

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

**Division No. :** 01 – Newfoundland and Labrador  
**Court No. :** 21225  
**Estate No.:** 51-2233577

**IN THE MATTER OF THE BANKRUPTCY OF:**

**SKYMARK CONTRACTING LTD.**

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

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**SECTION A History**

- SkyMark Contracting Ltd. (the "Company"), founded in May 2002, was a member of Skymark 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 March 28, 2017, 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*.
  - On April 10, 2017, the Company was deemed bankrupt pursuant to the non-filing of a cash-flow statement.
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**SECTION B      Assets**

Description	Estimated realization value (as of the date of bankruptcy) (\$)	Notes
Cash in bank	1,519	
Building and land	150,000	1
Other receivables	298,454	2
Dividend from liquidation of 10804 NF Ltd.	500,000	3

**Note 1 :** Property situated on Tolt Road having a market value of \$150,000, subject to a mortgage held by Moskovitz Capital.

**Note 2 :** Various holdbacks and deposits. The Trustee estimates that the realizable value of these assets will be \$298,454.

**Note 3 :** This amount represents the dividend available to the Debtor company pursuant to the liquidation of the assets of 10804 NF Ltd.

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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
	(\$)	(\$)
Preferred creditors	-	-
Secured creditors	150,000	-
Unsecured creditors	2,943,965	270,858
Employee-creditors (termination notice)	-	-
Government priority claim	-	-

**SECTION F Secured claims**

Name of secured lender	Estimated claim	Nature of lien
	(\$)	
<ul style="list-style-type: none"> <li>Moskowitz Capital</li> </ul>	150,000	1 <sup>st</sup> ranking hypothec on property located at Tolt Road

**SECTION G Anticipated realization and projected dividend**

- The Trustee estimates that funds between \$700,000 and \$750,000 will be available for the unsecured creditors having filed a valid proof of claim.

**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.

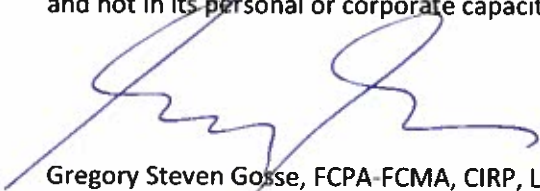
**SECTION I      Other subjects**

- The Trustee published the notice of bankruptcy in Telegram, on April 26, 2017.

**SIGNED AT MOUNT PEARL, this 28<sup>th</sup> day of April 2017.**

**MNP Ltd.**

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



Gregory Steven Gosse, FCPA-FCMA, CIRP, LIT  
Vice-President