

**C A N A D A**  
**DISTRICT OF NEWFOUNDLAND AND LABRADOR**

**Division No. :** 01 – Newfoundland and Labrador  
**Court No. :** 20523  
**Estate No.:** 51-2124887

**IN THE MATTER OF THE BANKRUPTCY OF:**  
**CONTOUR ATLANTIC CORP.**

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**TRUSTEE'S REPORT TO THE CREDITORS ON PRELIMINARY ADMINISTRATION**

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**SECTION A**      **History**

- Contour Atlantic Corp. (the “Company”), founded in October 2011, was a member of Future Group Company, and specialized in the excavation and engineering construction sector.
- The Company’s financial difficulties can be attributed to the following:
  - Poor costing and planning of certain major projects;
  - Overall poor economic conditions in Newfoundland;
  - Margins were not sufficient to cover Company’s overhead structure;
  - Increased market competition by larger players led to a price war which reduced the Company’s profitability on public projects.
- On May 18, 2016, the debtor filed a Notice of Intention to Make a Proposal (“NOI”) in accordance with section 50.4(1) of the *Bankruptcy and Insolvency Act*.
- Starting June 16, 2016, the Debtor filed four (4) successive motions and accordingly obtained Court orders extending the time for filing a proposal through November 5, 2016.
- On November 6, 2016, Contour was deemed bankrupt pursuant to the non-filing of a proposal.

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**SECTION B Assets**

Description	Book Value	Estimated realization value (as of the date of bankruptcy)	Notes
	(\$)	(\$)	
Surveying equipment	1	Ø	1
Accounts receivable	843,673	Ø	2

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**Note 1 :** The surveying equipment is under a lease agreement published under the PPSA. It holds no equity for the unsecured creditors

**Note 2 :** The accounts receivable is largely made up of an amount owing from 75275 NL Corp., a company that is not related to the Debtor but operates out of the same premises.

The collectability of the accounts receivable is doubtful at this time. The Trustee will pursue his investigation to determine the collectability of the amounts.

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**SECTION C**

▪ **Books and records**

The Trustee is in the process of recovering books and records of the company.

▪ **Conservatory and Protection Measures**

The Trustee opened a bank account with the BMO Bank of Montreal for the bankruptcy estate.

▪ **Operating business of the bankrupt** N/A

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**SECTION D**      **Legal proceedings**

No legal proceedings were brought to the trustee's attention.

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**SECTION E Provable claims**

- The provable claims are summarized as follows:

	As per the Statement of Affairs	Received to date	Note
	(\$)	(\$)	
Privileged creditors	Ø	Ø	
Secured creditors	Ø	Ø	
Unsecured creditors	1,531,369	4,196,620	1
Employee-creditors (termination notice)	Ø	Ø	

Note 1. BDC filed a contingent claim in the amount of \$3,892,019.

**SECTION F Secured claims**

Name of secured lender	Estimated claim	Nature of lien
	(\$)	
• Banque of Montreal	93,000	General security agreement on all assets

**SECTION G Anticipated realization and projected dividend**

- Due to the uncertainty of realizing on the Company's assets, the Trustee does not anticipate any dividend will be paid to the creditors.

**SECTION H Reviewable transactions and preferential payments**

The Trustee has not completed the analysis of revisable transactions and preferential payments. Once completed, he will report to the inspectors to be appointed in the estate.

**SECTION I      Other subjects**

- The Trustee published the notice of bankruptcy in Telegram, on November 22, 2016.
- The Trustee received a third party guarantee for its fees.

**SIGNED AT MONTREAL**, this 25<sup>th</sup> day of November 2016.

**MNP Ltd.**

In its capacity as Trustee to the bankruptcy of  
Contour Atlantic Corp.  
and not in its personal or corporate capacity



Gregory Steven Gosse, CIRP, LIT  
Vice President