

**TRUSTEE'S REPORT ON PRELIMINARY ADMINISTRATION**  
**IN THE MATTER OF THE BANKRUPTCY OF**  
**CANASTONE CONTRACTING LTD.**

**BKY #25-2984813**

**HUDSON & COMPANY INSOLVENCY TRUSTEES INC.**

Canastone Contracting Ltd. (hereinafter referred to as “Canastone” or the “Company”) filed a voluntary assignment into bankruptcy pursuant to Section 49(1) of the *Bankruptcy and Insolvency Act* (“BIA”) on September 11, 2023 with Hudson & Company Insolvency Trustees Inc. appointed as Licensed Insolvency Trustee (“Trustee”).

SECTION A - The Trustee's duties under Section 16(3) of the BIA:

Class I - Stocks and Merchandise:

- The Company’s equipment inventory was valued on the Statement of Affairs at \$9,900. Canastone also owned various computer equipment, forklift accessories, and furniture that was valued at \$3,508, \$1,809, and \$4,500 respectively. These values are taken based off the book value noted on the Company’s accounting records.

Class II - Machinery and Equipment:

- Canastone owned the following machinery and equipment;

i)	2019 Wacker Neuson Skid Steer	63,900
ii)	2006 Genie Telehandler	41,000
iii)	2018 Dodge Ram 3500	37,016
iv)	2000 Freightliner	21,000
v)	2012 Diamond Fleet Mack Trailer	20,500
vi)	2016 Road Clipper Trailer	9,500

vii)	2009 Pace Cargo Trailer	7,800
viii)	2009 Mirage Trailer	7,500
ix)	2013 Diamond Flat Deck	6,650
x)	2007 Norberts Flat Deck	5,000
xi)	2002 Ford E-150 Econoline	4,500

**Class III - Buildings and Real Estate:**

- The Company did not own buildings or real estate.

**Class IV - Books and Records:**

- The Trustee took possession of records on September 11, 2023.

**Class V - Other Assets:**

- Canastone's books showed approximately \$315,000 of outstanding accounts receivables for work done on various construction projects and this amount was listed as "bad" on the Statement of Affairs. It is anticipated that collection of the outstanding accounts receivable will be difficult when consideration is made for the unpaid subtrades and unfinished work.
- At the time of the assignment Canastone remitted its current cash balance of \$73,417.62 to the Trustee. The Trustee has deposited the above noted funds in its trust account.

SECTION B - Conservatory and Protective Measures:

- Assets are being stored in a rented storage space and the Trustee changed the locks on September 11, 2023.
- The Trustee notified third parties with access to the storage yard of the assignment and vesting of the assets with the Trustee.

SECTION C - Legal Proceedings:

- Prior to the filing of the assignment, Canastone filed a statement of claim in the amount of \$231,838.44 against third parties for collection of outstanding invoices. This was listed as "Action Item - Jodi Deley, Traci Deley and Deley Energy Services Inc. and Deley Ranches Ltd." on the Statement of Affairs for \$1.00 as collectability is unknown.

SECTION D - Provable Claims:

- At the time of preparing this report, there have been several unsecured claims filed in the bankruptcy proceedings. A detailed claims register is attached to this report as Exhibit "A."

SECTION E - Secured Creditors:

- Based on the Trustee's review of the Company's Personal Property Registry ("PPR"), it appears that Canadian Western Bank is the first ranking secured creditor with a general security over the assets of the Company.
- Upon further review of the Company's PPR, it appears that the 2018 Dodge Ram 3500, 2019 Wacker Neuson Skid steer, and 2012 Diamond Fleet trailer are each subject to valid purchase money security interests. When received the Trustee will review the secured proof of claims to determine if there is any equitable interest for the estate in any of the vehicles.

SECTION F - Reviewable Transactions and Preference Payments:

- Prior to the filing of the assignment, Canastone paid off the financing balance on a 2018 Dodge truck and subsequently transferred the vehicle to the director, Kevin Perry. This transaction will be further reviewed by the Trustee to and determine if the conditions under Section 95 or Section 96 of the BIA are met and what potential recourses would be available.

SECTION G - Other Matters:

- The Trustee understands that Canada Revenue Agency ("CRA") is owed approximately \$500,000 related to unremitted payroll source deductions, and this balance would be considered a deemed trust claim. This claim is subject to audit by the CRA and to date, no claim has been received.

- The Trustee has sought to enter into an Administrative Agreement with CRA to allow for the Trustee's fees and expenses to be paid from the assets realized through the administration of the bankruptcy, in priority to the claim of the CRA. The Trustee is waiting for a response from the CRA to this request.

SECTION I – Realization:

- The Trustee has contacted several auction companies and asked that auction proposals be submitted for review and consideration by the Trustee and creditors.
- At the date of this report, it is difficult for the Trustee to estimate realizations for the creditors. However, based on the priority claim of the CRA relative to the value of the assets it is not anticipated there will be any distribution to the unsecured creditors.

DATED at Calgary, Alberta, this September 29, 2023.

**HUDSON & COMPANY INSOLVENCY TRUSTEES INC.**

Per: Breanna Burkard-Smith  
**Breanna Burkard-Smith, Licensed Insolvency Trustee**

## Claims Register

In the Matter of the Bankruptcy of  
Canastone Contracting Ltd.  
of the Town of Coaldale, in the Province of Alberta

Insolvency Date: 11-Sep-2023

Estate Number: 25-2984813

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
<b>Secured creditors</b>						
1. Canadian Western Bank Attn: Credit Risk Management	No	Not proved				
2. CRA - Tax - Prairies 82957 6669 0001RP	No	Not proved		319,105.90		
3. Davis GMC Buick Ltd.	Yes	Admitted		1.00		
4. Rocket Leasing 2019 WACKER NEUSON SW21 Trailer	Yes	Admitted		1.00	65,270.00	
Total : Secured creditors				319,107.90	65,270.00	
<b>Unsecured creditors</b>						
1. 1583762 Alberta Ltd. o/a Coaldale Home Hardware Building Centre	Yes	Admitted		286,623.58	286,623.58	286,623.58
2. 1894956 ALBERTA LTD. O/A HOPF MECHANICAL 2000 FREIGHTLINER	No	Not proved		14,128.28		
3. Alexander Soloway	No	Not proved		1.00		
4. Align Surveys Ltd. Attn: Al Willems	No	Not proved		4,956.00		
5. Almor Testing Services Ltd.	No	Not proved		6,417.21		
6. Alpine Drywall	Yes	Admitted		57,836.00	57,836.00	57,836.00
7. Alpine Mouldings Ltd.	No	Not proved		2,712.15		
8. BC Hydro & Power Authority Attn: Credit Admin	No	Not proved		57.36		
9. Bell Mobility c/o FCT Default Solutions	No	Not proved		1,197.45		
10. Big Rock Plumbing & Heating	No	Not proved		25,101.14		
11. Bridge Home Painting	Yes	Admitted		9,959.55	15,935.31	15,935.31
12. C&V Excavating	No	Not proved		7,140.00		
13. Canadian Western Bank Attn: Credit Risk Management CEBA	No	Not proved		60,000.00		
14. Canadian Western Bank Attn: Credit Risk Management	No	Not proved		639,344.42		
15. Canadian Western Bank Attn: Credit Risk Management	No	Not proved		31,324.76		
16. Canpro Deck & Rail Ltd.	No	Not proved		7,717.50		
17. Carefree Kitchens & Lighting	Yes	Admitted		104,073.05	48,148.58	48,148.58
18. Challenger Building Supplies Attn: Dave Toth	No	Not proved		1.00		
19. CIMA Geomatics Land Surveing Inc 0281A	Yes	Admitted		4,739.50	4,739.50	4,739.50
20. Cindy Martens	No	Not proved		73,634.55		

Claims Register for Canastone Contracting Ltd. - Continued

Insolvency Date: 11-Sep-2023

Estate Number: 25-2984813

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21. City Electric Supply	No	Not proved		1.00		
22. City of Lethbridge Attn: Arleen O'Donnell Landfill	Yes	Admitted		617.57	1,261.60	1,261.60
23. CRA - Tax - Prairies 82957 6669 0001RC	No	Not proved		1.00		
24. CRA - Tax - Prairies 82957 6669 0001RP	No	Not proved		180,894.10		
25. CRA - Tax - Prairies 82957 6669 0001RT	No	Not proved		1.00		
26. CSN Kustom Auto Body	No	Not proved		1,149.75		
27. Dennis' Mobile Glass Ltd	No	Not proved		31,782.63		
28. DJ Collections Ltd.	No	Not proved		1.00		
29. Double R Value Insulation	Yes	Admitted		83,337.46	83,337.46	83,337.46
30. Drywall Worx	No	Not proved		34,000.31		
31. Due West Tire Co.	No	Not proved		695.02		
32. E.D. Marketing Enterprises Ltd	No	Not proved		2,520.00		
33. EcoSynergy Inc	No	Not proved		890.40		
34. Edgecon Concrete Pouring	No	Not proved		3,051.80		
35. Emslie Gravel Ltd	No	Not proved		7,302.40		
36. Enmax Attn: Dina Di Rado	No	Not proved		1,623.66		
37. Esso/Imperial Oil - C460; 463; 464; 465; 466 Bankruptcies Attn: c/o FCT Default Solutions, Insolvency Department	No	Not proved		5,092.36		
38. Fortis BC Energy Inc. - Natural Gas Attn: Collection Department	No	Not proved		11.24		
39. Framcon Construction Ltd.	No	Not proved		51,563.35		
40. Freddie's Paint & Details Boutique	No	Not proved		654.72		
41. Gally Equipment Services Ltd.	No	Not proved		1.00		
42. Garage Doors by Dan	Yes	Admitted		3,412.50	3,412.50	3,412.50
43. GoGravel	No	Not proved		2,442.45		
44. Guillevin International Co.	Yes	Admitted			7,367.74	7,367.74
45. Guillevin International Co. - Longueuil	No	Not proved		7,209.74		
46. HC Forest Products Ltd.	No	Not proved		1.00		
47. HMC Lawyers LLP - formerly Bryan & Company Calgary LLP Attn: Erin Viala 1906 00370	No	Not proved		4,251.19		
48. Home Depot c/o Citi Cards Canada (Acct 603529) 6035294350073362	Yes	Admitted		20,443.79	20,863.70	20,863.70
49. Kodiak Plumbing & Gas Fitting Ltd.	No	Not proved		23,500.00		
50. Kodiak Plumbing & Gasfiting	Yes	Admitted			23,500.00	23,500.00

Claims Register for Canastone Contracting Ltd. - Continued

Insolvency Date: 11-Sep-2023

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51. L.A. Power Systems Ltd	No	Not proved		328.13		
52. Legge's Exterior Contracting Ltd	No	Not proved		94,341.89		
53. Lethbridge Basement Ltd.	No	Not proved		54,752.25		
54. Logic Lumber Ltd	No	Not proved		7,754.62		
55. Mack Design	No	Not proved		4,590.58		
56. Mackay Contracting ROS-S-S-15482	No	Not proved		91,788.60		
57. McEwan & Co Law Corp.	No	Not proved		1.00		
58. Michelle Santangelo	No	Not proved		1.00		
59. Moedt & Co.	No	Not proved		2,467.50		
60. Mountain Electric Ltd.	No	Not proved		11,309.20		
61. NAPA Auto Parts - The Parts Shop	No	Not proved		4,866.47		
62. National Concrete Accessories	No	Not proved		242.80		
63. Neu-Lite Electric Inc	No	Not proved		33,819.26		
64. Overweg Trucking Ltd	No	Not proved		11,203.50		
65. Petro-Canada Coaldale	No	Not proved		3,924.76		
66. Rafa Enterprises 2014 LTD	Yes	Admitted			9,377.34	9,377.34
67. RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Razel Bowen RBCBK1277800	Yes	Admitted		27,305.46	27,754.18	27,754.18
68. Richard A. Low & Company LLP	No	Not proved		1.00		
69. Rory & Malynne O'Connor c/o Lawson Lundell LLP Attn: Camille Chisholm S-229502	No	Not proved		1.00		
70. Rory & Malynne O'Connor C/O Lawson Lundell LLp.	No	Not proved		1.00		
71. Sandor Crane Service Ltd.	No	Not proved		472.50		
72. Sharp Trucking Services	No	Not proved		14,452.44		
73. Simply Floors and The Flooring Outlet	No	Not proved		1.00		
74. Skyline Land Surveying Ltd.	No	Not proved		1,564.50		
75. Strait Way Ltd	Yes	Admitted		12,434.71	13,444.28	13,444.28
76. Stringam LLP - Lethbridge Attn: Kella Neufeld	Yes	Admitted		23,615.95	36,717.65	36,717.65
77. Taylor Proc	No	Not proved		1.00		
78. Telus Residential/Business Services Attn: Rick Wan	No	Not proved		465.42		
79. TimberStone Distribution Calgary	No	Not proved		7,348.57		
80. Top Line Construction Ltd	No	Not proved		3,070.33		
81. Torry Lewis Abells LLP Attn: Bernice Brown	No	Not proved		1.00		
82. Town of Coaldale Utilities	No	Not proved		328.50		
83. Tri-Pro (2008) Inc.	No	Not proved		412,000.00		

Claims Register for Canastone Contracting Ltd. - Concluded

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84. United Rentals	No	Not proved		12,619.77		
85. Vanessa Eves	No	Not proved		23,539.07		
86. WCB Workers Compensation Board of Alberta Attn: Collection Department	No	Not proved		1,612.43		
87. Western Canada Welding Products Ltd.	No	Not proved		993.08		
88. Workman Roofing Inc.	No	Not proved		43,770.97		
89. Wright's Vacuum & Septic Services Ltd.	No	Not proved		6,142.50		
Total : Unsecured creditors				2,716,550.70	640,319.42	640,319.42
Grand Total:				3,035,658.60	705,589.42	640,319.42