

**JUDICIAL TRUSTEE'S SIXTH REPORT TO THE INVESTORS
MARCH 25, 2022**

**IN THE MATTER OF THE JUDICIAL TRUSTEE APPOINTMENT OF
WESTPOINT INVESTMENT TRUST**

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Exhibits

1. Statement of Receipts and Disbursements for the period March 8, 2019 to March 25, 2022

Introduction

1. On March 8, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Judicial Trustee Order") appointing BDO Canada Limited as a Judicial Trustee ("BDO" or the "Trustee") in respect of Westpoint Investment Trust, ("WIT" or the "Trust"), pursuant to an application made on behalf of WIT, by Munir Virani and Marnie Kiel ("Former Trustees").
2. Copies of relevant documents in the Judicial Trustee proceedings are available on the Trustee website at <http://www.extranets.bdo.ca/WestpointInvestmentTrust/>
3. In addition to the above Judicial Trustee Order, the Court also granted an Interim Receiver Order (the "Interim Receiver Order") appointing BDO as Interim Receiver of Westpoint Capital Corporation ("WCC"), Westpoint Capital Management Corporation ("WCMC"), Westpoint Capital Services Corporation ("WCSC"), Westpoint Syndicated Mortgage Corporation ("WSMC"), Canadian Property Direct Corporation ("CPDC"), Westpoint Master Limited Partnership ("WMLP"), River's Crossing Ltd. ("RCL"), 1897849 Alberta, Ltd. ("1897849"), 1780384 Alberta Ltd. ("178 AB"), 1897837 Alberta Ltd. ("1897837"), (collectively the "Companies").
4. On April 10, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Order") appointing BDO Canada Limited as Receiver ("BDO" or the "Receiver") of the Companies.
5. On May 30, 2019, the Court of Queen's Bench of Alberta (the "Court") granted a further Order, consented to by the sole director of The Village at Paldi Ent. Ltd. ("Paldi"), amending the Receivership Order to add Paldi as a party respondent in these proceedings, and to extend the terms of the Receivership Order to include Paldi as a party in receivership.
6. Copies of relevant documents in the interim receivership and receivership proceedings are available on the Receiver's website at <http://www.extranets.bdo.ca/WCC ET. AL.>

7. BDO believes it was important to communicate essential information regarding the investors' interest in WIT on a semi-annual basis. The Sixth Report to the Investors ("Investors Report"), will provide the investors with the following information:
 - a) Trustee's activities since its last report;
 - b) Status of the various investments made by WIT;
 - c) Receipts and disbursements to date; and
 - d) Steps to conclude the Receivership and wrap up WIT.

8. Investors should read this Report in conjunction with all other investors' reports and all information available on <http://www.extranets.bdo.ca/WCC ET. AL>.

Disclaimer and Limitations of the Report

9. This Investors Report has been prepared by BDO to provide the investors with the information as outlined above. In preparing this Investors Report, the Trustee necessarily relied upon unaudited financial statements and other information supplied and representations made to the Trustee by various parties. Although the information supplied has been reviewed for reasonableness, we have not independently verified the accuracy or completeness of the information, nor have we conducted an audit and, as a result, we are not providing any form of assurance of the information subject to our review. Our work may not necessarily disclose all significant matters about WIT or any errors, misstatements, irregularities, or illegal acts, if any such exist, on the part of WIT, or its former Trustees, or the officers, directors, employees and advisors of the Companies or in the underlying information. Accordingly, the Trustee may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Investors' Report.

10. The Trustee assumes no responsibility or liability for any loss or damage incurred by any party because of the Investors Report's circulation, publication, reproduction, or use. Any use that any party makes of this Report, or any reliance on or decision to be made based on it is such party's responsibility.

Trustee's Activities Since its Fifth Report

11. The Trustee has taken several steps to secure the various properties foreclosed on by WCC, deal with several litigation matters, and obtain appraisals on the properties.
12. WIT is a trust, and WIT made its investments through various corporate entities. Although the companies hold legal title to the various assets, the beneficial interest in those assets remains with WIT.
13. The Companies have three main categories of assets. First, the majority of the assets are mortgages. Second, there are also interests in various properties deriving from mortgage enforcement proceedings. Lastly, there are numerous lawsuits, which have been initiated by WCC, which are not assets per se but could result in generating potential proceeds, if successful.
14. The assets are summarized in the table below, with the estimated recovery amount for each asset. Actual recovery may vary substantially from the estimated amount.

Type of asset (mortgage, land, lawsuit)	Location	Recovery as Estimated by WIT's Former Trustees	Recovery to date
Mortgage	Calgary	\$224,573	\$19,000
Mortgage	Beaumont	56,073	65,800
Mortgage	Edmonton	1,250,000	55,000
Mortgage	Edmonton	200,960	6,000
Mortgage	Salmon Arm	7,584,934	500,000
Mortgage	Penticton	300,000	336,000
Property	Cranbrook - 240 Shadow	159,000	50,000
Property	Cranbrook - 112 Purcell	250,000	128,000
Property	Cranbrook - River's Crossing Land	1,946,473	nil
Property	Drumheller	975,000	182,000
Property	Bruderheim	3,336,888	3,410,000
Property	Wandering River	2,000,000	825,000
Property	Village at Paldi	500,000	354,500
Litigation	Alberta	1,400,000	1,550,000

Litigation - Paldi	British Columbia	Unknown	725,000
Litigation -	British Columbia	Unknown	Ceased
Total		\$20,083,901	\$8,206,300

15. Please note that the former Trustees provided the foregoing estimated recovery numbers to the Trustee, and the Trustee has not independently verified the accuracy or the reasonableness of these estimates. Notwithstanding anything contained in this Report, the Trustee does not suggest that these numbers represent the expected recoveries. The Trustee makes no representations regarding any amounts that the Trustee may realize on any assets.

Mortgages

Mortgage - Beach Grove Properties

16. This litigation, as set out in previous reports, involved a foreclosure proceeding on the property; a counterclaim by the principle of the debtor filed against WCC.
17. On October 29, 2020, the Receiver paid three years of outstanding property taxes for this property, totaling approximately \$35,000. The Receiver paid these property taxes to avoid the British Columbia Government from selling property to recover the unpaid property taxes.
18. On October 12, 2020, the Receiver engaged Colliers Strategy & Consulting Inc. ("Colliers") to perform a development feasibility analysis on the Beach Grove Properties. Based on the analysis, the property was deemed to have a value of approximately \$137,000. A copy of the Colliers' report is attached as exhibit 5 to the Receiver's Seventh Report.
19. The Receiver and Beach Grove reached a settlement resulting in the Receiver receiving \$500,000 for the release of the mortgage and discontinuance of the action.

Properties

Bruderheim, AB

20. The sale of the property is now complete.

Litigation

Berry Homes Ltd. and Performance Paving Services Inc.

21. This matter has now been settled between the three parties claiming an interest in the funds. As a result, the Receiver received approximately \$1,550,000 or approximately 91% of the total funds in Court.

Receipts and Disbursements

22. The statement of receipts and disbursements from March 8, 2019 to March 25, 2022, is attached as Exhibit 1. The Receiver currently has \$4,888,453 for the payment of investors and creditors.

Next Steps

23. The Receiver will be making a Court application on April 18, 2022, at 2pm to deal with the approval of the various steps taken by the Receiver, direction on how the funds are paid to unsecured creditors and payment of the remaining funds to WIT.

24. Once the funds are moved into WIT, the Trustee will be applying for advice and direction for how the funds should be distributed to the investors of WIT and any unsecured creditors.

BDO Canada Limited
Statement of Receipts and Disbursements For
Westpoint Capital Corporation et al.
For the period of March 8, 2019 to March 25, 2022

Receipts	
Sale of land	\$ 11,844,873
Settlement	2,776,398
Loan	500,000
Mortgage repayment	130,167
Cash on hand	62,232
GST refund	51,518
Rental income	50,774
GST collected	38,202
Sewer Hauling contract	31,750
Return of retainer	32,409
Sale of vehicle	10,010
Investments	6,556
Interest Income	4,824
Insurance refund	3,906
Refund	974
Sale of office furniture	500
	<u>15,545,093</u>

Disbursements	
Payment to secured creditor	5,795,730
Legal fees	1,123,159
Receiver fees	1,086,335
Real property taxes	587,358
Repayment of loan	500,000
Transfer to Westpoint Investment Trust	250,000
Strata fees	222,816
Consulting fees	202,131
Wages	174,139
GST/PST paid	147,091
Loan payments	135,305
Commission	116,265
Insurance	83,570
Appraisal fees	68,935
Construction	60,756
Payroll deductions	20,193
Utilities	18,968
Repairs and maintenance	11,765
Miscellaneous	10,993
Stock taking and possession	9,804
Advertising	9,032
WEPPA Remittance	5,990
Occupation rent	4,000
Deemed trust claim	3,479
Computer services	3,015
Site clean up	1,665
Office expenses	1,484
Redirection of mail	1,300
Bank Fees	581
Storage	567
Filing fees paid to the Official Receiver	70
Photocopies	34
Search fee	10
	<u>10,656,640</u>

\$ 4,888,453