



NO. H-240524
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

WHITEWATER CONCRETE LTD., WHITEWATER DEVELOPMENTS LTD., ROBERT KYLE SMITH, CRAIG SMITH, KRYSTLE HOLDINGS LTD., BASTIAN HOLDINGS LTD., 145 GOLDEN DRIVE LTD., BARRY CARLES HOLDINGS LTD., BECISION HOLDING CORPORATION, G.I.H. PROPERTIES LTD., MCVICAR & COMPANY HOLDINGS INC., TNL DEVELOPMENTS LTD., AMAN GILL, PETER CHAPPELL, SANDRA CHAPPELL, AND TERESA GAUTREAU

RESPONDENTS

**SECOND REPORT OF THE COURT-APPOINTED RECEIVER OF
145 GOLDEN DRIVE LTD., WHITEWATER CONCRETE LTD., AND WHITEWATER
DEVELOPMENTS LTD.**

DATED AUGUST 26, 2025

PREPARED BY DELOITTE RESTRUCTURING INC.

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for the period from July 2, 2024 to August 19, 2025

INTRODUCTION

- 1) Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") dated July 2, 2024 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver (in such capacity, the "**Receiver**") without security of certain lands, other assets and property of 145 Golden Drive Ltd. ("**145**" or "**Golden**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
- 2) The Receivership Order also appointed Deloitte as the Receiver without security of other assets and property of Whitewater Concrete Ltd. ("**Concrete**") and Whitewater Developments Ltd. ("**Developments**" and together with Concrete, "**Whitewater**" or the "**Operating Companies**"). Whitewater and 145 are collectively referred to herein as the "**Debtors**".
- 3) This is the Receiver's second report in the Receivership Proceedings (the "**Second Report**" or "**this Report**") and only pertains to 145. The Receiver will be issuing a report in regard to Whitewater at a later date.
- 4) The primary secured creditor of Golden is Business Development Bank of Canada ("**BDC**") who was owed approximately \$10.5 million (before costs or protective disbursements) (the "**BDC Direct Debt**") from Golden as at June 19, 2024. As of April 16, 2025, with interest and other fees, the BDC Direct Debt was approximately \$11.4 million. BDC holds an all-indebtedness first mortgage (the "**Golden Property First Mortgage**") over the lands at 145 Golden Drive in Coquitlam, BC (the "**Golden Property**") which, in addition to the BDC Direct Debt, secures the following:
 - a) a guarantee from Golden to cover advances by BDC to Whitewater (the "**Whitewater Guarantee**"), which advances (with interest) totaled \$3.4 million as at April 16, 2025; and
 - b) a guarantee from Golden (the "**Lougheed Guarantee**") to cover advances by BDC, up to a maximum of \$15.0 million, to 27222 Lougheed Highway Holdings Ltd. ("**Lougheed**"), a company related to the Debtors. The advances totaled \$12.7 million with interest as at April 16, 2025.
- 5) As at April 16, 2025, the total debt owing to BDC pursuant to the BDC Direct Debt, the Whitewater Guarantee and the Lougheed Guarantee (collectively, the "**BDC Security**") is \$27.5 million (the "**BDC Debt**"), all of which is secured by the Golden Property First Mortgage.
- 6) The Receivership Order was granted pursuant to an application by Royal Bank of Canada ("**RBC**", and together with BDC, the "**Lenders**"), the primary secured creditor of the Operating Companies. RBC was owed approximately \$10.8 million from Concrete and \$0.8 million from Developments as at May 28, 2024 pursuant to various credit facilities (the "**RBC Facilities**") provided to the Operating Companies. The Debtors' facilities were originally provided by HSBC Bank Canada ("**HSBC**"), which was amalgamated with RBC on March 28, 2024. For the purposes of this report, RBC is used to refer to facilities or security registered under either of RBC or HSBC. The Receiver understands that RBC holds various registered security over the Operating Companies' present and after-acquired personal property, along with various personal guarantees, a corporate guarantee from Golden and a second mortgage on the Golden Property (collectively, the "**RBC Security**"). The RBC Facilities and the RBC Security are more fully described in the first affidavit of Mr. John Lee of RBC dated June 6, 2024 ("**First Lee Affidavit**").
- 7) Lougheed is the registered owner of lands located at 27222 Lougheed Highway, Maple Ridge, BC (the "**Lougheed Property**"). The direct debt of Lougheed to BDC, along with Lougheed's obligations to BDC pursuant to the Lougheed Guarantee are secured by an all-indebtedness first mortgage over the Lougheed Property. The BDC Security is more fully described in the first affidavit of Ms. Sandra Riley of Kornfeld LLP, counsel to BDC, dated June 28, 2024 ("**First Riley Affidavit**").
- 8) The Receiver engaged MCM Law LLP ("**MCM**") to complete an independent review of the BDC Security. MCM concluded that, subject to the customary qualifications and assumptions, the BDC Security is valid and enforceable and that BDC has taken the necessary steps to perfect its security interests as against third parties (the "**BDC Security Opinion**").

- 9) On May 27, 2025, the Receiver issued its first report in the Receivership Proceedings (the "**First Report**"). The First Report was filed to, among other things:
 - a) provide the Court with an overview of 145's business and pertinent background information;
 - b) report on the Receiver's activities with respect of 145 since the Date of Receivership;
 - c) report on the receipts and disbursements for 145 as outlined in the Receiver's interim statement of receipts and disbursements from the Date of Receivership to April 29, 2025;
 - d) report on the sale process undertaken by the Receiver with respect to the Golden Property;
 - e) provide an overview of the contract of purchase and sale between the Receiver and Dalla Zanna Properties Inc. ("**DZP**") dated March 18, 2025 and executed and delivered on March 25, 2025 for the purchase of the Golden Property for \$21.2 million (the "**070 Offer**") that was subsequently assigned by DZP to 0706617 BC Ltd. ("**070**"); and
 - f) support the Receiver's application for orders to:
 - i. approve the activities of the Receiver as described in the First Report; and
 - ii. authorize and direct the Receiver to complete the transaction pursuant to the 070 Offer (the "**Transaction**") and carry out all steps necessary to do so.
- 10) On July 3, 2025, the Court issued an Order (the "**145 Sale Approval Order**") approving the Transaction and declaring it to be commercially reasonable.
- 11) On July 3, 2025, the Court also issued an Order approving the Receiver's activities as set out in the First Report (the "**First Activities Approval Order**").
- 12) The Receivership Order, First Report, 145 Sale Approval Order, First Activities Approval Order, and other Court materials have been posted on the Receiver's website at <https://www.insolvencies.deloitte.ca/whitewater> (the "**Receiver's Website**"). The Second Report will also be posted to the Receiver's Website after it has been filed with the Court.

Purpose of the Second Report

- 13) The purpose of this Second Report is to:
 - a) report on the Receiver's activities with respect to 145 since the First Report;
 - b) report on the closing of the Transaction;
 - c) report on the receipts and disbursements for 145 as outlined in the Receiver's interim statement of receipts and disbursements from the Date of Receivership to August 19, 2025 (the "**Receiver's 145 August R&D**"), a copy of which is attached hereto as **Appendix "A"**;
 - d) provide the Receiver's recommendation regarding a distribution of the Transaction proceeds to BDC;
 - e) support the Receiver's application(s) for an order:
 - i. approving the activities of the Receiver as described in this Second Report; and
 - ii. approving and authorizing the Receiver to make the First BDC Distribution (as defined later herein).

Terms of reference

- 14) In preparing this Second Report, the Receiver has relied upon unaudited financial and other information prepared by the Debtors' bookkeeper, 145's books and records, the First Lee Affidavit, the First Riley Affidavit, and discussions with former management of the Debtors, including Mr. Craig Smith ("**Mr. C. Smith**") and Mr. Kyle Smith (together with Mr. C. Smith, the "**Smiths**").

- 15) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *CPA Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.
- 16) All dollar amounts in this First Report are in Canadian dollars, unless otherwise indicated.
- 17) Unless otherwise provided, all other capitalized terms not defined in this Second Report are as defined in the First Report.

BACKGROUND

- 18) The Smiths, through their holding companies Krystle Holdings Ltd. and Bastian Holdings Ltd. (the "**Holdcos**"), each own 50% of 145. The Smiths are directors of 145, which was incorporated in British Columbia on November 10, 2011 and has no officers or employees.
- 19) RBC filed an application for a bankruptcy order (the "**Bankruptcy Order**") against the Smiths, which order was granted by the Court on June 13, 2025. The Receiver understands the Smiths have filed a notice of appeal with respect to the Bankruptcy Order. The Receiver also understands that RBC has a pending application for a bankruptcy order against 145 and the Holdcos scheduled for September 4 and 5, 2025.
- 20) 145 existed exclusively as a holding company for the Golden Property. The Golden Property was the former head office for the Operating Companies but as at the Date of Receivership only included two (2) third party tenants (the "**Tenants**"), Aluma Systems, Inc. ("**Aluma**"), and Ulma Construction Systems Canada Inc. ("**Ulma**"), who entered into leases with Golden in 2015 and 2021, respectively.
- 21) Further information on 145's books and records, assets and liabilities, and background on the financial difficulties faced by 145 are included in the First Report and are not repeated in this Report.

Related companies

- 22) The Receiver understands from information it has obtained from various sources that the following companies are related to the Debtors and/or the Smiths (the "**Related Companies**").
 - a) Legacy Cranes & Equipment Ltd. which owns various equipment and inventory that is comingled with Whitewater's assets at various locations.
 - b) Skaw Properties Ltd., a holding company that owns various properties.
 - c) Loughheed, a holding company that owns the Loughheed Property and is the landlord of Whitewater.
 - d) A&H (Steel) Vancouver Ltd., a joint venture between Concrete and A&H Steel Ltd. that was formed in 2019, which is owned 30% by the Smiths through their holding companies, and is operated from the Loughheed Property.
 - e) Torrent Shotcrete Capital Inc. and Torrent Shotcrete Structures Ltd., a structural shotcrete company owned 50% by the Smiths and 50% by another party.
 - f) Trilogy Concrete 2021 Ltd. ("**Trilogy**"), a partnership between Concrete and Syber Concrete Forming Ltd. that was created specifically for a project at the new St. Paul's hospital in Vancouver, BC (the "**St. Paul's Project**"). The Receiver collected approximately \$5.7 million in holdback funds owed to Concrete and other subcontractors of Trilogy (the "**Trilogy Holdback Funds**") directly from the general contractor on the St. Paul's Project and then petitioned Trilogy into bankruptcy and obtained a bankruptcy order on March 12, 2025. Deloitte was substituted as the Trustee in bankruptcy of Trilogy by MNP Ltd. on April 23, 2025 and the Receiver is continuing to pursue Concrete's rightful entitlement to the Trilogy Holdback Funds.
- 23) The Receiver has obtained limited information on the Related Companies from the Smiths and other parties as these entities are outside of the scope of the Receivership Order. However,

there appear to be many related party transactions and interactions amongst the Debtors and the Related Companies that require further investigation. The Receiver will provide more details in its first report for Whitewater.

ACTIONS OF THE RECEIVER

- 24) The Receiver has taken the following steps with respect to 145 since issuing the First Report:
- a) Facilitated collection of rent from the Tenants and payment of utilities for the Golden Property;
 - b) Drafted a bid procedures memo with respect to the presentation of competing offers in Court on the Golden Property;
 - c) Performed a reconciliation of goods and service tax ("**GST**") collected since the Date of Receivership and completed the annual GST filing;
 - d) Completed the Transaction pursuant to the 145 Sale Approval Order, as further outlined in this Report;
 - e) Closed 145's utility accounts upon closing of the Transaction;
 - f) Corresponded with Lawson Lundell LLP ("**Lawson**"), the Receiver's legal counsel, and Colliers Macaulay Nicolls Inc. with respect to the closing of the Transaction;
 - g) Corresponded with RBC and BDC and their respective counsel regarding the status of the Receivership;
 - h) Engaged MCM to complete the BDC Security Opinion; and
 - i) prepared this Report.
- 25) The Receiver has also undertaken various activities with respect to Whitewater. These activities will be detailed in a separate Court report.

GOLDEN PROPERTY CLOSING

- 26) The sale of the Golden Property was approved by the Court pursuant to the 145 Sale Approval Order and the Transaction was completed by the Receiver as scheduled on July 30, 2025 for a total sale price of \$21,218,000 (the "**Golden Property Sale Price**").
- 27) Lawson coordinated the closing of the sale and paid the Receiver the net sale proceeds of \$21,171,918 from the Transaction (the "**Golden Sale Net Proceeds**"). The Golden Sale Net Proceeds were calculated by deducting from the Golden Property Sale Price the listing and selling commissions of \$200,510 (inclusive of taxes), a July 2025 rent adjustment in favour of 070 for \$2,482, and utilities owed to the City of Coquitlam for \$117. These adjustments were offset by prepaid 2025 property taxes in favour of the Receiver for \$149,250 and interest income of \$7,777 earned on the initial deposit.

CREDITORS AND SECURED CHARGES

CRA priority claims

- 28) Canada Revenue Agency ("**CRA**") has not undertaken a GST trust examination for Golden.
- 29) The Receiver filed the one outstanding pre-receivership GST return for Golden which indicated a total amount payable of \$26,729 (the "**Pre-Receivership GST Debt**"). The Receiver is not aware of any other arrears and this amount may be subject to change through a future CRA trust examination.
- 30) The Receiver has also continued to file the post-receivership GST returns. The current balance of GST collected by the Receiver and owing to CRA is \$47,955 which will be offset by \$16,391 in GST paid. The current net GST amount owing to CRA is equal to \$29,589 (the "**Current Post-Receivership GST Debt**").
- 31) As outlined in the First Report, 145 did not have any employees. As such, there are no known payroll source deduction ("**PSD**") amounts owing to CRA by 145.

Receiver's charge and borrowings

- 32) Pursuant to paragraph 18 of the Receivership Order, the Receiver and Lawson, as its legal counsel, are the beneficiaries of the Receiver's Charge to secure payment of their fees and disbursements incurred in the Receivership Proceedings. The Receiver's Charge is a first-ranking charge over the Property but subordinate to the charges, if any, created pursuant to Sections 14.06(7), 81.4(4), and 81.6(2) of the *Bankruptcy and Insolvency Act*, R.S.B.C 1996 c.253, as amended.
- 33) Pursuant to paragraph 21 of the Receivership Order, the Receiver is authorized to borrow up to \$500,000 without further approval of the Court for the purpose of carrying out its duties and powers (the "**Borrowing Facility**") which is subject to the Receiver's Borrowings Charge.
- 34) The Receiver has not made any draws on the Borrowing Facility to date.

Secured indebtedness

- 35) As noted above, the BDC Debt secured by the Golden Property First Mortgage totals \$27.5 million as at April 16, 2025. BDC has valid and enforceable security as reported in the BDC Security Opinion.
- 36) The BDC Security is subject to certain prior ranking Court-ordered charges and statutory interests, which include:
 - a) the Receiver's Charge;
 - b) the Receiver's Borrowing Charge (as that term is defined in the Receivership Order); and
 - c) certain deemed trust and priority claims, if any.
- 37) BDC, as first mortgage holder, is expected to suffer a shortfall and no amounts are expected to be payable from the sale of the Golden Property to RBC or the BCM Parties (as defined below).

Other secured debts

- 38) As outlined in the First Report, there is a syndicate of investors that provided funding to Golden that is secured by a third mortgage against the Golden Property. These investors are referred to herein as the "**BCM Parties**" and include:
 - a) Barry Charles Holdings Ltd.;
 - b) Becision Holding Corporation;
 - c) G.I.H. Properties Ltd.;
 - d) McVicar & Company Holdings Inc.;
 - e) TNL Developments Ltd.;
 - f) Aman Gill;
 - g) Peter Chappell;
 - h) Sandra Chappell; and
 - i) Teresa Gautreau.
- 39) The BCM Parties are owed approximately \$3.0 million. The Receiver does not anticipate proceeds being available for distribution to the BCM Parties.
- 40) Echelon Insurance is the only other party with a secured charge against Golden in the Personal Property Registry, subordinate to BDC. The Receiver has not undertaken a review of amounts potentially owed to this party.

Unsecured creditors

- 41) Based on the available books and records of the Debtors and correspondence received from creditors, the Receiver estimates total unsecured creditors claims of approximately \$8.6 million as of the Date of Receivership.

- 42) The Debtors' records do not provide detail as to what portion of that balance is owed by Golden versus the Operating Companies. It is the Receiver's understanding that it exclusively relates to amounts owed by Whitewater, and therefore Golden has no unsecured creditors. The Receiver has not been contacted by any parties purporting to be a creditor of Golden.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 43) The Receiver's 145 August R&D reflects the administration of the Receivership Proceedings from the Date of Receivership to August 19, 2025 and is attached hereto as **Appendix "A"**.
- 44) As of August 19, 2025, the Receiver's gross receipts amounted to \$22,421,640, primarily relating to the collection of the Golden Property Sale Price of \$21,218,000 and \$974,826 in rent and operating expense reimbursements from the Tenants since the Date of Receivership.
- 45) During the same period, the Receiver made disbursements totalling \$781,674, including the following more significant amounts:
- a) \$353,427 in transfers from the Golden receivership trust account to the Concrete receivership trust account to cover the unfunded professional fees and costs related to the Whitewater receiverships (the **"Concrete Transfers"**);
 - b) \$190,962 for realtor commissions related to the sale of the Golden Property;
 - c) \$123,142 for legal fees invoiced to August 5, 2025; and
 - d) \$74,414 for the Receiver's fees invoiced to June 30, 2025.
- 46) The Concrete Transfers were made on January 21, 2025, June 24, 2025, and July 24, 2025 with advance notice to the Lenders, in order to avoid the Receiver having to draw on the Borrowing Facility.
- 47) The net cash balance held by the Receiver for Golden as at August 19, 2025 was \$21,639,966 (the **"Current Cash on Hand"**).

FIRST INTERIM DISTRIBUTION

- 48) The Receiver has received the BDC Security Opinion and is seeking an order to make an initial distribution to BDC of \$20,989,966 (the **"First BDC Distribution"**) from the Current Cash on Hand of \$21,639,966 less \$650,000 related to the following holdbacks:
- a) \$500,000 to cover the obligations secured by the Receiver's Charge which are estimated to be the current work in process and estimated remaining professional fees and costs for ongoing known and potential unknown matters that need to be addressed in the Receivership Proceedings. These matters include, among other things, the pursuit of Concrete's claim to its entitled portion of the Trilogy Holdback Funds, a more detailed investigation into the related party transactions and interactions amongst the Debtors and the Related Companies, the pending bankruptcy of 145, and the Receiver's discharge;
 - b) \$100,000 for any amounts incurred or that may hereafter be incurred by the Receiver in respect of its ordinary course post-appointment obligations, including the Current Post-Receivership GST Debt; and
 - c) \$50,000 for any amounts required to be remitted to CRA for PSD (which is currently nil) or GST, including the Pre-Receivership GST Debt.
- 49) The Receiver has discussed the First BDC Distribution with BDC and RBC and they are in agreement with the amount proposed.


CONCLUSIONS AND RECOMMENDATIONS

- 50) Based on the foregoing, the Receiver respectfully requests that the Court grant the Orders cited at paragraph 13(e) of this Second Report.

All of which is respectfully submitted at Vancouver, BC this 26th day of August, 2025.

DELOITTE RESTRUCTURING INC.

In its Capacity as Court-appointed Receiver of
Whitewater Concrete Ltd., Whitewater Developments Ltd.,
and 145 Golden Drive Ltd.
and not in its personal capacity



Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix "A"

In the Matter of the Receivership of 145 Golden Drive Ltd.

Receiver's Interim Statement of Receipts and Disbursements For the Period of July 2, 2024 to August 19, 2025

Description	Amount (CDN)
Receipts	
Gross sale proceeds	\$ 21,218,000
Rent and operating expense reimbursements	974,826
Property tax adjustment on sale closing	153,578
GST on rental income	47,955
Transfer from pre-receivership bank account	15,649
Interest and other receipts	11,633
Total receipts	22,421,640
Disbursements	
Transfers to the Whitewater Concrete Ltd. receivership estate	353,427
Realtor commissions	190,962
Legal fees and costs to August 5, 2025	123,142
Receiver's fees and costs to June 30, 2025	74,414
GST on disbursements	18,365
Insurance	9,843
PST on disbursements	8,674
Other misc. disbursements and bank charges	2,549
Mail forwarding costs	297
Total disbursements	781,674
Excess of receipts over disbursements	\$ 21,639,966