

**IN THE MATTER OF THE BANKRUPTCY OF**

**DO ALL INDUSTRIES LTD.**

**OF THE HAMLET OF NISKU,  
IN THE PROVINCE OF ALBERTA**

**REPORT ON THE TRUSTEE'S  
PRELIMINARY ADMINISTRATION**

**ESTATE NO. 24-115704**

On February 26, 2014, upon application by a creditor a Bankruptcy Order was issued against Do All Industries Ltd. (“Do All” or the “Company”) pursuant to the provisions of the *Bankruptcy and Insolvency Act* (“BIA”) and Alvarez & Marsal Canada Inc. was appointed as trustee in bankruptcy (“A&M” or “Trustee”) by the official receiver, subject to affirmation by the creditors of the trustee’s appointment or substitution of another trustee by the creditors.

**Background**

Do All Industries was incorporated on April 2, 2001 in the Province of Saskatchewan and is an extra-provincially registered company with its head office located in Nisku, AB. Do All operated out of premises leased from P&O Assets Ltd, a related party. Do All is a privately held company and Kordel Korf is the sole shareholder.

Prior to the Bankruptcy, A&M was appointed by the Court as the Receiver and Manager of Do All, (the “Receiver”) pursuant to a receivership order (the “Order”). The receivership and subsequent bankruptcy occurred as Do All was unable to meet its obligations as the generally came due and its assets were less than its liabilities. Additional details on the causes and events leading up to Do All’s insolvency can be found on the Receiver’s website located at [www.amcanadadocs.com/doall](http://www.amcanadadocs.com/doall).

**Conservatory & Protective Measures and Preliminary Evaluation of Assets and Details of Security Interests**

At the time of the bankruptcy, the Receiver had taken possession and control of all the assets of Do All and took all necessary conservatory measures. There were limited operations by the Receiver while it developed a plan to sell the assets and the business. At the date of the bankruptcy, all operations employees had been terminated and operations shut down. A few administrative employees remain to assist the Receiver.

The Receiver is conducting an ongoing sales process of all of the assets and business of Do All. The sales process is expected to be complete by the middle of May. As discussed below the National Bank of Canada (“National Bank”) has a security interest in the assets of Do All.

Although the sales process is not complete, the Trustee's preliminary review of the process and liquidation value of the assets indicates that realizations from Do All's assets will not be sufficient to satisfy the secured debt of National Bank.

### **Books and Records**

The Receiver has taken possession of the books and records of Do All and the Trustee will have access as required to complete the administration of the bankruptcy estate. The records of the Company are currently being held at the office of Do All Industries in Nisku, Alberta.

### **Provable Claims and Secured Claims**

The National Bank of Canada ("National Bank") has filed security in the bankruptcy proceedings claiming a security interest in all of Do All's real and personal property. The proof of claim indicates that the amount required to satisfy Do All's obligation to National Bank is \$26,500,000.

The Trustee has received a legal opinion that indicates the security is valid and enforceable against the Trustee.

The Trustee has received a number of proof of claims and while there are differences from that noted in the statement of affairs, differences are not material individually or in aggregate.

### **Legal Proceedings**

No legal proceedings have been instituted by the Trustee to date.

### **Reviewable Transactions and Preference Payments**

The Trustee has conducted a preliminary review of the books and records of Do All with respect to reviewable transactions and preference payments and has not noted any transactions of significance.

### **Trustee's Intention to Act and Possible Conflict of Interest**

On Thursday, February 6<sup>th</sup>, 2014, Alvarez & Marsal Canada Inc. became the Court-appointed receiver and manager (the "Receiver"), without security, of all Do All's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof. A copy of the Receivership Order and Notice and Statement of Receiver can be found on the Receiver's website located at [www.amcanadadocs.com/doall](http://www.amcanadadocs.com/doall).

The Trustee has had an independent legal opinion of National Bank's security which indicates it is valid and enforceable against the assets of Do All and the Trustee and consequently there is no conflict of interest.

### **Anticipated Realization and Projected Distribution**

All of the assets of Do All are subject to a security interest of the National Bank of Canada. As mentioned above, the Trustee's preliminary review of the assets indicates that realizations will not be sufficient to satisfy the secured debt of National Bank.

Consequently, it does not appear that there will be any distributions to unsecured creditors or creditors subordinate to the security of National Bank.

### **ALVAREZ & MARSAL CANADA INC.**

*In its capacity as the Trustee in Bankruptcy of*

*Do All Industries Ltd.*

*and not in its personal capacity*

A handwritten signature in blue ink, appearing to read 'Tim Reid', with a large, stylized flourish at the end.

Tim Reid, CA  
Senior Vice-President