

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
Unifab Industries Ltd.

ORDINARY ADMINISTRATION

TRUSTEE'S AMENDED PRELIMINARY REPORT TO CREDITORS

BACKGROUND

On July 17, 2023, MNP Ltd. was appointed as Receiver and Manager of Unifab Industries Ltd. (“Unifab” or the “Company”) pursuant to an Order of the Supreme Court of British Columbia (the “Court”).

Unifab is a provincially registered corporation that provided steel fabrication services with its registered office listed as 6050 2nd Street, Grand Forks, British Columbia. A corporate records search performed by MNP Ltd. on August 10, 2023 indicated that Kevin Dowkes (“Mr. Dowkes” or the “Director”) is the Company’s sole director.

ASSIGNMENT IN BANKRUPTCY

On December 20, 2023, MNP Ltd. in its capacity as court-appointed receiver (the “Receiver”) of Unifab assigned the Company into bankruptcy and 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 December 21, 2023.

ASSETS

As outlined on the Statement of Affairs filed in the bankruptcy, the Company’s only asset is surplus proceeds from the receivership proceeding, if any.

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, eight proofs of claim have been submitted to the Trustee.

	Statement of Affairs	Filed
Secured creditors	\$ 2,473,342.13	Nil
Preferred creditors	Nil	Nil
Unsecured creditors	3,790,478.58	587,773.80
Total	<u>\$ 6,263,820.71</u>	<u>\$587,773.80</u>

As at the date of this report, there have been no significant differences between the claims listed on the Statement of Affairs and the claims filed to date with the Trustee.

SECURED CREDITORS

According to a BC Personal Property Registry search pulled on January 8, 2024, the following parties have security registrations against various Unifab assets:

Business Development Bank of Canada (“BDC”)

BDC has a secured claim over all of Unifab’s present and after acquired personal property and an uncrystallized floating charge on real property.

Meridian Onecap Credit Corp. (“Meridian”)

Meridian has a secured claim over all of Unifab’s digital systems, scanners, copier, faxes, printers, and all accessories and attachments.

Bank of Montreal (“BMO”)

BMO has a secured claim over motor vehicle 2019 PYTHONX PX2 400-480V/ with serial number 1926-393. BMO also has a general collateral over all present and after acquired personal property, other than consumer goods, and a floating charge on land.

CWB National Leasing Inc. (“CWB”)

CWB has vehicle collateral over 2022 Handy/HVSB72 with serial number VSB220225143 and 2002 Cat/950G with serial number CAT0950GH2JS01774.

CWB also has a general collateral over all construction equipment, generator set, air compressor and step deck trailer, and all 96 in class 3 fork tines, cat wheel loader attachment, and 96 in Q/C fits cat 966F forks.

Valiant Financial Services Inc. (“Valiant”)

Valiant has a secured claim over motor vehicle 2019 SNORKEL/S3219E with serial number S3219E-04-190107240.

Valiant also has a general collateral over all scissor lifts and related equipment.

Wells Fargo Equipment Finance Company (“Wells Fargo”)

Wells Fargo has a general collateral over two motor vehicles – 2006 Ford/F-550 XL Crew Cab Service Truck with serial number – 1FDAW56Y96ED84204 and 207 Ford/ F-550 XL Crew Cab Utility Truck with serial number – 1FDAW57P37EA50936, and all proceeds derived from dealing with the collateral.

UNSECURED CREDITORS

The Statement of Affairs reports total unsecured creditors of \$3,790,478.58. Ultimately the amounts owing to the unsecured creditors will be based on proofs of claim filed by the creditors and admitted by the Trustee.

OTHER MATTERS

Books and Records

The Receiver is in possession of the books and records of the Company. The Statement of Affairs was prepared by the Trustee based upon information obtained in the Company’s books and records.

Legal Proceedings

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

Preferences, and Transactions at Under Value

The Trustee has undertaken a review 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. The Trustee’s review of certain transactions is ongoing but has not identified any improper transactions thus far.

Directive 16 Third-Party Deposits and Guarantees

BMO, the primary secured lender, has guaranteed the fees of the Trustee.

ESTIMATED REALIZATION

All assets of Unifab were realized through the receivership proceedings. As such, the only asset that may become available to creditors in the bankruptcy proceedings is surplus proceeds from the receivership, if any. At this time, the Trustee does not anticipate there will be any surplus proceeds for unsecured creditors.

Further information with respect to these proceedings will be made available on the Trustee’s website at [Unifab Industries Ltd | MNP LTD \(mnpdebt.ca\)](https://www.unifabindustries.com/en/insolvency/mnp-ltd).

This concludes the Trustee’s Preliminary Report to Creditors.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of January, 2024.

MNP Ltd.

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



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