

THE KING'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3 AS AMENDED, AND SECTION 55 OF *THE COURT OF KING'S BENCH ACT*, C.C.S.M. c. C280

BETWEEN:

PEOPLES TRUST COMPANY,

Applicant,

-and-

BOKHARI DEVELOPMENT INC.,

Respondent.

**THIRD REPORT OF KPMG INC.
In its capacity as Receiver and Manager**

January 23, 2025

**RECEIVER
KPMG INC.**

333 Bay Street, Suite 4600
Toronto, Ontario M5H 2S5
KATHERINE FORBES
Phone: (416) 777-8107

**COUNSEL TO THE RECEIVER
MLT AIKINS LLP**

Barristers and Solicitors
30th Floor – 360 Main Street
Winnipeg, MB R3G 4G1
J.J. BURNELL / ANJALI SANDHU
Phone: (204) 957-4663 / (204) 957-4760

TABLE OF CONTENTS

I. INTRODUCTION.....	1
II. PURPOSE OF REPORT.....	3
III. QUALIFICATIONS & TERMS OF REFERENCE	3
IV. BACKGROUND	4
V. UNRESOLVED PROPERTY CLAIMS UPDATE	6
VI. RECEIVER’S CONCLUSION AND RECOMMENDATION	16

APPENDICES

APPENDIX “A” – January 11, 2024 Correspondence from the Receiver to D’Arcy & Deacon LLP

APPENDIX “B” – Receiver’s Analysis of the Gateway Claim

APPENDIX “C” – January 14, 2025 Correspondence from MLT Aikins LLP to D’Arcy & Deacon LLP

APPENDIX “D” – Gescan Invoice to SLK Contracting Ltd. dated December 21, 2022

I. INTRODUCTION

1. On August 29, 2023 (the “**Receivership Date**”), upon application by Peoples Trust Company (the “**Applicant**”), KPMG Inc. was appointed as receiver and manager (the “**Receiver**”) pursuant to an Order (the “**Receivership Order**”) in Manitoba Court of King’s Bench (the “**Court**”) File No. CI 23-01-42328 under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 55 of *The Court of King's Bench Act*, C.C.S.M. c. C280 without security, of all the assets, undertakings and properties of the Respondent Bokhari Development Inc. (“**BDI**”, or the “**Debtor**”) comprising, located at, arising from, or in any way relating to the property commonly known as 1801-1825 Park Drive in Portage la Prairie, Manitoba (the “**Project Premises**”), including the development of the project (the “**Project**”) located thereon.
2. The Receivership Order provided that the Receiver shall not be deemed to be in possession of the real property located at the Project Premises until such time as the Receiver took care and control of the Project Premises, and that the Receiver may elect not to go into possession of the Project Premises until satisfied that adequate insurance coverage is in place.
3. On November 14, 2023, the Receiver took possession and control of the Project Premises, and in accordance with the terms of the Receivership Order, the Receiver served notice of same to the service list.
4. On November 16, 2023, the Receiver filed a report (the “**First Report**”) to provide information to the Court in connection with its motion to the Court for the Order dated November 20, 2023 (the “**November 20 Order**”), which among other things included:
 - (a) the activities of the Receiver since its appointment;
 - (b) the engagement of NDC Construction Ltd. as contractor (the “**Contractor**”) for certain construction on the Project (“**Package A**”, as described in the First Report);
 - (c) the professional fees and disbursements of the Receiver and the Receiver’s counsel, MLT Aikins LLP (the “**Receiver’s Counsel**”) for the period up to and including October 29, 2023, and October 31, 2023, respectively; and
 - (d) amending the Receivership Order to include the legal description and status of title number of the Project Premises to allow the Receiver’s Counsel to properly register a notice of the Receiver’s appointment with the Manitoba Land Titles Registry.

5. On November 27, 2024, the Receiver filed a report (the “**Second Report**”) to provide information to the Court in connection with its motion to the Court for the Order dated December 2, 2024 (the “**December 2 Order**”), which among other things:
- (a) approved the following:
 - (i) the Receiver’s proposed sale process in respect of the Project (the “**Sale Process**”) and Broker Engagement Letter (as defined in the Second Report);
 - (ii) the Receiver’s interim statement of receipts and disbursements for the period from the Receivership Date to and including November 15, 2024;
 - (iii) the fees and disbursements of the Receiver and the Receiver’s Counsel for the period up to and including October 30, 2023 to September 30, 2024, and those of the Receiver’s Counsel, from November 1, 2023 to October 26, 2024; and
 - (iv) sealing of the confidential appendices to the Second Report, until further order of the Court.
 - (b) set a Claims Bar Deadline (as defined in the December 2 Order) of January 6, 2025 for:
 - (i) each of 6332189 Manitoba Ltd. (“**Gateway**”) and SLK Contracting Ltd. (“**SLK**”) to prove the Unresolved Property Claims (as defined in the Second Report); and
 - (ii) Gateway to, in addition to proving its claim: (i) provide a joint direction executed by both Karampaul Sandhu (“**Mr. Sandhu**”) and Russell Sawatzky (“**Mr. Sawatzky**”) specifying the individual to whom the Receiver is to release the property; or (ii) provide to the Receiver a certified copy of a Court Order which determines the ownership of Gateway.
 - (c) declared that, in the event that Gateway and/or SLK dispute the Receiver’s determination of the Unresolved Property Claims, they shall have until January 13, 2025 (the “**Dispute Deadline**”) to file a motion, together with supporting evidence in these Proceedings, failing which the subject Materials and Equipment (as defined in the Second Report) shall be Property under the Receivership Order and the Receiver shall be free to deal with the Materials and Equipment in accordance with the powers granted to it by the Orders of this Honourable Court.

6. Electronic copies of the First Report, the Second Report, and this third report of the Receiver (the “**Third Report**”) and other Court materials and documents in connection with these Receivership proceedings (the “**Proceedings**”) are available on the Receiver’s website at <https://home.kpmg/ca/BokhariDevelopment> (the “**Receiver’s Website**”).

II. PURPOSE OF REPORT

7. The purpose of this Third Report is to provide this Honourable Court with information pertaining to:
 - (a) the status of the Unresolved Property Claims;
 - (b) the Gateway Motion (as defined herein);
 - (c) the SLK Motion (as defined herein); and
 - (d) the Receiver’s conclusions and recommendations.
8. This Third Report should be read in conjunction with the Second Report, as further background on the Unresolved Property Claims provided in the Second Report is not repeated in its entirety herein. Capitalized terms used but not defined in this report are as defined in the Second Report.

III. QUALIFICATIONS & TERMS OF REFERENCE

9. In preparing this Third Report and making the comments herein, the Receiver has been provided with, or has relied upon certain unaudited, draft, and/or internal financial information, the Debtor’s records and financial information and information from other third-party sources (collectively, the “**Information**”). The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
10. Some of the information referred to in this Third Report consists of financial forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

11. Certain Information referred to in this Third Report is based on estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and as a consequence no assurance can be provided regarding the forecasted or projected results. The reader is cautioned that the actual results will likely vary from the forecasts or projections, even if the assumptions materialize, and the variations could be significant.
12. The Receiver has prepared this Third Report in connection with the motion made by Gateway, scheduled to be heard by the Court on January 30, 2025 (the “**Gateway Motion**”) and the subsequent motion made by SLK to heard on the same date (the “**SLK Motion**”). This Third Report should not be relied on for other purposes, except for those expressly specified by the Receiver, if any.
13. The information contained in this Third Report is not intended to be relied upon by any prospective purchaser in any transaction with the Receiver.
14. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. BACKGROUND

15. As noted above, the December 2 Order set a Claims Bar Deadline of January 6, 2025, by which time Gateway and SLK were required to prove their respective Unresolved Property Claims, and a Dispute Deadline of January 13, 2025 in which to bring the dispute to this Court’s attention. The foregoing deadlines were set to, *inter alia*, have said dispute resolved prior to the Initial Bid Deadline in the Sale Process, being January 17, 2025.
16. The Claims Deadline was set to provide either Claimant with a final opportunity to prove their claims, and to definitively determine the Unresolved Gateway Property Claim (as defined in the Second Report and herein) and the SLK Property Claim ahead of the Initial Bid Deadline to provide clarity on the Materials and Equipment which constitute Property and could be marketed and sold as part of the Project, and to assist the Receiver in completing the administration of these property claims. The December 2 Order was granted following extensive communication with Gateway and SLK over a protracted timeframe of approximately 12 months, attempting to resolve the Unresolved Property Claims.

17. As noted in the Second Report, the Receiver understands that prior to the Receivership Date, Gateway, as former general contractor, SLK as electrical subcontractor, and certain subcontractors performed work on the Project.
18. Also as detailed in the Second Report, the Receiver and the Receiver's Counsel understand that the ownership of Gateway is in dispute, as between Mr. Sandhu and Mr. Sawatzky.
19. The Gateway Motion dated December 31, 2024, was filed with the Court on January 9, 2025 by D'Arcy & Deacon LLP ("**Gateway's Counsel**" or "**D'Arcy and Deacon**"), on behalf of Gateway, and included an affidavit sworn by Mr. Sandhu on December 9, 2024 (the "**Sandhu Affidavit**"), some 22 days prior to providing to the Receiver.
20. The Gateway Motion is requesting an order:
 - (a) granting the recovery and possession by Gateway of certain property purported to owned by Gateway, including certain of the Materials and Equipment and certain other property purported to be in the possession of BDI or the Receiver;
 - (b) authorizing Gateway entry on Project Premises, or any other location where the property might be located, for the purpose of searching for and seizing the claimed property; and
 - (c) in the alternative, an interim prohibitive injunction preventing BDI or the Receiver from selling or otherwise disposing of or taking any further action in respect of the property purported to be owned by Gateway pending final determination of these issues.
21. Consistent with the Second Report, as at the date of this Third Report, the Receiver is still not aware of any agreement or Court Order determining the ownership of Gateway as between Mr. Sawatzky and Mr. Sandhu or determining ownership of property that was left at the Project Premises.
22. As detailed later in this Third Report, on January 10, 2025, SLK filed a motion with the Court requesting an order in favour of its property claim, on similar terms to that requested by Gateway in the Gateway Motion.

V. UNRESOLVED PROPERTY CLAIMS UPDATE

Unresolved Property Claims

23. Detailed in the Second Report is the Receiver’s analysis in respect of the Unresolved Property Claims, and the basis for the need to determine the claims definitively. For ease of reference, certain details of its assessment are repeated herein.
24. As noted in the Second Report, the Receiver and the Receiver’s Counsel had various correspondence and telephone calls with representatives of Gateway and Gateway’s counsel on the Gateway Claim, including facilitating the return of certain of Gateway’s property where ownership was proven (as detailed below). On January 11, 2024, the Receiver wrote to Gateway's Counsel (the “**January 2024 Correspondence**”, a copy of which is attached hereto as **Appendix “A”**) to summarize its assessment of each resolved or unresolved item of the Gateway Claim made in its letter to the Receiver dated September 14, 2023 (the “**Letter**”). This included requesting supporting documentation where substantiation was missing or unclear. Listed below are each of the components of the Gateway Claim pursuant to the Letter, and the Receiver’s assessment of same:

Resolved Claims

- (a) A generator was included in the Gateway Claim, and was purported to be older equipment from prior jobs with no associated invoices to prove ownership. The generator was not included in the Materials and Equipment, and the Receiver was unable to locate any generator at the Project Premises.
- (b) The Gateway Claim also included a claim for a security camera (the “**Installed Security Camera**”) on the Project Premises, however the invoices provided indicate that the security cameras were installed on the Project, and the Receiver advised of such in the January 2024 Correspondence. As such, in the Receiver’s view, while the claim for the security camera may constitute a lien claim if unpaid, it is not a property claim, and as such, the Receiver has not requested supporting evidence to prove that the invoices were unpaid. In the Receiver’s view, the claim for the Installed Security Camera is resolved from a property claim perspective.
- (c) The Gateway Claim also included one (1) diesel boom lift, for which Gateway’s ownership was ultimately proven and the asset was retrieved by a representative of Gateway.

Unresolved Claims

(d) Shipping Containers and Other Equipment:

- (i) As noted in the Second Report, five (5) shipping containers were initially included in the Gateway Claim. Upon the Receiver's appointment, there were five (5) shipping containers and one trailer at the Project Premises which formed part of the Materials and Equipment. In the Letter, invoices were provided for three (3) shipping containers, and two (2) containers were purported to be owned by Gateway from prior jobs and hence no associated invoices were available.
- (ii) The supporting documentation provided in the Letter was sufficient to prove Gateway's ownership of one (1) shipping container (the "**Proven Container**"), however there was either insufficient documentation provided, or documentation did not match the details of the shipping containers at the Project Premises, and as a result the ownership of the remaining four (4) containers was not substantiated. The Receiver advised Gateway's Counsel of the foregoing in the January 2024 Correspondence, including that the Receiver would provide access for Gateway to retrieve the Proven Container, but that as the ownership of the contents of that container had not been proven (see later subparagraph), the Proven Container would be emptied of its contents prior to retrieval. As at the date of the Second Report, Gateway has not retrieved the Proven Container.
- (iii) Further as noted in the Second Report, since the date of the January 2024 Correspondence, another Claimant, unrelated to Gateway, substantiated their ownership to one of the shipping containers claimed to be owned by Gateway and that container was retrieved prior to the date of the Second Report and the issuance of the December 2 Order.
- (iv) As at the date of this Third Report, other than Gateway (whose ownership appears to remain in dispute), no other parties have claimed ownership of the remaining three (3) containers (the "**Unresolved Containers**"). According to the Sandhu Affidavit, only two of the Unresolved Containers are being claimed by Gateway, however as noted to Gateway in the January 2024 Correspondence, the invoices provided in support of the containers do not match the details of the containers in the possession of the Receiver.

- (v) Three (3) gas heaters were initially included in the Gateway Claim (the “**Gas Heaters**”) and claimed by Gateway, pursuant to the Letter, to be older equipment from prior jobs with no associated invoices to prove ownership. The Receiver had inventoried three gas heaters in the Materials and Equipment, however noted that each has a distinct United Rentals barcode. In the January 2024 Correspondence, the Receiver asked Gateway to provide sufficient supporting documentation to determine the ownership of the heaters. As at the date of this Third Report, no supporting documentation has been provided by Gateway, and the Gas Heaters appear to no longer form part of the Gateway Claim as they are not included in the Sandhu Affidavit. No other parties have claimed ownership. During the course of the Proceedings, United Rentals has not contacted the Receiver, and no other parties have provided the Receiver with rental agreements or invoices for the Gas Heaters. The Receiver spoke to representatives of United Rentals on two occasions, in November 2024 and again on December 16, 2024 to request information on the Gas Heaters in its possession, however United Rentals has not provided such information as at the date of this Third Report.
- (vi) As noted in the Second Report, the Gateway Claim also included an invoice for 27 rig mats (the “**Rig Mats**”) purported to be located on the Project Premises. As the Receiver could not identify the Rig Mats based on the invoice, in the January 2024 Correspondence the Receiver requested additional information from Gateway in order to assist in determining if Rig Mats were indeed on the Project Premises. As at the date of this Third Report, no such information has been provided, and accordingly the Receiver has been unable to determine if the Rig Mats are onsite. Further, the date of the Rig Mats invoice is within the Loan Advances Period (as defined in the Second Report, and below).
- (e) Other Materials:
 - (i) As noted in the Second Report, the Gateway Claim included claims for certain plumbing materials, bags of insulation, interior doors, suite entry doors, door hardware, and door closures (the “**Other Materials**”) purported to be located in shipping containers on the Project Premises. Certain invoices were provided in support of claims for these Other Materials, however, in the January 2024 Correspondence, the Receiver advised that where invoices were provided, the

delivery dates for the Other Materials were dated in 2022, and that since advances appear to have been made from the Applicant to the Debtor for costs covering the period through April 30, 2023 (the “**Loan Advances Period**”), the Receiver had insufficient information to substantiate the Other Materials claim. The Receiver requested copies of invoice(s) presented to the Debtor related to the Other Materials, reference to the related loan draw, and sufficient information to connect the respective invoices to the Other Materials. The Receiver also advised Gateway’s Counsel that invoices to substantiate a claim to certain other plumbing materials (not itemized) were not provided. As at the date of this Third Report, no further supporting documentation has been provided by Gateway, and no other parties have claimed ownership.

- (ii) As noted in the Second Report, based on the Receiver’s review of BDI’s trust accounting on the Project provided by Knight Law, the last payment made to Gateway received was on May 10, 2023. In total, the trust accounting indicates that Gateway was paid \$14.7 million from September 2021 to May 2023. The Receiver has received copies of what it understands are all of Gateway’s invoices to BDI on the Project, however there are no details on the costs claimed by Gateway in each invoice, despite requests made to BDI and Gateway. Given that the Gateway Claim for the Other Materials remains unsubstantiated, the Receiver has not undertaken a reconciliation of those Other Materials invoices provided by Gateway to the inventory of Materials and Equipment. Further, given the period in which the Other Materials were purchased (during the Loan Advances Period) and the passage of time since the date of the Letter and the January 2024 Correspondence, the Receiver does not anticipate that there is any information forthcoming which could substantiate Gateway’s ownership of the Other Materials.
- (iii) The Gateway Claim also included an invoice for road fabric and a property claim for the uninstalled quantity of road fabric (the “**Uninstalled Fabric**”). The invoice is dated in May 2023, after the Loan Advances Period. The Materials and Equipment inventory includes Uninstalled Fabric at the Project Premises. As noted in the Second Report, the Receiver’s review of the Uninstalled Fabric has not yet concluded. The Receiver anticipates resolving the claim, and for reasons of efficiency has not taken further steps given the extent of unresolved claims by

Gateway. The Receiver further notes that the Uninstalled Fabric is not claimed in the Sandhu Affidavit.

- (f) Electrical and Fire Alarm Materials:
- (i) The Gateway Claim included claims for certain electrical and fire alarm materials purported to be located in shipping containers on the Project Premises (the “**Electrical and Fire Alarm Materials**”). As with the claim for Other Materials, the Receiver identified that all invoices provided by Gateway in support of the Electrical and Fire Alarm Materials were dated in 2022, and the invoices were addressed to SLK whom the Receiver understands performed electrical work on the Project.
 - (ii) As with the Other Materials claim, in the January 2024 Correspondence, the Receiver advised that the dates in the invoices for the Electrical and Fire Alarm Materials were dated in 2022 (prior to the end of the Loan Advances Period), and that the Receiver had insufficient information to substantiate the claim absent proof that SLK had been paid for the invoices and copies of invoice(s) presented to the Debtor related to the Electrical and Fire Alarm Materials, reference to the related loan draw, and sufficient information to connect the respective Gateway invoices to the Electrical and Fire Alarm Materials. Given the limitations in substantiating the Gateway Claim for the Electrical and Fire Alarm Materials, the Receiver has not performed a reconciliation of the invoices provided to the inventory of Materials and Equipment. Further, given the period in which the Other Materials were purchased (during the Loan Advances Period) and the passage of time since the date of the Letter and the January 2024 Correspondence, the Receiver does not anticipate that there is any information forthcoming which could substantiate Gateway’s ownership of the Other Materials.
25. Not included in the Letter, but most recently included in the Sandhu Affidavit is a claim for interior entry doors (the “**Interior Doors**”), supported by invoice number 124675 issued by Rona on January 5, 2023, in the amount of \$229,465.60 including tax (a copy of which is attached at **Appendix “E”** to the Sandhu Affidavit). The Receiver notes that, as with the Other Materials, the Interior Doors invoice was issued within the Loan Advances Period, and likewise there is inadequate proof to substantiate the claim.

26. A table summarizing the Gateway Claim as per the Sandhu Affidavit and the Receiver's position with respect to same (the "**Gateway Claim Analysis**") is attached hereto as **Appendix "B"**.

Status Update since the December 2 Hearing

27. At or around date for the hearing for the December 2 Order, counsels to Gateway and SLK requested copies of an inventory of the Materials and Equipment. The December 2 Order was ultimately issued by the Court on December 16, 2024.
28. On December 11, 2024, the Receiver's Counsel, MLT Aikins, sent a letter to counsels to Gateway and SLK (the "**December 11 Letter**") stating the conditions upon which the Receiver would be prepared to share photographs of the Materials and Equipment (the "**Photos**"), which conditions primarily comprised the following:
- (a) the recipients and their counsel agree to keep the Photos confidential and not distribute them to other parties;
 - (b) the recipients agree to abide by the timelines in the December 2 Order such that any "new" claim to the Property must be made to the Receiver by January 6, 2025;
 - (c) Gateway acknowledges that any new claim by Gateway must be accompanied by either: (1) a joint direction executed by both Mr. Sandhu and Mr. Sawatzky specifying the individual to whom the Receiver is to release any property; or (ii) a certified copy of a Court Order which determines the ownership of Gateway between Mr. Sandhu and Mr. Sawatzky; and
 - (d) Acknowledgment by the recipients that in the event that they dispute the Receiver's determination of any new Property claim, they shall have until January 13, 2025 to file a motion, together with supporting evidence within these Proceedings, as directed in the December 2 Order.
29. The December 2 Order set out the requirements of each of Gateway and SLK to prove their property claims to the Receiver by the Claims Bar Deadline of January 6, 2025. As at the Claims Bar Deadline, neither party had proven their respective property claim.

Gateway

30. Shortly prior to, and shortly following the hearing for the December 2 Order, D’Arcy and Deacon and counsel to Mr. Sawatzky each requested copies of payment certifier reports in respect of the Project from the Receiver. On December 17, 2024, the Receiver’s Counsel sent a letter to the parties (the “**December 17 Letter**”), advising that the Receiver was unaware of any such reports having been prepared for BDI in respect of the Project.
31. The Receiver understands that on December 31, 2024, D’Arcy and Deacon, on behalf of Gateway attempted to file the Gateway Motion with the Registry, returnable January 13, 2025 on the Civil Uncontested Motions List. On January 3, 2025, D’Arcy and Deacon sent correspondence to the Receiver’s Counsel, SLK’s Counsel, and counsel to Mr. Sawatzky advising of its attempt to file the Gateway Motion and that it would be filing the Gateway Motion electronically with the Court. The Receiver understands that on January 9, 2025, the Gateway Motion was ultimately filed and subsequently scheduled for January 30, 2025. On January 23, 2025, the Gateway Motion was served upon the Service List.
32. Following the hearing the December 2 hearing, neither Mr. Sandhu, Mr. Sawatzky, nor their respective counsel attempted to further prove the Gateway Claim to the Receiver or the Receiver’s Counsel and instead filed the Gateway motion.
33. As detailed in the Second Report, on September 14, 2023, D’Arcy & Deacon, on behalf of Gateway, issued a letter to the Receiver that listed various Materials and Equipment purported to be owned by Gateway (the “**Letter**”, a copy of which is attached as **Appendix “E”** to the Second Report). The Letter was accompanied by some supporting documentation. The details of the Receiver’s assessment of the Gateway Claim, including the January 2024 Correspondence from the Receiver to Gateway’s Counsel ultimately summarizing same and requesting additional supporting documentation, are included in the Second Report.
34. The Receiver has reviewed the Sandhu Affidavit and notes that the Sandhu Affidavit does not comprise any additional information or supporting documentation that was not already presented to the Receiver, and further notes that, other than one additional invoice (separately provided to the Receiver in 2023), it does not comprise any additional information or supporting documentation that was not already included in the Letter of September 14, 2023 or before this Honourable Court at the December 2, 2024 hearing when the December 2 Order was pronounced. On January 14, 2025, the Receiver’s Counsel sent correspondence to Gateway’s Counsel advising of same (the

“**January 2025 Correspondence**”, a copy of which is attached hereto as **Appendix “C”**) and requesting the information previously requested in the January 2024 Correspondence.

35. As noted, attached at **Appendix “B”** is the Gateway Claim Analysis, performed by the Receiver on an itemized basis. The Receiver’s position is unchanged from its position described in the Second Report.

Receiver’s Recommendation

36. Gateway has not abided by the terms of the December 2 Order, having made no attempt to prove the Gateway Claim to the Receiver following the issuance of the December 2 Order. Instead, on December 31, 2024, Gateway moved to file the Sandhu Affidavit, dated December 9, 2024, with the Court.
37. The Sandhu Affidavit provides no further proof of claim to resolve the ownership to the Materials and Equipment set out in paragraph 24 (d) through (f) (the “**Unresolved Gateway Property Claim**”).
38. As a result the Receiver maintains its position that the Unresolved Gateway Property Claim was not proven at the Claims Bar Deadline and is not proven as at the date of this Third Report, and requests that the Court grant an order definitively determining it to be Property under the Receivership Order so that the Receiver can move on with the Sale Process and negotiating a transaction, which is intended to include the Materials and Equipment, with a purchaser.

SLK Contracting Ltd

39. Since the issuance of the December 11 Letter and up to January 3, 2025, neither the Receiver nor the Receiver’s Counsel were contacted by SLK or its counsel.
40. On January 3, 2025, representatives of SLK contacted the Receiver to request the Receiver’s inventory listing for the Materials and Equipment. Following confirmation by the legal counsel of SLK, Marr Finlayson Pollock LLP (“**SLK’s Counsel**”) acknowledging the terms of the December 11 Letter, the Photos were provided to SLK and its counsel.
41. Also on January 3, 2025, SLK’s Counsel provided details clarifying the SLK Property Claim, being the materials pursuant to an invoice issued by Gescan to SLK dated December 21, 2022 in the amount of \$144,625.00 plus taxes (the “**Gescan Invoice**”, a copy of which is attached hereto as

Appendix “D”). Further substantiation for the claim followed on January 4, 2025, and January 8, 2025. SLK’s commercial arrangements in respect of the Project were with Gateway. SLK has asserted to the Receiver that the materials in the Gescan Invoice have not been invoiced to Gateway, as is sworn in the Peltonen Affidavit.

42. The Receiver has no further substantiation that SLK did not invoice Gateway for the Gescan Invoice, however it notes that while other SLK invoices (supported by Gescan invoices) are included in the Gateway Claim, the Gescan Invoice does not form part of the Gateway Claim. Further, counsel to Mr. Sawatzky has advised the Receiver’s Counsel that in Mr. Sawatzky’s view, the materials subject to the SLK Property Claim belong to SLK.
43. The Receiver reviewed the information provided in support of the SLK Property Claim which appears to substantiate SLK’s purchase from Gescan and full payment of the Gescan Invoice. Supporting documentation also included certain packing slips which appear to relate to Alarm System Materials sold to Gescan by SI Alarms Ltd. (“**SI**”), and shipped by SI to SLK’s attention at the Project Premises in December 2022 (the “**Packing Slips**”), however the Packing Slips and the Gescan Invoice each lacked information to connect them to each other. On January 9, 2025, the Receiver’s Counsel sent correspondence to SLK’s Counsel requesting further supporting documentation to assist the Receiver in identifying the specific materials to which the Gescan Invoice relates and connecting the Packing Slips to the Gescan Invoice.
44. On January 10, 2025, SLK filed the SLK Motion with the Court dated January 9, 2025, which included an affidavit sworn by Robert Peltonen on January 8, 2025 (together with the supplemental affidavit sworn by Robert Peltonen on January 16, 2025 (the “**Supplemental Peltonen Affidavit**”), the “**Peltonen Affidavit**”). The SLK Motion was for an order, among other things:
 - (a) granting the recovery and possession of the purported Materials and Equipment subject to the SLK Property Claim;
 - (b) authorizing entry on the Project Premises for the purpose of searching for and seizing the Materials and Equipment subject to the SLK Property Claim; and
 - (c) in the alternative, an interim prohibitive injunction preventing the Receiver from selling or otherwise disposing of or taking any further action in respect of the Materials and Equipment subject to the SLK Property Claim, pending final determination of these issues.

45. The Supplemental Peltonen Affidavit includes additional supporting documentation which appears to properly connect the Packing Slips with a Gescan purchase order number 1832485 (the “**Gescan PO**”). The Gescan PO has a similar item description to the Gescan Invoice, however the dollar amounts do not match exactly, and the Gescan Invoice does not reference the Gescan PO. The Supplemental Peltonen Affidavit also includes recent correspondence from SI to SLK attempting to connect the Gescan Invoice with the Gescan PO, but the link is not clearly made.
46. According to the Peltonen Affidavit, the materials pursuant to the Gescan Invoice represent the entire SLK Property Claim against the Materials and Equipment.

Receiver’s Recommendation

47. SLK did not prove the SLK Property Claim by the Claims Bar Deadline. However, the Receiver continued to review and respond to subsequent materials filed in support of the SLK Property Claim following the Claims Bar Deadline, including the SLK Motion materials.
48. As noted above, the link between the Gescan Invoice and the materials delivered to site as evidenced by the Packing Slips, is not clearly made. However, the timeline between the Gescan Invoice and the Packing Slips dates appears reasonable, and the Gescan Invoice is not included in the Gateway Claim. The Receiver has not been presented with evidence to suggest that SLK does not own the materials subject to the SLK Property Claim, and is prepared to accept the claim. The Receiver is prepared to release the materials subject to the SLK Property Claim to SLK.
49. As noted in the Second Report, the Receiver is in possession of certain Alarm System Materials, but it has not performed an itemized inventory count to ascertain the exact quantities of the Materials and Equipment. Should the Court see fit to grant an order waiving the Claims Bar Deadline for the SLK Property Claim, the Receiver would work with SLK to count the Materials and Equipment subject to SLK’s claim and provide access to SLK for the retrieval of those materials by SLK, at SLK’s cost and under the Receiver’s supervision, to the extent that such materials are in the Receiver’s possession.

VI. RECEIVER'S CONCLUSION AND RECOMMENDATION

50. Based on the forgoing, the Receiver respectfully requests that the Court grant an Order:

- (a) declaring that the Materials and Equipment claimed in the Unresolved Gateway Property Claim shall be Property under the Receivership Order and the Receiver shall be free to deal with the Materials and Equipment in accordance with the powers granted to it by the Orders of this Honourable Court; and
- (b) waiving the Claims Bar Deadline in respect of the SLK Property Claim, and authorizing the Receiver to provide authorized representatives of SLK with access to the Project Premises, so that the Materials and Equipment subject to the SLK Property Claim can be retrieved by SLK at their own costs, and up to the amount of the SLK Property Claim. For greater certainty, SLK's access to the Project Premises shall be at a time to be coordinated in advance with Receiver, and at all times under the supervision of the Receiver or its representatives, and the Receiver shall be free to deal with the Materials and Equipment in excess of the SLK Property Claim in accordance with the powers granted to it by the Orders of this Honourable Court.

All of which is respectfully submitted this 23rd day of January, 2025.

KPMG Inc.

**In its capacity as Receiver of
Bokhari Development Inc.
And not in its personal or corporate capacity**

Per:



Katherine Forbes
CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX “A”

From: Forbes, Katherine J <katherineforbes@kpmg.ca>
Sent: Thursday, January 11, 2024 4:06 PM
To: Brooke Mowatt <bmowatt@DarcyDeacon.com>
Cc: JJ Burnell <JBurnell@mltaikins.com>; Croft, Gareth <gcroft@kpmg.ca>;
dolson@darcydeacon.com
Subject: RE: KPMG/Bokhari
Importance: High

[EXTERNAL MESSAGE]

Brooke,

Happy New Year. We are writing in our capacity as Receiver to address claims of materials and equipment purported to be owned by 6332189 Manitoba Ltd. (Gateway) included in your letter to the Receiver dated September 14th, 2023 (the “Letter”). For ease of reference, items listed below are in the same order as the Letter.

1. Shipping Containers

- a. Sufficient supporting documentation has been received for 1 shipping container (TDRU203038), however there is insufficient documentation provided to substantiate the ownership of the remaining 4 containers.

2. Gas Heaters

- a. The Receiver inventoried 3 Heaters, however each has a United Rentals barcode. We do not have sufficient supporting documentation to determine the ownership of the heaters; should you have supporting documentation, please provide.

3. Generator – [Receiver’s review in process]

4. Plumbing Materials, Doors, Door Hardware, and Door Closures

- a. All invoices provided at Tab B include delivery dates in 2022, and advances were made from Peoples Trust to BDI for costs covering the period through April 30, 2023, therefore the Receiver has insufficient information to substantiate this claim. Please provide us with the Gateway Projects invoice(s) presented to Bokhari Development Inc. (BDI) related to these materials, indicate to which loan draw they were to relate, and sufficient information to connect the Gateway invoices to these materials invoices.
- b. 'Other plumbing materials' - no invoices were provided.

5. Electrical and Fire Alarm Materials

- a. All SLK invoices provided at Tab C are dated in 2022, as are the supporting Gescan invoices. As advances were made to BDI for the period through April 30, 2023, these should have been paid unless advances weren't made per BTY reports or BDI didn't pay through. The Receiver is not in possession of any information to suggest that these costs weren't incorporated into the draws made by Peoples to BDI. Please provide us with the Gateway invoice(s) presented to BDI related to these SLK amounts, indicate to which loan draw they were to relate, and sufficient information to connect the Gateway invoices to these SLK invoices.

6. Insulation

- a. no invoices were provided.

7. Security Camera – [Receiver's review in process. According to the invoice provided, the security cameras were installed at the Project]

8. Rig Mats – please provide additional information in order to identify these, and determine if they are on site.

9. Road Fabric – [Receiver's review in process]

Last, as you're aware, the Boom lift was retrieved by your client. (Including in this correspondence for completeness).

We look forward to receiving further supporting documentation from your client.

Best,

Katherine

Katherine Forbes, CPA, CA, CIRP, LIT

Senior Vice-President

KPMG Inc.

Bay Adelaide Centre

333 Bay Street, Suite 4600

Toronto, ON M5H 2S5

O: 416 777 8107

M: 416 303 3993

katherineforbes@kpmg.ca

APPENDIX “B”

Gateway Claim Documentation in Sandhu Affidavit	Claim Proven (Y/N)	Confirmed on Site (Y/N)*	Comments	Supporting Invoice				
				Incl. in Sept. 14/23 Letter (Y/N)	Supplier Name	Invoice # / Quote #	Total Amount (\$)	Date
Exhibit B: Seacans								
1 x 53 HC Used Container	N	TBD	Insufficient documentation provided to substantiate the ownership.	Y	Can Trans Global Inc.	111057942	8,193.50	6/6/2023
1 x 40 HC Used Container	N	TBD		Y	Can Trans Global Inc.	111056158	9,588.82	2/8/2022
TDRU2030388 - 20' Blue	Y	Y	Receiver approved this claim in Jan. 2024. Gateway has not yet retrieved.	Y	ADM Storage	115620	5,623.80	3/5/2023
Exhibit C: Electrical Wire								
Electrical & Fire Alarm Materials	N	Y	Invoice is dated in 2022, within the Loan Advances Period. Insufficient information has been provided to substantiate the claim.	Y	SLK Contracting Ltd.	1388	427,351.33	1/20/2022
Exhibit D: Security Equipment								
Installed Security Camera	N	N	According to the invoice provided, the security cameras were installed at the Project, and as such, the Receiver's view is that this is not a property claim (and may constitute a lien claim if unpaid).	Y	AJ True North Total Security Inc.	432	2,593.88	13-Jul-23
Exhibit E: Rona Portage 01375 Materials								
Other Materials	N	Y	All invoices provided include delivery dates within the Loan Advances Period. Insufficient information has been provided to substantiate the claim.	Y	Rona Portage 01375	139647	193,351.20	10/12/2022
Other Materials	N	Y		N	Rona Portage 01375	124675	229,465.60	1/5/2023
Other Materials	N	Y		Y	Rona Portage 01375	B23896	16,847.04	5/6/2022
Other Materials	N	Y		Y	Rona Portage 01375	B49957	7,775.04	6/28/2022
Other Materials	N	Y		Y	Rona Portage 01375	X84448	18,872.20	3/14/2022
Other Materials	N	Y		Y	Rona Portage 01375	B06347	10,093.48	3/21/2022
Other Materials	N	Y		Y	Rona Portage 01375	B13672	1,870.39	4/8/2022
Other Materials	N	Y		Y	Rona Portage 01375	B17568	18,143.33	4/21/2022
Exhibit F: Rig Mats								
Rig Mats	N	Unknown	Additional information was requested by the Receiver in order to identify the rigs mats and determine if they are on site. The Receiver has not been provided said information to date.	Y	Red Valley Industries Ltd.	2018383	24,192.00	6/25/2022
Exhibit G: Fire-Alarm Materials								
Electrical & Fire Alarm Materials	N	Y	Invoice is dated in 2022, within the Loan Advances Period. Insufficient information has been provided to substantiate the claim.	Y	SLK Contracting Ltd.	1559	324,979.51	10/17/2022

* Note: Receiver has confirmed the presence of materials onsite which match with the invoice details, but has not yet validated the exact quantity in its possession.

APPENDIX “C”

From: [JJ Burnell](#)
To: [Dale Beynon](#)
Cc: dolson@DarcyDeacon.com; [Forbes, Katherine J](#)
Subject: KPMG/Bokhari [EXTERNAL]
Date: Tuesday, January 14, 2025 5:57:56 PM

Dale,

The Affidavit of K. Sandhu sworn December 9, 2024 is essentially the same information previously provided to the Receiver (see the Second Report of the Receiver dated November 27, 2024, Appendix “E”). Accordingly the issues raised in the Receiver’s correspondence dated January 11, 2024 (Appendix “F”) as updated by the Second Report, remain outstanding. Are you able to discuss with your client and get us the missing information this week?

JJ Burnell*

Partner

P: (204) 957-4663 | **E:** JBurnell@mltaikins.com

MLT Aikins LLP

30th Floor - 360 Main Street

Winnipeg, MB R3C 4G1

*Law Corporation

[BIO](#) | [VCARD](#)



Our offices are located on the territories of Indigenous peoples, including the First Nations of Treaties 1, 4, 6 and 7, the Coast Salish peoples, as well as other non-Treaty First Nations and Métis. [We are committed to reconciliation.](#)

NOTICE: This email including attachments is confidential and legally privileged. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this email in error, please notify us immediately by return email and delete this email. If you no longer wish to receive commercial electronic messages from MLT Aikins LLP, email casl@mltaikins.com. We may still send messages for which we do not require consent.

<p>CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.</p>

APPENDIX “D”

*** DIRECT ORDER ***
*** ORIGINAL ***

INVOICE

INVOICE DATE	INVOICE NO	PAGE
12/21/2022	14227252-02	1
CUSTOMER NO	YOUR P.O. NO	
102272	22-0001 A Package	

850 Empress St
WINNIPEG, MB R3G 3H3 377615
TEL: (204)786-1481/ FAX: (204)783-5326

SOLD TO

SHIPPED TO

SLK CONTRACTING LTD
815 STERLING LYON PKY #206
WINNIPEG, MB R3P 2T1

SLK CONTRACTING LTD
PORTAGE LA PRAIRIE CONDOS
18 ST NW CORNER PARK DR
PORTAGE LA PRAIRIE, MB R1N 2X9

Please hold and supply approva

REFERENCE	ORDER DATE	SHIPPED	REP.	C.O.D.	TAKEN BY (PLACED BY)
	11/22/2022	12/21/2022	6422		Morgan Faraci (Rob Peltonen)

G.S.T. REGISTRATION NO	P.S.T. REGISTRATION NO	CUST. PROVINCIAL TAX NO	VIA	WAYBILL NO	PAYMENT TERMS
130204712	377615-8	o	BEST WAY		NET 30th FM

LINE	QTY ORDERED	PRODUCT NO AND DESCRIPTION	QTY SHIPPED	QTY BACKORDERED	UPC NO	LIST PRICE	U/M	DISCOUNT	NET PRICE	TOTAL
16	1	PARTIAL SI ALARMS	1	0		144625.00	EACH	0.00	144625.00	144625.00

ACCESS LIVE PRICING AND INVENTORY 24 HOURS A DAY, 7 DAYS A WEEK AT GESCAN.COM										
*****FOR ANY PAYMENT RELATED ITEMS ON ACCOUNT, CONTACT THE CREDIT DEPARTMENT ON 1 800 661 3150 *****										
*** Terms and Conditions of Sale https://www.gescan.com/terms ***										

AIR MILES	GROSS TOTAL	SUNDRY CHARGES	G.S.T./H.S.T.	P.S.T.	TOTAL
482	144625.00	0.00	7231.25	10123.75	161980.00

FINANCING CHARGES AT 26.8% PER ANNUM (2% PER MONTH) ON ALL OVERDUE ACCOUNTS.
HANDLING CHARGE OF 15% MINIMUM APPLICABLE TO MERCHANDISE RETURNED WITH OUR AUTHORIZATION.

If paid within terms

PLEASE REMIT TO:

10449 120th Street
Surrey, BC V3V 4G4

Division of Sonepar Canada Inc.