, PO Box 49279  
Vancouver BC V7X 1P4  
Phone: (604) 534-0921 Fax: (604) 534-7429