



Estate No. 11-293777  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF  
ICC (WESTERN) CONSTRUCTION LTD.

ORDINARY ADMINISTRATION

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

**BACKGROUND**

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

A search of the British Columbia Corporate Registry Performed on April 11, 2023 indicated that Company’s sole director is Eldon Ortlieb (the “**Director**”). The Company operated as a construction contractor specializing in non residential projects, primarily being the construction of industrial buildings and warehouses.

**ASSIGNMENT IN BANKRUPTCY**

The Company incurred net losses for the year ended November 30, 2021, which continued into Fiscal 2022. The Company’s director explored options for external investment and to sell the business as a going concern but none of these preliminary discussions materialized. The Company made a voluntary assignment in bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act* effective April 17, 2023. 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 April 21, 2023.

**ASSETS**

According to the Statement of Affairs filed in the bankruptcy, the Company’s assets include:

### Statement of Affairs

Accounts Receivable	10,000.00
Cash	10,000.00
Machinery & Equipment	20,000.00
Vehicles	<u>10,001.00</u>
	<u>50,001.00</u>

#### Accounts Receivable

The Trustee is in the process of reviewing the Company’s accounts receivable and will be issuing demands to each of the outstanding accounts in the coming days. At this time the realization from accounts receivable is unknown.

#### Cash in Bank

The cash in bank reported on the Statement of Affairs represents the estimated cash balance as of the date of bankruptcy. The Trustee has contacted the Royal Bank of Canada and Blue Shore Financial to request that the accounts be frozen and that the funds in the account be forwarded to the Trustee.

#### Machinery & Equipment

The value reported on the Company’s Statement of Affairs for machinery and equipment includes sea cans which are located at various job sites and office trailers. Subsequent to the bankruptcy, the Director provided information to confirm that the office trailer is owned by a related company, Integrated Construction Concepts Ltd., which is not subject to these bankruptcy proceedings. The Trustee is reviewing whether or not the sea cans are owned Integrated Construction Concepts Ltd.

#### Vehicles

The value reported on the Statement of Affairs for vehicles relates to two trucks and a trailer. The director provided documentation to confirm that the registered owner of both trucks is Integrated Construction Concepts Ltd. The Trustee does not expect any realization for the bankrupt estate from these assets as they are not owned by ICC (Western) Construction Ltd.

## 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, twenty-nine proofs of claim have been filed with the Trustee and represents \$1,281,919.90 in total creditor claims.

	<b>Statement of Affairs</b>	<b>Filed</b>
Secured creditors	\$50,002.00	\$31,108.00
Preferred creditors	Nil	Nil
Unsecured creditors	\$8,219,284.49	\$1,250,811.90
Total	<u>\$8,269,286.49</u>	<u>\$1,281,919.90</u>

There were not any significant differences between the claims filed and claims listed on the Statement of Affairs.

## SECURED CREDITORS

According to a British Columbia Personal Property Registry search performed on April 11, 2023, Britco Boxx Limited Partnership has a registered security interest in a 2018 trailer. As of the date of this report, Britco Boxx Limited Partnership has not submitted a proof of claim.

### *Canada Revenue Agency (“CRA”)*

CRA has a “deemed trust” claim or property claim equal to the amount of payroll deductions withheld from employees’ compensation and not remitted to CRA. This claim comes in priority to the claims of all other creditors. The Trustee reviewed a CRA statement of account which indicated that as of March 21, 2023, ICC was in arrears with regards to payroll remittances in the amount of \$582,324.68.

Any debt owing to CRA for unremitted goods and service tax at the date of bankruptcy will rank as a general, unsecured claim.

To date, a proof of claim has not been received from CRA in relation to the unremitted payroll source deductions. The Trustee will engage in correspondence with CRA for the purpose of confirming the deemed trust amounts owing to CRA.

### *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 current assets (cash, accounts receivable and inventory).



The Directors provided information regarding amounts owing to employees as of the date of bankruptcy. The Trustee provided notice regarding the Wage Earners Protection Program (“WEPP”) to all employees, and the Trustee is in the process of administering the claims of employees through WEPP.

The estimated priority claim for wages and compensation is estimated to be \$46,752.32.

## **PREFERRED CREDITORS**

### *Employees*

Employees are afforded a priority for wages and compensation that are not paid by virtue of Section 81 of the BIA. Claims of employees that relate to the period more than six months preceding the date of bankruptcy are general, unsecured claims and will share ratably with the claims of other creditors. As reported, we do not anticipate receiving priority claims from employees for unpaid compensation over and above their claims through WEPP.

### *Landlords*

Landlords are afforded a priority for unpaid rent for a period of three months immediately preceding the bankruptcy and accelerated rent for a period not exceeding three months following the bankruptcy if entitled to accelerated rent under the lease. The Trustee does not expect any priority claims in relation to unpaid rent.

## **UNSECURED CREDITORS**

The Statement of Affairs reports total unsecured creditors of \$8,219,284.49. 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 Trustee will continue to review the costs and estimated realization related to the Company's equipment, will collect the funds in the Company's bank accounts and will issue demand letters to collect the outstanding accounts receivable.

## **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***

The Trustee did not take possession of the Company’s leased premises or the sea cans on various job sites.

### ***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***

Marksman Holdings Ltd. provided the Trustee with a retainer in the amount of \$52,500 to be used for the Trustee’s professional fees.

### **ESTIMATED REALIZATION**

The only expected realizations will be from the collection of accounts receivable and from the potential sale of sea cans, if determined to be owned by ICC and if determined to be a net benefit for the estate. The total recovery from accounts receivable and equipment is unknown at this time.

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 3rd day of May, 2022.

### **MNP Ltd.**

In its capacity as Licensed Insolvency Trustee  
of the Bankrupt Estate of  
ICC (Western) Construction Ltd.  
and not in its personal capacity



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