

Division No.: 04-Saint-François  
Court No.: 450-11-000012-215  
Estate No.: 42-2844805

IN THE MATTER OF THE BANKRUPTCY OF :

9058-0150 QUEBEC INC

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TRUSTEE'S REPORT ON HER PRELIMINARY ADMINISTRATION

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SECTION A : BACKGROUND

1. On March 26, 2021, MNP Ltd. was appointed as Receiver (the "Receiver") to the assets of Société en commandite Industriel-Léger ("SEC") & 9058-0150 Quebec Inc. ("9058"), pursuant to section 243 of the *Bankruptcy and Insolvency Act* (the "BIA"), by an Order Appointing a Receiver (the "Receivership Order") rendered by the Honorable Justice Gaétan Dumas, of the Superior Court of Quebec for the District and the Division of Saint-François, (the "Court") in file number 450-11-000012-215 (the "Receivership Proceedings"). A copy of the Receivership Order, the Receiver's reports and other documents related to the case can be consulted on our website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/sec-industriel-leger/>.
2. SEC is a limited partnership set up for the purpose of owning, managing and operating real estate properties located in Magog and Sherbrooke, Quebec.
3. 9058 was the general partner of SEC and was owned by Paul Kanwal.
4. On February 18, 2022, the Honourable Gaétan Dumas, J.S.C. granted the Approval and Vesting Order sought by the Receiver ("Approval Order") and authorized the Receiver to make an assignment of the property of SEC and 9058 pursuant to section 49 of the BIA and to initially appoint MNP Ltd as Trustee to the bankruptcy of SEC and 9058, subject to the confirmation of the creditors.
5. Consequently, as a court-appointed and authorized Receiver per the Approval Order, MNP Ltd. assigned both SEC and 9058 into bankruptcy on July 5, 2022.

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SECTION B      Assets

6. All of the known assets were part of the patrimony of the limited partnership, SEC, and will be dealt with in the Receivership Proceedings. The only known asset of 9058 consists of the latter's shares in the limited partnership, which is insolvent.
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## SECTION C Liabilities

7. The known liabilities of 9058 are as follows:

	As per the Statement of affairs	Received to date	Note
	(\$)	(\$)	
<b>Secured creditors</b>			
9286-2929 Québec inc.	4,300,000.00	Ø	1
Consolidated Capital G.P.	1,300,000.00	Ø	1
FWCU Capital Corp.	1.00	Ø	
<b>Unsecured creditors</b>			
BMO – Banque de Montréal	2,500,000.00	Ø	2
Other	85.536.71	Ø	

Notes:

- 1- Only the capital portion of the debts have been included in the Statement of Affairs.
- 2- Further to the receivership proceedings of Kanwal Inc., it is estimated that the Bank of Montreal will have a shortfall in the amount of approximately \$2,500,000 with respect to its loans to Kanwal, which were guaranteed by SEC. The Trustee was unable to determine whether the obligations of Kanwal Inc. to the Bank of Montreal were also guaranteed by 9058.

## SECTION D Conservatory and protection measures

8. During the Receivership Proceedings, the Receiver took possession and undertook all required conservatory measures in respect of SEC's assets. The Receiver only received, from Management, a part of SEC'S books and records, in electronic format saved on a USB stick. The Receiver did not receive any books and records for 9058. There were no employees on record either as all employees worked for the affiliate company of SEC and 9058, Kanwal Inc.

9. The Trustee has opened a trust account at the Bank of Montreal.

## SECTION E Legal proceedings

10. The Trustee sent a notice of stay of proceedings to 9286-2929 Québec Inc.

11. In the course of the Receivership Proceedings, MNP Ltd., in its capacity as Receiver to the assets of SEC and 9058, obtained a legal opinion from independent counsel, Fishman Flanz Meland Paquin represented by Me Nicolas Brochu, confirming the validity and enforceability of the security affecting SEC's and 9058's assets. This opinion satisfies the Trustee's obligation under section 13.4 of the BIA.

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**SECTION F      Anticipated realization and projected dividend**

12. The realization is insufficient to pay all of the secured creditors in full, therefore there is no anticipated dividend to the unsecured creditors.

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**SECTION G      Reviewable transactions and preferential payments**

13. The Trustee will continue to review the book and records of SEC that were available as part of the Receivership Proceedings. If any reviewable transactions or preferential payments involving 9058 are identified, the Trustee will report to the inspectors, if applicable.

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**SECTION H      Other subjects**

14. The Trustee published the notice of bankruptcy in the Journal de Montréal on July 16, 2022.
15. The Trustee's fees and disbursements are guaranteed by the Receivership of Société en commandite Industriel-Léger & 9058-0150 Quebec inc.

MONTREAL, this 26<sup>th</sup> day of July 2022.

**MNP LTD**

In its capacity as trustee in the bankruptcy of  
9058-0150 QUEBEC INC  
and not in its personal or corporate capacity



Sheri L. Aberback, CIRP, LIT, CFE  
Senior Vice President