



KPMG Inc.
600, de Maisonneuve Blvd. West
Suite 1500, Tour KPMG
Montréal, Quebec H3A 0A3

Telephone 514-840-2311
Fax 514-840-2121
Internet www.kpmg.ca

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
Division No.: 01 - Montreal
Court No.:500-11-065703-254
Estate No.:41-3233556**

**SUPERIOR COURT
(Commercial Division)**

IN THE MATTER OF THE BANKRUPTCY OF:

JD EUROWAY BANCORP & TRUST, a legal person, duly incorporated according to Law, and having a business place at 102-6455 Jean-Talon Blvd. East, in the city of Montreal, province of Quebec, H1S 3E8.

Debtor company

- AND -

KPMG INC., 600 de Maisonneuve Blvd. West, Suite 1500, Tour KPMG Montréal, Quebec H3A 0A3

Licensed Insolvency Trustee

REPORT ON THE TRUSTEE'S PRELIMINARY ADMINISTRATION

The purpose of this report (the "**Report**") is to provide creditors with information about the affairs of JD Euroway Bancorp & Trust ("**JD Bancorp & Trust**" or the "**Debtor**") and to provide an account of the steps taken by KPMG Inc. ("**KPMG**" or the "**Trustee**") since its appointment.

RESTRICTIONS

1. The Trustee has not received financial information or books and records from the Debtor, nor has the Debtor responded to the Trustee's requests. Accordingly, certain information contained herein may be incomplete.
2. The information included herein is based on the application for the issuance of a bankruptcy order filed by Brothers International (UK) Limited with the Superior Court of Quebec on May 12, 2025, as well as the Trustee's experience with a related party, JD Euroway Capital Partners LLC (the "**Information**").
3. Accordingly, KPMG makes no representations, express or implied, regarding the accuracy or completeness of the information contained in the Report. KPMG disclaims any liability that may be based on the Information, in whole or in part, or for any errors or possible omissions contained therein.



4. The procedures performed by KPMG do not constitute an audit, review or compilation within the meaning of the standards published by CPA Canada and we have not otherwise audited the information obtained by us or contained in the Report. We do not express an opinion or give any other form of assurance about the Debtor's internal control over the presentation of its financial information or the Information presented in the Report.
5. The information contained in the Report is not intended for use by any prospective buyer or investor in any transaction with the Debtor.
6. Unless specifically stated, monetary amounts contained in this Report are expressed in Canadian dollars.

HISTORICAL

7. Registered on July 11, 2018 under the laws of the State of Delaware in the United States, JD Bancorp & Trust is a trust based in Montreal, Quebec. KPMG understands that the Debtor engaged in banking activities.
8. Mr. Fitzgerald Zéphir ("**Mr. Zéphir**") is the principal shareholder and director of the Debtor.
9. On May 12, 2025, Brothers International (UK) Limited (the "**Applicant**"), filed an application for issuance of a bankruptcy order with the Superior Court of Quebec, alleging the Applicant assigned assets in the form of a gold certificate valued at 10 million metric tons (10MT) of gold (the "**Gold Certificate**") to the Debtor pursuant to a contract to monetize the Gold Certificate. Although the Gold Certificate was later returned to the Applicant, despite numerous requests, the Debtor never transferred the proceeds related to the monetization of the Gold Certificate to the Applicant.
10. The Applicant also filed an application for issuance of a bankruptcy order with the Superior Court of Quebec for Mr. Zéphir's personal bankruptcy.
11. On May 28, 2025, a bankruptcy order was issued by the Superior Court of Quebec (the "**Bankruptcy Order**") against JD Bancorp & Trust, and appointing KPMG as Trustee.
12. In addition, on May 28, 2025, a bankruptcy order was issued by the Superior Court of Quebec against Mr. Zéphir personally (the "**Personal Bankruptcy Order**"), and Arthur Blumer & Associates Inc. was appointed as trustee to Mr. Zéphir's personal bankruptcy.
13. On June 10, 2025, the Trustee was served notice of the leave to appeal the Bankruptcy Order and the Personal Bankruptcy Order (the "**Appeal**"), which are scheduled to be heard on July 8, 2025.

Related Party Bankruptcy Proceedings

14. It should be noted that the Trustee is also acting as the bankruptcy trustee of a related party, JD Euroway Capital Partners LLC ("**JD Euroway Partners**"), a company that was also engaged in banking activities, where Mr. Zéphir is also the principal shareholder and director.



OPERATIONS

15. KPMG understands that the Debtor engaged in banking activities. It appears that the Debtor's operations were closely intertwined with a number of other companies using a form of the trade name *JD Euroway*, including JD Euroway Partners (all the companies collectively referred to as the "**JD Group**").
16. The Trustee is in the process of determining the exact relationship between the companies in the JD Group.
17. The Trustee has attempted to contact Mr. Zéphir in order to obtain a more detailed understanding of the Debtor's operations, however Mr. Zéphir has been unresponsive.

ASSETS

18. Given the limited financial and accounting information available to the Trustee, we are unable to provide a summary of the Debtor's assets.

LIABILITIES

19. Given the limited financial and accounting information available to the Trustee, we are unable to provide a summary of the Debtor's liabilities.
20. In the Applicant's application for issuance of a bankruptcy order against the Debtor, the Applicant alleges that amounts owed to it by the Debtor exceed US\$756,000,000.
21. The Trustee compiled the creditor listing based on creditors listed in the JD Euroway Partners bankruptcy and any other party who had contacted the Trustee since this date regarding any company in the JD Group.

Secured creditors and preferred creditors

22. As of the date of this Report, the Trustee has not been able to determine whether there are secured creditors or preferred creditors.

BOOKS, REGISTERS AND DOCUMENTS

23. The Trustee has not received the books, registers and documents of the Debtor and is continuing efforts to obtain them.

TRUSTEES ACTIONS TO DATE

24. The Trustee has put in place the following precautionary measures and protections:
 - a) The Debtor's office in Montreal is the same location as JD Euroway Partners. At the onset of the bankruptcy proceedings of JD Euroway Partners, KPMG went on site to the offices, took possession of the limited physical documents and computers located on site;
 - b) Opening a bank account in trust with National Bank of Canada;



- c) Sending of the *Notice of Bankruptcy and First Meeting of Creditors* to known creditors;
- d) Publication in the June 17, 2025 edition of the daily newspapers Le Devoir and The Gazette of the *Notice to Creditors of the First Meeting*;
- e) Sending various notices of stay of proceedings;
- f) Sending letters to various financial institutions holding or may hold funds of the Debtor asking them to transfer the funds to the Trustee's trust account;
- g) Sending communication to Mr. Zéphir regarding his duties as the director of the Debtor; and
- h) Communication with legal counsel to assist the Trustee in, among other things, analysis of the proofs of claim and the implication of the Appeal. The appointment of the Trustee's legal counsel shall be confirmed by the inspectors to be appointed.

REVIEWABLE TRANSACTIONS AND PREFERENTIAL PAYMENTS

25. At the request of inspectors, the Trustee will include a review of the Debtors affairs as it relates to the above discussed business to determine whether there are any reviewable transactions and/or preferential payments and report to the appointed inspectors, as appropriate.

PLANNED DISTRIBUTION

26. At this stage, and given the limited financial and accounting information that we have been able to trace since the Bankruptcy Order, it is premature to report on the amount that the Trustee expects to be able to distribute, if any, as a dividend payment to unsecured creditors.

DATED AT MONTREAL, June 25, 2025.

KPMG INC.
Licensed Insolvency Trustee
Trustee to the bankruptcy of
JD Euroway Bancorp & Trust

By: David B. Malin, CPA, CIRP, LIT
Senior Vice-President