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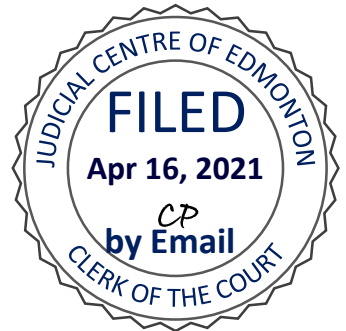
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COURT

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

EDMONTON



IN THE MATTER OF THE TRUSTEE ACT, RSA 2000, C
T-8 SECTIONS 43 AND 46

APPLICANTS

WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE
MUNIR VIRANI AND MARNIE KIEL

RESPONDENTS

WESTPOINT CAPITAL CORPORATION, WESTPOINT
CAPITAL MANAGEMENT CORPORATION,
WESTPOINT CAPITAL SERVICES CORPORATION,
WESTPOINT SYNDICATED MORTGAGE
CORPORATION, CANADIAN PROPERTY DIRECT
CORPORATION, WESTPOINT MASTER LIMITED
PARTNERSHIP, RIVER'S CROSSING LTD., 1897869
ALBERTA LTD., 1780384 ALBERTA LTD., 1897837
ALBERTA LTD. and THE VILLAGE AT PALDI ENT.
LTD.

DOCUMENT

SIXTH REPORT TO THE COURT OF BDO CANADA
LIMITED IN ITS CAPACITY AS RECEIVER OF
WESTPOINT CAPITAL CORPORATION ET AL

DATED April 16, 2021

RECEIVER

BDO Canada Limited
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Table of Contents

List of Exhibits	3
Introduction	4
Limitation of Report.....	5
Receiver's Activities since its Fifth Report	6
Receiver's Statement of Receipts and Disbursements.....	7
Assets of the Companies	7
Recommendations	12
Intended Course of Action	12

List of Exhibits

1. Third Report to the Investors, September 30, 2020
2. Fourth Report to the Investors, March 15, 2020
3. Receiver's Statement of Receipts and Disbursements for the period
March 8, 2019 to April 16, 2021
4. Report on Activity for the Lamont Property prepared by Royal Park
Realty

Introduction

1. On March 8, 2019, the Court of Queen's Bench of Alberta (the "**Court**") granted an Order (the "**Order**") appointing BDO Canada Limited as an Interim Receiver in respect of Westpoint Capital Corporation ("**WCC**"), Westpoint Capital Management Corporation ("**WCMC**"), Westpoint Capital Services Corporation ("**WCSC**"), Westpoint Syndicated Mortgage Corporation ("**WSMC**"), Canadian Property Direct Corporation ("**CPDC**"), Westpoint Master Limited Partnership ("**WMLP**"), River's Crossing Ltd. ("**RCL**"), 1897869 Alberta, Ltd. ("**869**"), 1780384 Alberta Ltd. ("**178**"), 1897837 Alberta Ltd. ("**837**").
2. On April 10, 2019, the Court granted an Order (the "**Receivership Order**") appointing BDO Canada Limited as Receiver ("**BDO**" or the "**Receiver**") of the companies referred to in the previous paragraph. On May 30, 2019, the Court granted a further Order, amending the Receivership Order to add The Village at Paldi Ent. Ltd. ("Paldi") as a party in receivership (the companies in receivership are collectively referred to as the "**Companies**").
3. The purpose of this report (the "**Sixth Report**") is to provide this Honourable Court with:
 - a) A summary of the Receiver's activities to date;
 - b) A Statement of Receipts and Disbursements for the period March 8, 2019, to April 16, 2021;
 - c) An update on the assets of the Companies;
 - d) An update on ongoing Litigation matters; and
 - e) Supporting information for the application filed concurrently herewith.

4. The Receiver is seeking this Court's approval for the sale of 837's property located in Lamont County, Alberta (the "**Lamont Property**"). Lamont Property is legal described as:

Municipal Address: 555015 Range Road 203, Lamont County, AB

Legal Description:

Plan: 0827309

Block: 1

Lot: 1

Containing 25.57 acres (more or less)

Limitation of Report

5. The information contained in the Receiver's Sixth Report has been obtained from the records of the Company, publicly available information, including an Affidavit sworn by Munir Virani on February 25, 2019, which was filed in these proceedings on February 26, 2019, (the "Munir Affidavit"), and/or based upon discussions with and representations made by the Company's management and other professional advisors retained in this matter. The information relied upon by the Receiver was not audited nor otherwise verified by the Receiver as to its accuracy or completeness, nor has any financial information referenced necessarily been prepared in accordance with generally accepted accounting principles, and the reader is cautioned that this report may not disclose all significant matters about the Company. Accordingly, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Sixth Report.
6. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of circulation, publication, reproduction, or use of the Receiver's Sixth Report. Any use that any party makes of this Sixth Report or reliance on or decisions to be made based on its responsibility of such party.
7. A copy of the Receiver's Sixth Report and other relevant documents in the interim receivership proceedings are available on the Receiver's website <https://www.bdo.ca/en-ca/extranets/wccetal/>.

Receiver's Activities since its Fifth Report

8. The Receiver has now obtained appraisals on all known properties and has paid all outstanding property taxes.
9. The Receiver continues to maintain the properties and contract parties for snow removal and lawn maintenance.
10. On or about September 30, 2020, and March 26, 2021, the Judicial Trustee sent out by email and by ordinary mail a semi-annual report to each investor. This report provided the Investors with the following:
 - a) Trustee activities;
 - b) Status of various investments made by WIT; and
 - c) Investor matters.

Attached, as **Exhibit 1** is a copy of the September 30, 2020, report. Attached, as **Exhibit 2** is a copy of the March 26, 2021 report.

11. The Receiver negotiated a settlement on a residential second mortgage on a home in Calgary, Alberta. After obtaining an appraisal, reviewing the property tax assessment, receiving the mortgage statement for the first mortgage, and discussing legal counsel regarding the cost of a foreclosing, the Receiver settled the mortgage for \$10,000.
12. In December 2020, a residential second mortgage on a home in Beaumont, Alberta was paid out in full.
13. The only other option was to foreclose on the mortgage; as this was a second mortgage, the Receiver would have risked paying all the legal costs without any recovery. The appraised value was close to the first mortgage amount.
14. In December 2020, the Receiver received a full payout on a residential second mortgage for a property in Beaumont.
15. The Receiver has repaid the loan it received from Pillar Capital.

Receiver's Statement of Receipts and Disbursements

16. Attached, as **Exhibit 3** is a copy of the Receiver's Statement of Receipts and Disbursements for the Companies. As of April 16, 2021, the Receiver has cash resources available to it, totalling \$542,201.

Assets of the Companies

17. As set out in previous reports, the Companies have three main categories of assets. The majority of the assets are mortgages and interests in various properties deriving from mortgage enforcement proceedings. A different type is not assets per se, being the numerous lawsuits that WCC has initiated. While they are not assets per se, they could result in generating proceeds if successful.
18. These assets were discussed in detail in previous reports, and the Receiver does not intend to repeat information set out in previous reports.

Mortgages

19. WCC holds a blanket second mortgage (\$1,250,000) and a blanket third mortgage (\$200,960) for Soren Homes, a development in an Edmonton community called Lewis Estate.
20. Based on discussions with KV Capital, the first mortgage is currently in default. KV Capital holds the first mortgage.
21. WCC has received a \$12,000 payment on the blanket third mortgage. The Company has not paid since December 2019.
22. Until all of the units are sold, the Receiver cannot determine if KV Capital will be paid in full. If KV Capital suffers a shortfall and depending on the magnitude, the Receiver may not recover any return on these mortgages.

Properties

Bruderheim, AB

23. 837 is the registered owner of the Lamont Property.
24. The Receiver has the following understanding of the Lamont Property:
- a) It has been vacant for a minimum of 10 years;
 - b) The building on the site has been damaged due to years of being abandoned;
 - c) The property is poorly designed such that all water flows into the building; causing further damage to the building;
 - d) The Building is approximately 44,000 sq. ft.;
 - e) Heavy power is on-site;
 - f) CN & CP dual rail access, with rail spur into the building; and
 - g) As included in the confidential supplement, there is environmental contamination on the property.
25. On June 15, 2017, Royal Park Realty listed the Lamont Property. They have been the realtor since the initial listing by WCC. Attached **Exhibit 4** is a property activity report from the initial listing to the current offer.
26. The Receiver has received four offers on the property, including the current offer since its appointment.
27. The first two offers were subject to conditions that the offering parties did not remove. One of the offers required a phase 2 environmental report be completed. The Receiver engaged a Trace Associates Inc. ("Trace") to complete the phase 2 report. Trace completed the phase 2 report in December 2020, a copy of which is attached as an Exhibit to the Confidential Supplement to the Sixth Report to the Court.
28. On March 31, 2021, the Receiver received an offer on the property subject to various conditions, including obtaining Court approval. At the recommendation of its realtor, the Receiver waited as several other parties were touring the Lamont Property in the days following the offer.

29. On April 3, 2021, the Receiver received a further offer from Prohost Network Inc. This offer had no conditions except being subject to Court approval.

30. The Receiver supports the offer for the following reasons:

- a) The sale process was thorough, fair and transparent to all potential purchasers;
- b) The purchase price is fair and reasonable;
- c) Closing this sale will eliminate go-forward holding costs including but not limited to property taxes; and
- d) There has been limited interest on the property over the years due to its property's uniqueness.

River Crossing Land

31. As outlined in previous reports, the River Crossing property can be divided into two (2) sides, east and west (the "East Side" and "West Side" respectively).

32. This Honourable Court approved the RCL Lands sale in an Order granted April 1, 2020. The RCL Lands have been successfully closed. However, the West Side sale transaction has a holdback for \$77,100 due to pending arbitration regarding the Home Owner Association monthly fees and a dispute with Shadow Mountain Golf Course. This amount is to be held for a maximum of 24 months.

33. Based on discussions with the Home Owner Association, this matter should be concluded before the end of the summer.

Drumheller, AB

34. The Receiver has sold all of the lots in Drumheller except of Lot 1, Block 11, Plan: 1110970.

35. On March 2, 2021, the Receiver decreased the list price for this lot by \$5,000 to \$44,900.

Wandering River, AB

36. 869 is the registered owner of real property builders lots in Athabasca County, AB, which includes the following:

- a) Lots 2 through 8, Block 1, Plan 1021304;
 - b) Lots 6 through 14, Block 2, Plan 1021304;
 - c) Lot 16, Block 2, Plan 1021304; and
 - d) Lots 18 through 23, Block 2, Plan 1021304.
37. 869 was the registered owner of commercial property in Athabasca County, AB, which included the following:
- a) 4-17-71-13 NW – approximately 110 acres
 - b) 4-17-71-36 NW– approximately 8.01 acres
 - c) 4-17-71-36 NE – approximately 33 acres
38. The Receiver has been able to sell all the commercial property and has nine (9) residential lots remaining. The table below summarizes the remaining various Wandering River lots.

Legal description	Listing Price
Plan 1021304 Block 1 Lot 2	\$39,900
Plan 1021304 Block 1 Lot 3	39,900
Plan 1021304 Block 2 Lot 6	29,900
Plan 1021304 Block 2 Lot 7	29,900
Plan 1021304 Block 2 Lot 8	29,900
Plan 1021304 Block 2 Lot 9	29,900
Plan 1021304 Block 2 Lot 11	29,900
Plan 1021304 Block 2 Lot 14	29,900
Plan 1021304 Block 2 Lot 21	29,900

Litigation

39. The below is an updated summary of WCC et al.'s ongoing litigation matters since the Receiver's fifth Report.

Berry Homes Ltd. and Performance Paving Services Inc.

40. Questioning the affidavit of records is scheduled to occur on April 21 and 22, 2021.

Paldi, Beach Grove and Lack et al

Paldi

41. The Receiver was able to reach a settlement agreement with the insurance company for \$725,000.
42. Based on a previous order from this Court, Nagpal Investment will receive \$318,587 from the settlement agreement.
43. The Receiver and Nagpal Investment Inc. have agreed to split the amount ordered by the Court of Queen's Bench on December 10, 2019 as a holdback for professional fees and disbursements, the sum of \$104,393.12, equally.

Beach Grove

44. This litigation, as set out in previous reports, involved a foreclosure proceeding on the property; a counterclaim by the principle of the debtor filed a counterclaim against WCC.
45. On October 12, 2020, the Receiver engaged Colliers International to perform an appraisal on the property and overall analysis.
46. On November 6, 2020, counsel for Beach Grove requested that the Receiver pay the outstanding property taxes. The Crown issued a demand for payment of the property or forfeiture of the land. The property would be forfeit to the Crown on December 1, 2020 without payment of the property taxes.
47. The Receiver paid the property taxes to ensure that WCC mortgage maintain its priority on the property.
48. In December 2020, the Receiver obtain a copy of the report from Colliers. Based on this report, the Receiver proposed to legal counsel of Beachgrove a settlement offer. Currently, Beachgrove has approximately 45 days to complete the Receiver proposal, or litigation will continue.

Lack et al

49. Based on the defendants' new information, the Receiver and defendants entered into a consent order having the funds, previously paid into Court, \$68,000, paid back to the Receiver, and dismissing the action without costs.

Recommendations

50. The Receiver is seeking the following from this Honourable Court:

- a) Approval of the Receiver's activities and conduct as outlined in this Sixth Report;
- b) Approval of the sale of the Lamont Property;
- c) Approval for the release of funds to Nagpal Investment Inc. from the Paldi settlement Approval for the split of the remaining funds held in Trust regarding Paldi in accordance with the proposed Consent Order between the Receiver and Nagpal Investment Inc.; and,
- d) Any further direction the Court wishes to provide to the Receiver.

Intended Course of Action

51. If the Receiver's recommendations are approved, the Receiver's proposed course of actions are

- a) Complete the administration of the various realization of the assets; and
- b) To complete the administration of this Receivership, leading to an application for discharge.

Dated at Edmonton, Alberta, this 16th day of April 2021.

BDO CANADA LIMITED, solely in its
Capacity as Court Appointed Receiver Of
Westpoint Capital Corporation et al. and
not in its personal Capacity

Per: _____



David Lewis, CPA, CIRP, LIT
Vice-President

EXHIBIT 1

**To the Receiver's Sixth Report to Court
Dated April 16, 2021**

JUDICIAL TRUSTEE'S THIRD REPORT TO THE INVESTORS
SEPTEMBER 30, 2020

IN THE MATTER OF THE JUDICIAL TRUSTEE APPOINTMENT OF
WESTPOINT INVESTMENT TRUST

Contents

Exhibits	3
Introduction	4
Disclaimer and Limitations of the Report	5
Trustee's Activities Since its Second Report	5
Mortgages	7
Properties	8
Litigation	10
Potential Realization	11
Receipts and Disbursements	11

Exhibits

1. Statement of Receipts and Disbursements for the period March 8, 2019 to September 15, 2020

Introduction

1. On March 8, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Judicial Trustee Order") appointing BDO Canada Limited as a Judicial Trustee ("BDO" or the "Trustee") in respect of Westpoint Investment Trust, ("WIT" or the "Trust"), pursuant to an application made on behalf of WIT, by Munir Virani and Marnie Kiel, ("Former Trustees").
2. Copies of relevant documents in the Judicial Trustee proceedings are available on the Trustee website at <http://www.extranets.bdo.ca/WestpointInvestmentTrust/>
3. In addition to the above Order, the Court also granted an Interim Receiver Order (the "Interim Receiver Order") appointing BDO as Interim Receiver of Westpoint Capital Corporation ("WCC"), Westpoint Capital Management Corporation ("WCMC"), Westpoint Capital Services Corporation ("WCSC"), Westpoint Syndicated Mortgage Corporation ("WSMC"), Canadian Property Direct Corporation ("CPDC"), Westpoint Master Limited Partnership ("WMLP"), River's Crossing Ltd. ("RCL"), 1897849 Alberta, Ltd. ("1897849"), 1780384 Alberta Ltd. ("178 AB"), 1897837 Alberta Ltd. ("1897837"), (collectively the "Companies").
4. On April 10, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Order") appointing BDO Canada Limited as Receiver ("BDO" or the "Receiver") of the Companies.
5. On May 30, 2019, the Court of Queen's Bench of Alberta (the "Court") granted a further Order, consented to by the sole director of The Village at Paldi Ent. Ltd. ("Paldi") amending the Receivership Order to add Paldi as a party Respondent in these proceedings, and to extend the terms of the Receivership Order to include Paldi as a party in receivership.
6. Copies of relevant documents in the interim receivership and receivership proceedings are available on the Receiver's website at <http://www.extranets.bdo.ca/WCC ET. AL.>

7. BDO felt it was important to communicate essential information regarding the investors' investment in WIT on a semi-annual basis. This is the Third Report to the Creditors ("Creditors Report"). This report will provide the Investors with the following information:
 - a) Trustee's activities since its last report;
 - b) Status of the various investments made by WIT;
 - c) Potential realization; and
 - d) Receipts and disbursements to date.

Disclaimer and Limitations of the Report

8. This report has been prepared by BDO to provide the Investors with the information as outlined above. In preparing this report, the Trustee necessarily relied upon unaudited financial statements and other information supplied and representations made to the Trustee by various parties. Although the information supplied has been reviewed for reasonableness, we have not independently verified the accuracy or completeness of the information, nor have we conducted an audit and, as a result, we are not providing any form of assurance of the information subject to our review. Our work may not necessarily disclose all significant matters about WIT or any errors, misstatements, irregularities, or illegal acts, if any such exist, on the part of WIT, or its former Trustees, or the officers, directors, employees and advisors of the Companies or in the underlying information. Accordingly, the Trustee may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Creditors' Report.
9. The Trustee assumes no responsibility or liability for any loss or damage incurred by any party because of the circulation, publication, reproduction or use of the Investors Report. Any use that any party makes of this report, or any reliance on or decision to be made based on it, is the responsibility of such party.

Trustee's Activities Since its Second Report

10. The Trustee has taken several steps to secure the various properties foreclosed on by WCC, to deal with several litigation matters, and to obtain appraisals on the properties.

11. WIT is a trust and its investments were made through various corporate entities which, although legal title to the various assets are held by the companies, the beneficial interest in those assets remains with WIT.
12. The Companies have three main categories of assets. The majority of the assets are mortgages. There are also interests in various properties deriving from mortgage enforcement proceedings. Lastly, there are numerous lawsuits, which have been initiated by WCC, which are not assets per se but could result in generating proceeds if successful. These assets are discussed in detail below.
13. The assets are summarized in the table below, with the estimated recovery amount for each asset. Note, that actual recovery may vary substantially from the estimated amount.

Type of asset (mortgage, land, lawsuit)	Location	Recovery as Estimated by WIT's Former Trustees	Recovery to date
Mortgage	Calgary	\$224,573	\$9,063
Mortgage	Beaumont	56,073	9,600
Mortgage	Edmonton	1,250,000	55,000
Mortgage	Edmonton	200,960	6,000
Mortgage	Salmon Arm	7,584,934	-
Mortgage	Penticton	300,000	336,209
Property	Cranbrook - 240 Shadow	159,000	50,000
Property	Cranbrook - 112 Purcell	250,000	128,030
Property	Cranbrook - River's Crossing Land	1,946,473	-
Property	Drumheller	875,000	181,950
Property	Bruderheim	3,336,888	-
Property	Wandering River	2,000,000	320,651
Property	Village at Paldi	500,000	354,493
Litigation	Alberta	1,400,000	-
Litigation - Paldi	British Columbia	Unknown	-
Litigation -	British Columbia	Unknown	-
Total		20,083,901	\$1,450,996

14. Please note that the foregoing estimated recovery numbers were provided to the Trustee by the former Trustees, and the Trustee has not independently verified the accuracy or the reasonableness of these estimates. Notwithstanding anything contained in this Report, the Trustee is not suggesting that these numbers represent the expected recoveries, and the Trustee makes no representations regarding any amounts that may be realized on any of the assets.

Mortgages

Mortgage - Calgary, AB

15. WCC holds a second mortgage on the above property.
16. The Receiver has received \$9,063 of mortgage payments, which represents five (5) months of payments to the Trustee.
17. The Receiver is currently in discussions to settle the mortgage amount.

Mortgage - Beaumont, AB

18. WCC holds a second mortgage on the above property. The Receiver is currently in the process of drafting a new mortgage agreement with the borrower, as the mortgage has expired.
19. The borrower has continued to make payments on a timely basis, paying \$6,000, which represents 16 months of payments to the Trustee.
20. The Receiver has enquired about settling the mortgage; however, she currently does not have the fund. The Receiver estimates five (5) years for recovery.

Mortgage - Edmonton, AB

21. WCC holds a blanket second mortgage (\$1,250,000) on the above properties and a blanket third mortgage (\$200,960) on the above properties.
22. Based on discussions with KV Capital, the holder of the first mortgage, their mortgage is currently in default, the Receiver has negotiated a small payment of \$2,000 per sale to cover its expenses.

23. Payment on the third mortgage has been 12,000. The Company has not paid since December.

24. A third party mortgage company, KV Capital, has a first charge mortgage. Until the unit are all sold and a determination can be made, as to what, if any, shortfall may occur to KV Capital, the Receiver cannot determine if any recovery can be made. The Receiver estimates that based on current absorption rates, it should take 4-5 years.

Mortgage - Beach Grove Properties

25. The Receiver has filed a statement of claim for the entire amount owing against the properties.

26. The Receiver has just recently switched legal counsel dealing with the file. In addition, the owner of the development is trying to figure out financing for a potential settlement.

27. If a settlement is unable to be reached in the short term, the Receiver estimates that it would take approximately three (3) years to deal with the property.

Properties

River Crossing Land

28. The Receiver has successfully completed the sale of the west lots to a third party. The Receiver has an offer on the east side that is to close by the end of September.

29. There was no recovery for the estate from the sale of this property, as the first mortgage holder was not paid in full.

Drumheller, AB

30. The Receiver has sold all but one of the vacant lots.

31. The Receiver estimates that this last lot will be sold by the end of 2021.

Bruderheim, AB

32. The Receiver has an offer on the property, subject to court approval and obtaining a phase 2 environmental report.
33. The Receiver is currently in the process of obtaining a phase 2 environmental report. This should be completed by the end of November 2020. Once completed, assuming conditions are waived the property would close in early 2021.

Wandering River, AB

34. The property contains a mixture of residential and commercial lots. These lots are in Athabasca County, AB, as following:
- a) Lots 2 through 8, Block 1, Plan 1021304;
 - b) Lots 6 through 14, Block 2, Plan 1021304;
 - c) Lot 16, Block 2, Plan 1021304; and
 - d) Lots 18 through 23, Block 2, Plan 1021304.
35. The Receiver has sold two of the commercial lots and has 11 residential lots remaining. The Receiver estimates that the remainder of the lots will be sold by the end of 2021.

The Village at Paldi Ent. Ltd. ("PALDI")

36. There is an issue of the appropriate distribution of the net sale proceeds among the creditors participating in the mortgage syndicate regarding Paldi, which has yet to be resolved. Accordingly, approximately \$100,000 of funds are being held in trust with the lawyer who handled the conveyance.
37. The Receiver intends to have this matter resolved by the end of 2021.

Litigation

Berry Homes Ltd. and Performance Paving Services Inc.

38. The Receiver is in the process of making an application requiring Berry Homes Ltd. to compel Berry Homes Ltd to produce an affidavit of records.
39. This application is schedule for October 1, 2020. Once this step is done they will be given time to produce the affidavit of records. Assuming they file the materials, we will likely proceed to questioning and setting a trial date for the matter.
40. There is approximately \$1.5 million in Court and three parties claiming an interest to these funds. Berry Homes is claiming an interest to the entire amount. Performance Paving Services Inc. is claiming a portion of the amount, approximately \$300,000 for unpaid work on the project. The Trustee is claiming an interest to the entire amount.

Paldi and Lack et al

41. The Receiver has retained WCC counsel, Martin Sennott of Boughton Law Corporation, on these files to move the matters forward.

Paldi

42. The Paldi litigation arises because of reliance by WCC on an appraisal provided to WCC, which was allegedly significantly overvalued the lands.
43. The Receiver is currently in discussions to have this matter settled and is hopeful that it is completed by the end of 2020.

Lack et al

44. Previously referred to as the Braun matter, Lack et al. is litigation between WCC and its former counsels for the alleged failure to register a mortgage in a timely fashion.

45. On or near July 3, 2020, counsels for both defendants were successful in obtaining an Order for Security for Costs requiring the Receiver to pay into court approximately \$68,000.
46. On July 8, 2020, the Receiver sent the funds to Mr. Sennott, its counsel engaged in this litigation matter.
47. As with other litigation matters initiated by WCC, this matter has stalled but the Receiver is seeking to conclude these matters.
48. The Receiver is currently obtaining an appraisal on the property on which the mortgage was to be registered.
49. In addition, the Receiver's counsel is requesting the Notices to Admit are completed by the defendants by the end of September.
50. Assuming that we do not do examinations, we hope that this matter will be heard before the end of November.

Potential Realization

51. The Receiver has been requested by one of the Investors to provide an estimate for recovery. The Receiver estimates a recovery, which would be available for distribution of \$1,000,000 to \$7,000,000. Note that actual recovery may vary substantially from the estimated amount.

Receipts and Disbursements

52. The statement of receipts and disbursements from March 8, 2019, to March 15, 2020, is attached as Exhibit 1. The Receiver currently has \$509,874 of funds on hand to deal with ongoing holding costs for the properties.
53. In addition to the professional fees disbursed, there is approximately \$500,000 in professional fees owing to the Trustee, its legal counsels.

EXHIBIT 2

**To the Receiver's Sixth Report to Court
Dated April 16, 2021**

JUDICIAL TRUSTEE'S FOURTH REPORT TO THE INVESTORS

MARCH 15, 2021

**IN THE MATTER OF THE JUDICIAL TRUSTEE APPOINTMENT OF
WESTPOINT INVESTMENT TRUST**

Contents

Exhibits 3

Introduction 4

Disclaimer and Limitations of the Report 5

Trustee’s Activities Since its Third Report 6

Mortgages 7

Properties 9

Litigation 10

Potential Realization 11

Receipts and Disbursements 11

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Introduction

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2. Copies of relevant documents in the Judicial Trustee proceedings are available on the Trustee website at <http://www.extranets.bdo.ca/WestpointInvestmentTrust/>
3. In addition to the above Order, the Court also granted an Interim Receiver Order (the "Interim Receiver Order") appointing BDO as Interim Receiver of Westpoint Capital Corporation ("WCC"), Westpoint Capital Management Corporation ("WCMC"), Westpoint Capital Services Corporation ("WCSC"), Westpoint Syndicated Mortgage Corporation ("WSMC"), Canadian Property Direct Corporation ("CPDC"), Westpoint Master Limited Partnership ("WMLP"), River's Crossing Ltd. ("RCL"), 1897849 Alberta, Ltd. ("1897849"), 1780384 Alberta Ltd. ("178 AB"), 1897837 Alberta Ltd. ("1897837"), (collectively the "Companies").
4. On April 10, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Order") appointing BDO Canada Limited as Receiver ("BDO" or the "Receiver") of the Companies.
5. On May 30, 2019, the Court of Queen's Bench of Alberta (the "Court") granted a further Order, consented to by the sole director of The Village at Paldi Ent. Ltd. ("Paldi") amending the Receivership Order to add Paldi as a party Respondent in these proceedings, and to extend the terms of the Receivership Order to include Paldi as a party in receivership.
6. Copies of relevant documents in the interim receivership and receivership proceedings are available on the Receiver's website at <https://www.bdo.ca/en-ca/extranets/wccetal/>

7. BDO felt it was important to communicate essential information regarding the investors' investment in WIT on a semi-annual basis. This is the Fourth Report to the Creditors ("Creditors Report"). This report will provide the Investors with the following information:
- a) Trustee's activities since its last report;
 - b) Status of the various investments made by WIT;
 - c) Potential realization; and
 - d) Receipts and disbursements to date.

Disclaimer and Limitations of the Report

8. This report has been prepared by BDO to provide the Investors with the information as outlined above. In preparing this report, the Trustee necessarily relied upon unaudited financial statements and other information supplied and representations made to the Trustee by various parties. Although the information supplied has been reviewed for reasonableness, we have not independently verified the accuracy or completeness of the information, nor have we conducted an audit and, as a result, we are not providing any form of assurance of the information subject to our review. Our work may not necessarily disclose all significant matters about WIT or any errors, misstatements, irregularities, or illegal acts, if any such exist, on the part of WIT, or its former Trustees, or the officers, directors, employees and advisors of the Companies or in the underlying information. Accordingly, the Trustee may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Creditors' Report.
9. The Trustee assumes no responsibility or liability for any loss or damage incurred by any party because of the circulation, publication, reproduction or use of the Investors Report. Any use that any party makes of this report, or any reliance on or decision to be made based on it, is the responsibility of such party.

Trustee's Activities Since its Third Report

10. The Trustee has taken several steps to secure the various properties foreclosed on by WCC, to deal with several litigation matters, and to obtain appraisals on the properties.
11. WIT is a trust and its investments were made through various corporate entities which, although legal title to the various assets are held by the companies, the beneficial interest in those assets remains with WIT.
12. The Companies have three main categories of assets. The majority of the assets are mortgages. There are also interests in various properties deriving from mortgage enforcement proceedings. Lastly, there are numerous lawsuits, which have been initiated by WCC, which are not assets per se but could result in generating proceeds if successful. These assets are discussed in detail below.
13. The assets are summarized in the table below, with the estimated recovery amount for each asset. Note, that actual recovery may vary substantially from the estimated amount.

Type of asset (mortgage, land, lawsuit)	Location	Recovery as Estimated by WIT's Former Trustees	Recovery to date
Mortgage	Calgary	\$224,573	\$19,000
Mortgage	Beaumont	56,073	65,800
Mortgage	Edmonton	1,250,000	55,000
Mortgage	Edmonton	200,960	6,000
Mortgage	Salmon Arm	7,584,934	-
Mortgage	Penticton	300,000	336,000
Property	Cranbrook - 240 Shadow	159,000	50,000
Property	Cranbrook - 112 Purcell	250,000	128,000
Property	Cranbrook - River's Crossing Land	1,946,473	-
Property	Drumheller	875,000	182,000
Property	Bruderheim	3,336,888	-
Property	Wandering River	2,000,000	608,900
Property	Village at Paldi	500,000	354,500

Litigation	Alberta	1,400,000	-
Litigation - Paldi	British Columbia	Unknown	Settled
Litigation -	British Columbia	Unknown	-
Total		20,083,901	\$1,805,230

14. Please note that the foregoing estimated recovery numbers were provided to the Trustee by the former Trustees, and the Trustee has not independently verified the accuracy or the reasonableness of these estimates. Notwithstanding anything contained in this Report, the Trustee is not suggesting that these numbers represent the expected recoveries, and the Trustee makes no representations regarding any amounts that may be realized on any of the assets.

Mortgages

Mortgage - Calgary, AB

15. WCC holds a second mortgage on the above property.
16. The Receiver has received \$9,063 of mortgage payments, which represents five (5) months of payments to the Trustee.
17. After obtaining an appraisal, review of the property tax assessment and receiving the mortgage statement, the Receiver settled the mortgage for \$10,000.
18. The only other option was to foreclose on the mortgage, as this was a second mortgage the Receiver would have risked paying all the legal costs without any recovery as the appraised value was close to the first mortgage amount.

Mortgage - Beaumont, AB

19. WCC held a second mortgage on the above property.
20. The borrower paid out the mortgage in December 2020. As such this mortgage is no longer outstanding.

Mortgage - Edmonton, AB

21. WCC holds a blanket second mortgage (\$1,250,000) on the above properties and a blanket third mortgage (\$200,960) on the above properties.
22. Based on discussions with KV Capital, the first mortgage is currently in default. KV Capital holds the first mortgage. The Receiver has negotiated a small payment of \$2,000 per sale to cover its expenses.
23. WCC has received a \$12,000 payment on the blanket third mortgage. The Company has not paid since December 2019.
24. Until all of the units are sold, the Receiver is unable to determine if KV Capital will be paid in full. If KV Capital suffers a shortfall, and depending on the magnitude, the Receiver is unable to determine if there will be any recovery for the estate.. The Receiver estimates that based on current absorption rates, the sale process is estimated to take 4-5 years.

Mortgage - Beach Grove Properties

25. The Receiver has filed a Statement of Claim for the entire amount owing against the properties.
26. The Receiver has just recently switched legal counsel dealing with the file. In addition, the owner of the development is trying to figure out financing for a potential settlement.
27. The Receiver retained Colliers to determine the value of the property. Based on the Colliers report there are a number of issues with the development.
28. If a settlement is unable to be reached in the short term, the Receiver estimates that it would take approximately a year to deal with the property.

Properties

Drumheller, AB

- 29. The Receiver has sold all but one of the vacant lots.
- 30. The Receiver estimates that this last lot will be sold by the end of 2021.

Bruderheim, AB

- 31. The Receiver was unable to successfully close the sale on the property. As such the Bruderhiem property remains for sale. The Receiver obtained an environmental report in regard to this property which the Receiver believes will assist in the future sale of the property.
- 32. Due to the nature of the property and the current pandemic environment it is difficult to determine the timeline for the sale of the property. The Receiver estimates two (2) years.

Wandering River, AB

- 33. The property contains a mixture of residential and commercial lots. These lots are in Athabasca County, AB, as following:
 - a) Lots 2 through 8, Block 1, Plan 1021304;
 - b) Lots 6 through 14, Block 2, Plan 1021304;
 - c) Lot 16, Block 2, Plan 1021304; and
 - d) Lots 18 through 23, Block 2, Plan 1021304.
- 34. The Receiver has sold all three of the commercial lots and 13 residential lots with one lot pending closing. The Receiver has nine (9) residential lots for sale. The Receiver estimates that the remainder of the lots will be sold by the end of 2021.

Litigation

Berry Homes Ltd. and Performance Paving Services Inc.

35. The Receiver is in the process establishing a timeline for questioning the various parties on the affidavit of records. This is scheduled to be completed by the end of May 2021. Once completed, the Receiver is hopeful to set a court date for the matter to be heard.
36. There is approximately \$1.5 million in Court and three parties claiming an interest to these funds. Berry Homes is claiming an interest to the entire amount. Performance Paving Services Inc. is claiming a portion of the amount, approximately \$300,000 for unpaid work on the project. The Trustee is claiming an interest to the entire amount.
37. Given the foregoing, it is uncertain what if any recovery will be made in regard to this matter.

Paldi and Lack et al

38. The Receiver had retained WCC's counsel, Martin Sennott of Boughton Law Corporation, on these files to move the matters forward.

Paldi

39. The Paldi litigation arose because of reliance by WCC on an appraisal provided to WCC, which allegedly significantly overvalued the lands.
40. The Receiver has agreed to a confidential settlement amount and the matter is now closed.

Lack et al

41. Previously referred to as the Braun matter, Lack et al. is litigation between WCC and its former counsels for the alleged failure to register a mortgage in a timely fashion.

42. In November 2020, the Receiver received information from counsel of the defendants, specifically an appraisal. This appraisal was not previously provided to the Receiver. Once reviewed, the Receiver determined that it would be unsuccessful in the recovery of funds, and as such agreed to ceased the action on a without cost basis. The Receiver has recovered the funds paid into court of approximately \$68,000.

Potential Realization

43. Based on the updated information the Receiver is revising the estimate for recovery. The Receiver estimates a recovery, which would be available for distribution of \$1,000,000 to \$5,000,000. Note that actual recovery may vary substantially from the estimated amount.

Receipts and Disbursements

44. The statement of receipts and disbursements from March 8, 2019, to March 15, 2021, is attached as Exhibit 1. The Receiver currently has \$209,179 of funds on hand to deal with ongoing holding costs for the properties.
45. In addition to the professional fees disbursed, there is approximately \$600,000 in professional fees owing to the Trustee, and its various legal counsels.

BDO Canada Limited
Statement of Receipts and Disbursements For
Westpoint Capital Corporation et al.
For the period of March 8, 2019 to March 15, 2021

Receipts

Sale of land	\$ 7,719,085
Settlement	725,000
Mortgage repayment	54,983
Loan	500,000
Funds from foreclosure	336,209
Cash on hand	113,764
Sewer Hauling contract	31,750
Rental income	50,774
Sale of vehicle	10,010
GST refund	51,503
GST collected	38,202
Insurance refund	3,486
Investments	5,354
Interest Income	3,462
Sale of office furniture	500
	<hr/>
	9,644,082

Disbursements

Payment to secured creditor	5,586,127
Legal fees	882,976
Receiver fees	576,011
Repayment of loan	533,189
Real property taxes	561,364
Wages	172,039
Strata fees	222,816
Repayment of loan	-
Loan payments	102,116
GST/PST paid	109,992
Appraisal fees	68,935
Funds paid into court per	67,804
Insurance	83,570
Construction	60,756
Consulting fees	199,407
Payroll deductions	20,193
Utilities	18,731
Repairs and maintenance	11,765
Office expenses	3,622
Stock taking and possession	9,804
Advertising	9,032
Commission	114,365
Miscellaneous	8,451
Occupation rent	4,000
Deemed trust claim	3,479
Site clean up	1,665
Redirection of mail	1,300
Storage	567
Payroll services	134
Filing fees paid to the Official Receiver	70
Photocopies	34
Bank Fees	581
Search fee	10
	<hr/>
	9,434,903

\$ 209,179

EXHIBIT 3

**To the Receiver's Sixth Report to Court
Dated April 16, 2021**

BDO Canada Limited
Statement of Receipts and Disbursements For
Westpoint Capital Corporation et al.
For the period of March 8, 2019 to March 15, 2021

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	<hr/> 9,434,903

\$ 209,179

EXHIBIT 4

**To the Receiver's Sixth Report to Court
Dated April 16, 2021**

An aerial photograph of an industrial facility. In the center, there is a large rectangular building with a white roof. To its left, there are several large cylindrical storage tanks and a complex network of pipes and smaller structures. To the right of the main building, there are more industrial structures and a paved area. The facility is surrounded by open land and some trees. In the background, there are more industrial areas and a road.

ACTIVITY REPORT

BRUDERHEIM INDUSTRIAL FACILITY

555015 Range Road 203, Lamont County, AB | APRIL 2021



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JOEL WOLSKI, DIRECTOR/ASSOCIATE
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PROPERTY ACTIVITY

ACTIVITY	DATE	TYPE	OUTCOME
1 Listing Agreement Executed	June 15, 2017	Agreement	Completed. Priced at \$5.9M.
2 Tour	June 22, 2017	Tour	Property Tour.
3 Marketed Property	July 5, 2017	Marketing	Marketed to Royal Park website, Costar, Loopnet, Spacelist, Kijiji
4 Marketed Property	September 14, 2017	Marketing	E-mail blast to brokerages & RP clients.
5 Inquiry	September 15, 2017	Inquiry	Inquiry from Darren Lamothe at Novamen Inc.
6 Inquiry	October 11, 2017	Inquiry	Inquiry from Robert Phelan, agent out of Los Angeles.
7 Tour	October 26, 2017	Tour	Property Tour.
8 Tour	November 6, 2017	Tour	Property Tour.
9 Inquiry	November 7, 2017	Inquiry	Inquiry from David Kraus at Colliers.
10 Inquiry	December 13, 2017	Inquiry	Inquiry from Jim Barkwell at NAI Edmonton.
11 Inquiry	December 14, 2017	Inquiry	Inquiry from Doug Greschuk at Cushman & Wakefield.
12 Inquiry	January 4, 2018	Inquiry	Inquiry from Phil Coley and David Bergeron at Colliers.
13 Tour	January 9, 2018	Tour	Property Tour.
14 Tour	February 22, 2018	Tour	Property Tour.
15 Tour	March 14, 2018	Tour	Property Tour.
16 Offer	May 9, 2018	Offer	OTP submitted from A Toor and/or Nominee
17 Price Change	May 30, 2018	Marketing	Price changed to Market.
18 Offer	June 4, 2018	Offer	OTP submitted from 2638538 Ontario Inc.
19 Tour	June 11, 2018	Tour	Property Tour.
20 Tour	June 18, 2018	Tour	Property Tour.
21 Update Brochure	June 25, 2018	Brochure	Break out property into 2 brochures. Rail & Bldg at \$5.9M & Crypto Facility at \$7.9M.



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PROPERTY ACTIVITY

ACTIVITY	DATE	TYPE	OUTCOME
22 Offer	June 2018	Offer	OTP submitted from Miningsy Technology. Couldn't get financing.
23 Marketed Property	July 3, 2018	Marketing	Re-marketed property as a Crypto Facility.
24 Marketed Property	July 9, 2018	Marketing	Re-marketed property as a Rail Facility.
25 Inquiry	July 17, 2018	Inquiry	Inquiry from Zeshan Qureshi at Cushman & Wakefield.
26 Offer	July 31, 2018	Offer	OTP submitted from 6982213 Manitoba Ltd.
27 Tour	July 31, 2018	Tour	Property Tour.
28 Inquiry	August 7, 2018	Inquiry	Inquiry from Nicholas Farnden at Cushman & Wakefield.
29 Under Contract	August 9, 2018	Conditional	Conditional OTP with 6982213 Manitoba Ltd.
30 Dead Deal	August 15, 2018	Dead Deal	No deposit received from 6982213 Manitoba Ltd.
31 Tour	August 30, 2018	Tour	Property Tour.
32 Marketed Property	September 21, 2018	Marketing	Re-marketed brochures with a price reduction of \$1M bringing the Rail & Bldg to \$4.9M and the Crypto Facility to \$6.9M.
33 Marketed Property	October 31, 2018	Marketing	Vendor requested an additional price reduction of \$1M. Requested property be split into 3 brochures. 1 for entire property (\$7.9M), 1 for Rail & Bldg (\$4.9M), 1 for Crypto-Facility (\$5.9M).
34 Marketed Property	November 5, 2018	Marketing	E-mail blast to brokerages & RP clients.
35 Inquiry	December 14, 2018	Inquiry	Inquiry from Northern Clover Inc.
36 Marketed Property	January 30, 2019	Marketing	Vendor requested an additional price reduction. Entire property (\$5.9M), Rail & Bldg (\$4.5M), Crypto-Facility (\$2.5M)
37 Marketed Property	March 1, 2019	Marketing	E-mail blast to brokerages & RP clients.
38 Inquiry	March 26, 2019	Inquiry	Inquiry from Avison Young.
39 Tour	April 2, 2019	Tour	Property Tour.
40 Tour	May 8, 2019	Tour	Property Tour.



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PROPERTY ACTIVITY

ACTIVITY	DATE	TYPE	OUTCOME
41 Offer	June 11, 2019	Offer	OTP submitted from PlaneTerra Water Solutions Inc.
42 Under Contract	June 28, 2019	Conditional	Conditional OTP with PlaneTerra Water Solutions Inc.
43 Dead Deal	October 10, 2019	Dead Deal	Non-waiver recieved from PlaneTerra Water Solutions Inc.
44 Tour	October 23, 2019	Tour	Property Tour.
45 Listing Agreement Executed	March 12, 2020	Agreement	New listing agreement signed with BDO at \$3.9M.
46 Marketed Property	March 19, 2020	Marketing	New price for the entire property at \$3.9M.
47 Tour	June 10, 2020	Tour	Property Tour.
48 Inquiry	June 12, 2020	Inquiry	Inquiry from Don Friesen at the Friesen Group.
49 Offer	June 16, 2020	Offer	LOI submitted from Ingenix Business Intelligence Corp.
50 Under Contract	June 18, 2020	Conditional	Conditional LOI with Ingenix Business Intelligence Corp.
51 Marketed Property	June 25, 2020	Marketing	E-mail blast to brokerages & RP clients.
52 Tour	July 16, 2020	Tour	Property Tour.
53 Tour	August 4, 2020	Tour	Property Tour.
54 Under Contract	September 10, 2020	Conditional	Conditional OTP with Ingenix Business Intelligence Corp.
55 Inquiry	November 23, 2020	Inquiry	Inquiry from Gurmeet Sandhu at RE/MAX.
56 Tour	January 26, 2021	Tour	Property Tour.
57 Inquiry	February 9, 2021	Inquiry	Inquiry from Andres Mateluna at JLL.
58 Dead Deal	March 5, 2021	Dead Deal	Non-waiver received from Ingenix Business Intelligence Corp.
59 Marketed Property	March 17, 2021	Marketing	E-mail blast to brokerages & RP clients.
60 Tour	March 18, 2021	Tour	Property Tour.



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PROPERTY ACTIVITY

ACTIVITY	DATE	TYPE	OUTCOME
61 Tour	March 24, 2021	Tour	Property Tour.
62 Offer	March 31, 2021	Offer	OTP submitted from Symmetry Asset Management for \$1.8M.
63 Tour	April 1, 2021	Tour	Property Tour.
64 Offer	April 3, 2021	Offer	OTP Submitted from Prohost Network Inc.
65 Under Contract	April 5, 2021	Conditional	Conditional OTP with Prohost Network Inc.
66 Condition Date	April 20, 2021	Condition Date	Tuesday, April 20, 2021 is the Vendor's Condition Date



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