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District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-2873389
Estate No.: 31-2873389

**IN THE MATTER OF THE BANKRUPTCY OF
TRINITY RAVINE COMMUNITY INC.
OF THE CITY OF SCARBOROUGH
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION

The *Bankruptcy and Insolvency Act* provides for a first meeting of creditors. The purpose of this Report is to provide information to the creditors of the Bankrupt for consideration at the first meeting of creditors.

SECTION A – BACKGROUND

Trinity Ravine Community Inc. (“Trinity” or the “Company”) was incorporated under the *Canada Not-for-Profit Corporations Act* and is affiliated with Global Kingdom Ministries Church Inc. Trinity was incorporated under the name “Global Kingdom Ministries Inc.” on September 4, 2007 and its name was changed to “Trinity Ravine Community Inc.” effective October 21, 2020.

Trinity’s primary asset was the real property municipally known as 1256 Markham Road, Scarborough, Ontario (the “Real Property” or “Development Land”) and its charitable purpose was the development of a senior citizen’s residence on the Real Property (the “Development Project”).

The Development Project was marketed and sold to prospective tenants as a “life lease” arrangement. Under this structure, pursuant to occupancy agreements, prospective purchasers (“Life Lease Buyers”) paid to Trinity amounts as deposits (the “Life Lease Deposits”) and acquired a right to occupy a future unit in the Development Project for the term of their life, subject to certain conditions.

The Development Project initially contemplated a completion date of March 31, 2019. In accordance with the Life Lease Agreements the completion date was extended to March 31, 2022. However, the Development Project was not completed by this time. The current records indicate that 279 Life Lease Deposits remain outstanding in the aggregate principal amount of \$16,087,586.

In early 2022, given the Company’s dwindling cash reserves as well as mounting pressure from Life Lease Buyers and other creditors, an orderly process was required to sell the Development Land and use such proceeds to repay creditors.

According to Trinity, due to factors such as increased construction costs and the COVID-19 pandemic, the Development Project’s financial model was no longer viable.

On February 23, 2022 Trinity sought and obtained protection pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") before the Ontario Superior Court of Justice (Commercial List) (the "Court").

Deloitte Restructuring Inc. was appointed as monitor in Trinity's CCAA proceeding (the "Monitor") pursuant to the Initial Order of the Court dated February 23, 2022.

On March 4, 2022, the Court granted an order, among other things, approving a sale and investment solicitation process (the "SISP") to solicit bids for the Real Property and certain assets.

The Monitor, with the assistance of Trinity and a broker, conducted a robust SISP in accordance with the Court order.

On September 15, 2022, the Court issued:

1. an Approval and Vesting Order, which among other things, approved a sale transaction of the Real Property to 1256 Markham Road Limited Partnership (by its general partner 1000307599 Ontario Incorporated) (the "Purchaser"). The sale transaction closed effective September 26, 2022; and
2. an Ancillary Order which permitted Trinity to assign itself into Bankruptcy.

On October 12, 2022:

1. Trinity filed an Assignment in Bankruptcy which was accepted by the Office of the Superintendent of Bankruptcy. Pursuant to the Assignment in Bankruptcy, Deloitte Restructuring Inc. was appointed as Trustee of the bankrupt Trinity estate (the "Estate"), subject to affirmation by the creditors at the First Meeting of Creditors; and
2. the Monitor filed a Discharge Certificate with respect to the CCAA proceedings.

All Court orders, Monitor's reports issued to date and further public information can be found at the case website link (the "Website"):

<https://www.insolvencies.deloitte.ca/en-ca/Pages/trinityravinecommunityinc.aspx>

Further information on Trinity's financial difficulties can be found in the Application Record dated February 23, 2022 posted on the Website.

SECTION B – CONSERVATORY AND PROTECTIVE MEASURES

The Trustee notified TD Bank to freeze the bank account of Trinity and has requested a transfer of remaining funds to the Trustee's trust account in the amount of approximately \$3,400. The difference between the transfer amount and the amount listed on the Statement of Affairs relates to the final payroll for the 2 former employees of Trinity.

The Letters of Credit ("LCs") in the amount of \$871,188, ("LC Amount") as identified on the Statement of Affairs, are currently being held by the City of Toronto. As part of the sale transaction the LCs are to be replaced by the Purchaser of the Real Property and thereafter the LC Amount will be returned to the Estate. This process is currently underway.

SECTION C – PRELIMINARY EVALUATION OF ASSETS

As set out above, Trinity's primary asset was the Real Property. Pursuant to the September 15, 2022 Approval and Vesting Order, the Real Property was sold and the transaction closed effective September 26, 2022. The sale price is currently under seal with the Court.

Therefore, as of the date of the Assignment in Bankruptcy the main assets of the Trinity estate are: the proceeds from the sale of the property less court-approved distributions; the LC Amount; and cash on hand.

The Trustee has been made aware of certain sundry assets, including miscellaneous furniture, belonging to Trinity. The Trustee is currently assessing the value to determine the appropriate course of action.

SECTION D – BOOKS AND RECORDS

The Trustee is currently in possession of Trinity's physical books and records. The Trustee has taken an electronic back up of Trinity's files.

SECTION E – PROVABLE CLAIMS AND DESCRIPTION OF CREDITORS

The claims of creditors as per Trinity's Statement of Affairs as of October 11, 2022 are summarized below:

- Secured claims - \$0
- Preferred claims - \$2,000 (as an estimate of the former employee's preferred wage claims)
- Unsecured claims - \$22,432,958

SECTION F – LEGAL PROCEEDINGS, REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS

The Trustee has not commenced any legal proceedings and it does not expect to commence any such proceedings prior to the First Meeting of Creditors. The Trustee proposes to appoint Cassels Brock & Blackwell LLP ("Cassels") as counsel to the Estate, as necessary. Cassels' appointment will be confirmed at the First Meeting of Creditors.

The Trustee is not aware of any formal legal proceedings by or against Trinity.

In its capacity as Monitor, the Trustee was made aware of certain issues as raised by the creditors, and in particular by the Life Lease Buyers. These concerns have not been investigated or confirmed. The Monitor has responded to such queries as best as possible during the CCAA proceedings and directed such queries to Trinity where appropriate. These concerns will be discussed with the estate's inspectors once duly appointed and the inspectors will provide direction to the Trustee.

SECTION G – THIRD-PARTY DEPOSITS, FEE GUARANTEES

There are no third-party deposits or fee guarantees as the sale proceeds, less court-approved distributions, are being held in the Estate's trust account.

In accordance with Section 136 (1)(b) of the *Bankruptcy and Insolvency Act*, the Trustee and its legal counsel are paid in priority to creditors of the Estate from the receipts in the Estate. Only deemed trust claims would rank ahead of the Trustee and its legal counsel.

SECTION H – PROJECTED DISTRIBUTION AND TRUSTEE'S COMMENTS ON ANTICIPATED ASSET REALIZATIONS

The timing and the amount of any distribution to creditors is unknown at this time and will depend on: (i) the Trustee administering a claims process and (ii) timing with respect to realizations from the LCs.

Dated at Toronto, Ontario this 18th day of October, 2022.

Deloitte Restructuring Inc.

solely in its capacity as Trustee of
the Estate of Trinity Ravine Community Inc. and not
in its personal or corporate capacity

A handwritten signature in cursive script that reads "Toni Vanderlaan".

Per:
Toni Vanderlaan, CPA, LIT
Senior Vice-President