

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
LAH HOLDINGS LTD.

ORDINARY ADMINISTRATION

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

BACKGROUND

LAH Holdings Ltd. (“**LAH Holdings**” or the “**Company**”) is a provincially registered corporation located in Surrey, British Columbia.

A search of the British Columbia Corporate Registry Performed on February 6, 2024, indicated that Company's sole director is Faizel Kathrada (the “**Director**”). A previous search was performed which indicated that Adam Kathrada and Faaris Kathrada had previously been listed as Directors. The Company is a holding company and owns the real estate from which LAH Sourcing Ltd., its related company, operates. It owns land and a building in Surrey, BC (the “**Real Property**”). The Company was placed into Receivership and MNP Ltd. was appointed as receiver (the “**Receiver**”) pursuant to a Court Order issued by the Supreme Court of British Columbia on August 15th, 2023.

ASSIGNMENT IN BANKRUPTCY

The Receiver's powers outlined in the Receivership Order permitted the Receiver to assign the Company into bankruptcy. The Receiver made an assignment in bankruptcy on behalf of the Company pursuant to the provisions of the *Bankruptcy and Insolvency Act* effective February 1, 2024. MNP Ltd. was appointed as the Licensed Insolvency Trustee of the Bankrupt Estate (the “**Trustee**”), subject to creditor affirmation at the First Meeting of Creditors.

Notice of the Assignment in Bankruptcy and First Meeting of Creditors was sent to all known creditors on February 5, 2024.

ASSETS

The Statement of Affairs filed in the bankruptcy reported Other Property valued at \$1.00. These are the residual funds from Receivership.

PROVABLE CLAIMS

It is the duty of the Trustee to examine and satisfy itself as to the validity and priority of all claims filed in the Estate. As of the date of this report, no proof of claims have been filed with the Trustee.

	Statement of Affairs	Filed
Secured creditors	Nil	Nil
Preferred creditors	Nil	Nil
Unsecured creditors	2,156,322.00	Nil
Total	<u>\$2,156,322.00</u>	<u>Nil</u>

SECURED CREDITORS

According to a British Columbia Personal Property Registry search performed on December 18, 2023, Royal Bank of Canada (“**RBC**”) and Fisgard Asset Management Corporation (“**Fisgard**”) have registered security interests against the Company’s assets.

RBC

RBC has general security agreement over all the Company’s present personal property. RBC also holds a mortgage on the Company’s Real Property. As of the date of this report, RBC has not submitted a proof of claim.

Other Mortgages

We also note that a search of the New Westminster Land Titles Office reports mortgages on the Real Property held by Hera Investment Funds Inc., Arash Rahimifard & Gity Rahimifard, and Andrew Rafuse & Nathalie Laigneau-Rafuse.

Fisgard

Fisgard’s security interest relates to a real property development in Victoria, BC to which LAH Holdings has an equity interest in. As of the date of this report, Fisgard has not submitted a proof of claim.

Claims of Wage Earners

Pursuant to Section 81.3(1) of the BIA, claims of employees who are owed wages, vacation pay, and other compensation for services rendered in the six-month period preceding the Date of

Bankruptcy are secured, to the extent of \$2,000, by security over the Company’s assets (Other Property).

There were no wage earners that qualified under the Wage Earners Protection Program (“WEPP”)

PREFERRED CREDITORS

There are no preferred creditors noted.

UNSECURED CREDITORS

The Statement of Affairs reports total unsecured creditors of \$2,156,322. Ultimately the amounts owing to the unsecured creditors will be based on proofs of claim filed by the creditors and admitted by the Trustee.

SALE OF ASSETS

The Company’s assets are being sold through the Receivership proceedings. The real property is listed for sale with Colliers International and the Receiver is in the process of evaluating the value of its equity interest in the property development in Victoria, BC.

OTHER MATTERS

Books and Records

The Trustee is in possession of certain books and records at the date of bankruptcy that were provided by the Company.

Legal Proceedings

The Trustee has not commenced any legal proceedings at the date of this report.

Conservatory and Protective Measures

At the outset of the Receivership proceedings, MNP changed the locks at the Company’s premises to secure the Company’s assets.

Preferences, and Transactions at Under Value

The Trustee will undertake a review of the Company’s books and records preceding the date of bankruptcy in order to ascertain whether or not any preferential payments and/or reviewable transactions have occurred within the last three months or, where related parties are involved, within the last twelve months.

Directive 16 Third-Party Deposits and Guarantees

It is agreed by RBC that the costs of administering the bankruptcy will be paid in priority to the security held by RBC.

ESTIMATED REALIZATION

The Trustee does not expect to realize any proceeds for the benefit of the unsecured creditors.

All dividends payable by the Trustee to creditors are subject to a 5% levy payable to the Office of the Superintendent of Bankruptcy.

This concludes the Trustee’s Preliminary Report to Creditors.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of February, 2024.

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
of the Bankrupt Estate of
LAH Holdings Ltd.
and not in its personal capacity



Greg Ibbott, CPA, CA, CIRP, LIT
Senior Vice President