

**JUDICIAL TRUSTEE'S SEVENTH REPORT TO THE INVESTORS**

**SEPTEMBER 23, 2022**

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

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## **Exhibits**

1. **Statement of Receipts and Disbursements for the period March 8, 2019 to September 23, 2022**

## 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 Judicial Trustee 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 believes it was important to communicate essential information regarding the investors' interest in WIT on a semi-annual basis. The Seventh Report to the Investors ("Investors Report"), will provide the investors with the following information:
  - a) Trustee's activities since its last report;
  - b) Receipts and disbursements to date; and
  - c) Steps to conclude the Receivership and wrap up WIT.
8. Investors should read this Report in conjunction with all other investors' reports and all information available on <http://www.extranets.bdo.ca/WCC ET. AL>.

## **Disclaimer and Limitations of the Report**

9. This Investors Report has been prepared by BDO to provide the investors with the information as outlined above. In preparing this Investors 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 Investors' Report.
10. The Trustee assumes no responsibility or liability for any loss or damage incurred by any party because of the Investors Report's circulation, publication, reproduction, or use. Any use that any party makes of this Report, or any reliance on or decision to be made based on it is such party's responsibility.

## **Trustee's Activities Since its Sixth Report**

11. On September 2, 2022, the Trustee attended court for two matters:
  - a. A claims process; and
  - b. Advice and direction regarding payment to the investors of WIT.
12. On September 2, 2022, the Court granted the claim process order (the "Claims Process Order").
13. The Claims Process Order excludes the requirement for any "Unitholders" from filing claims. Unitholder is defined as follows:

Unitholder means Unitholder as such is defined in the Westpoint Investment Trust and Amended and Restated Declaration of Trust, made as of the 3<sup>rd</sup> day of September 2015 with retroactive effect to 30<sup>th</sup> day of June 2015.
14. In other words, investors in WIT are not required to prove claims.
15. On September 6, 2022, the Trustee mailed out to all known creditors a Notice to Creditors and a blank Proof of Claim form, as required by the Claims Process Order.
16. On September 6, 2022, the Trustee posted on its website the Notice to Creditors, as required by the Claims Process Order.
17. On September 12, 2022, the Trustee published the Notice to Creditors in the Edmonton Journal and Vancouver Sun, as required by the Claims Process Order.
18. On September 13, 2022, the Trustee published the Notice to creditors in the Globe and Mail, as required by the Claims Process Order.
19. The Trustee attempted to receive advice and direction regarding the payment to the investors, specifically confirmation that investors requesting a redemption of their units would be paid in priority or if all investors would receive payment proportionately. The Court determined it was premature to decide the matter without knowing the potential claims against the remaining funds.

## Receipts and Disbursements

20. The statement of receipts and disbursements from March 8, 2019 to September 23, 2022 is attached as Exhibit 1. The Trustee and Receiver currently have \$4,439,638 for the payment of investors and creditors.

## Next Steps

21. The Receiver will be making a Court application shortly after the determination of the amount owing to creditors of WIT. At that application, the Trustee intends to seek court approval for partial or full distribution of the remaining funds being held in Trust.

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**EXHIBIT 1**

**To the Judicial Trustee's Seventh Report to Investors  
Dated September 23, 2022**

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**BDO Canada Limited**  
**Statement of Receipts and Disbursements For**  
**Westpoint Capital Corporation et al.**  
**For the period of March 8, 2019 to September 23, 2022**

<b>Receipts</b>	
Sale of land	\$ 11,844,873
Settlement	2,830,303
Loan	500,000
GST refund	89,720
Mortgage repayment	76,262
Cash on hand	62,232
Rental income	50,774
GST collected	38,202
Return of retainer	32,667
Sewer Hauling contract	31,750
Sale of vehicle	10,010
Interest Income	6,889
Investments	5,354
Insurance refund	3,906
Refund	974
Sale of office furniture	500
	<hr/>
	15,584,415
 <b>Disbursements</b>	
Payment to secured creditor	5,795,730
Transfer to Westpoint Investment Trust	4,655,755
Legal fees	1,192,526
Receiver fees	1,156,475
Real property taxes	587,358
Repayment of loan	500,000
Payment to creditors	300,000
Strata fees	222,816
Consulting fees	202,131
Wages	174,139
GST/PST paid	154,657
Loan payments	135,305
Commission	115,315
Insurance	83,570
Appraisal fees	68,935
Construction	60,756
Payroll deductions	20,193
Utilities	18,968
Repairs and maintenance	11,765
Miscellaneous	10,990
Stock taking and possession	9,818
Advertising	9,032
WEPPA Remittance	5,990
Occupation rent	4,000
Deemed trust claim	3,479
Computer services	3,015
Site clean up	1,665
Office expenses	1,484
Redirection of mail	1,320
Bank Fees	581
Storage	567
Photocopies	353
Filing fees paid to the Official Receiver	70
Search fee	10
	<hr/>
	15,508,867
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	\$ 75,548
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**BDO Canada Limited**  
**Statement of Receipts and Disbursements For**  
**Westpoint Capital Corporation et al.**  
**For the period of March 8, 2019 to September 23, 2022**

**Receipts**

Funds from Receivership	\$ 4,655,755.13
Interest Income	18,547.86
	<hr/> 4,674,302.99

**Disbursements**

Legal fees	5,222.50
Receiver fees	266,220.86
Travel	202.84
Mailout	23,794.05
GST/PST paid	14,772.03
	<hr/> 310,212.28

4,364,090.71