

**IN THE MATTER OF THE BANKRUPTCY OF  
APTUS MANAGEMENT INC.  
TRUSTEE'S PRELIMINARY REPORT**

**BACKGROUND**

1. On March 1, 2021, a Bankruptcy Order was granted in respect of Aptus Management Inc. (the "Company" or "Aptus"). MNP Ltd. (the "Trustee") was appointed as Trustee of the bankrupt estate. The Bankruptcy Order was granted following an application by Bank of Montreal ("BMO") who holds security over all present and after acquired personal property of Aptus (the "BMO Security").
2. Aptus was incorporated in Alberta on May 15, 2011 and carried on business in the vicinity of the Town of Nanton in the Province of Alberta. The Company had a farming operation involving crops and cattle; however, all operations had ceased prior to the date of bankruptcy.
3. Aptus' former directors attribute the Company's financial difficulties to its inability to complete a transaction, which would have provided them with an interest in a related farming operation and as a result of a poor crop yield in 2019.

**BOOKS AND RECORDS**

4. Selected books and records of the Company have been provided to the Trustee. The Trustee is still awaiting the receipt of additional financial information from Aptus' former accountant.

**CONSERVATORY AND PROTECTIVE MEASURES**

5. At the date of bankruptcy, the only asset that the Trustee was able to locate was a 2019 GMC Sierra (the "GMC Sierra"), which the Company had financed through the Royal Bank of Canada ("RBC"). Both RBC and BMO have registered security against the GMC Sierra. The GMC Sierra is currently being held by Regal Auctions. The GMC Sierra does not have any equity for the unsecured creditors. As such, the Trustee will be releasing the estate's interest in the GMC Sierra.
6. Aptus did not have any ongoing operations at the date of bankruptcy. Aptus' directors indicated that Aptus did not have any assets outside of the GMC Sierra.

**ASSET REALIZATION AND PROJECTED DISTRIBUTION**

7. The assets listed on the Company's Statement of Affairs include the GMC Sierra. The Trustee has been advised that Aptus had owned other equipment and it is investigating this advice. Should any equipment be recovered, the Trustee will take steps to secure and ensure appropriate insurance coverage on those assets.
8. The Trustee is aware of one potential bank account held in the name of Aptus at RBC (the "RBC Account"). The Trustee is currently awaiting additional information from RBC with respect to the RBC Account.

9. There are not anticipated to be any funds available for distribution to the unsecured creditors of this estate.

### **SUMMARY OF CLAIMS**

10. The Company's statement of affairs listed a secured claim by BMO for approximately \$2.3 million, a secured claim by RBC for approximately \$29,800 and unsecured creditors totalling \$65,900. As of the date of this report, no proofs of claim had been received.

### **LEGAL**

11. Subject to the approval of any inspectors who may be appointed, the Trustee will be seeking to retain Caron & Partners LLP as its legal counsel to the extent that any legal assistance is required with respect to this estate.

### **REVIEW OF FRAUDULENT PREFERENCES AND TRANSFERS AT UNDERVALUE**

12. The Trustee is required to undertake a review of any transactions that occurred prior to the date of bankruptcy that would constitute a transfer at undervalue or a fraudulent preference as defined by subsections 95 and 96 of the *Bankruptcy and Insolvency Act* (the "Review"). The Review is underway.

### **OTHER**

13. The Trustee has an indemnity from BMO with respect to its professional fees and disbursements. The Trustee may accept a further appointment as BMO's agent subject to the receipt of an independent legal opinion that the BMO Security is valid and enforceable and the approval of the estate inspectors, if any are appointed.
14. Further information with respect to these proceedings will be made available on the Trustee's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/aptus-management-inc> as it becomes available.

Dated at Calgary, Alberta this 26<sup>th</sup> day of March 2021.

### **MNP Ltd.,**

In its capacity as Trustee of the Estate of  
Aptus Management Inc. and not in its personal  
or corporate capacity



Vanessa Allen, B. Comm, CIRP, LIT  
Senior Vice President