



No. H220369
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

PLW INVESTMENT LTD.

PETITIONER

AND

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE DEVELOPMENTS LTD., WASHINGTON PROPERTIES (POINT GREY) INC., WASHINGTON PROPERTIES (QEP) INC., LUCKY FIVE INVESTMENTS LTD., 1094321 B.C. LTD., PRARDA DEVELOPMENTS CORPORATION, 1256306 B.C. LTD., 1256319 B.C. LTD., AMY BARSHA WASHINGTON (A.K.A. FENGYUN SHAO), EDISON WASHINGTON (A.K.A. QIANG WANG), LINDA WASHINGTON, 35 PARK PARKING INC., EARLSTON MORTGAGE CORP. WASHINGTON PROPERTIES (WEST 27TH) INC., AND WASHINGTON PROPERTIES (WEST 29TH) INC.

RESPONDENTS

**NINTH REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.**

October 8, 2024



ALVAREZ & MARSAL

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1.0 INTRODUCTION

- 1.1 On October 27, 2022 (the “**Receivership Date**”), upon the application of PLW Investment Ltd. (“**PLW**” or the “**Petitioner**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as receiver and manager (the “**Receiver**”), pursuant to an order (as subsequently amended on November 7, 2022, the “**Receivership Order**”) granted by the Honourable Justice Giaschi in the Supreme Court of British Columbia (the “**Court**”), in respect of certain lands and other assets, undertakings and property of 1025332 B.C. Ltd. (“**5332**”), 1025334 B.C. Ltd. (“**5334**”), 1025336 B.C. Ltd. (“**5336**”), Chongye Developments Ltd. (“**Chongye**”), Washington Properties (Point Grey) Inc. (“**Properties (PG)**”), Washington Properties (QEP) Inc. (“**Properties (QEP)**”), Lucky Five Investments Ltd. (“**Lucky Five**”), 1094321 B.C. Ltd. (“**321**”), Prarda Developments Corporation (“**Prarda**”), 1256306 B.C. Ltd. (“**125**”), 1256319 B.C. Ltd. (“**319**”), Amy Barsha Washington (a.k.a. Fengyun Shao) (“**A. Washington**”), Edison Washington (a.k.a. Qiang Wang) (“**E. Washington**”), and Linda Washington (“**L. Washington**”) (collectively, the “**Debtors**” or the “**Washington Group**”). This matter is hereinafter referred to more generally as, the “**Receivership Proceedings**”.
- 1.2 On November 7, 2022, this Honourable Court granted an order to stay the Receivership Order to December 7, 2022, which stay has been extended by subsequent orders of this Court and most recently to April 7, 2023. The Receiver’s appointment resumed on April 8, 2023 (the “**Resumption Date**”).
- 1.3 At the Resumption Date, there were 21 lots and properties of the Debtors (the “**Washington Properties**”) that were subject to these Receivership Proceedings, which are located in or around Vancouver and West Vancouver, British Columbia (“**B.C.**”).
- 1.4 On April 26, 2023, on the application of the Petitioner, this Honourable Court granted a stay against the Receivership Order in respect of two Washington Properties with the legal addresses (i) Strata Lot 60, Block 839, Plan EPS4950, District Lot 526, Group 1, New Westminster Land District, and (ii) Strata Lot 163, Block 839, Plan EPS4950, District Lot 526, Group 1, New Westminster Land District.
- 1.5 On April 28, 2023, this Honourable Court approved the sale of one of the Washington Properties located at 835 Eyremount Drive, West Vancouver, B.C. (“**835 Eyremount**”), which completed on May 25, 2023.
- 1.6 On June 21, 2023, on the application of the Receiver (the “**June 21 Application**”), this Honourable Court granted an order approving the sale of one of the Washington Properties located at 605-5033 Cambie Street, Vancouver, B.C. (“**605-5033**”) which was completed on July 6, 2023. The June 21

Application also sought expansion of the Receivership Order to add Strata Lot 70 of the Public Harbour of Burrard Inlet NWD Strata Plan LMS3057, with civic address 1203-535 Nicola Street, Vancouver, B.C. (“**SL 70**”), to these Receivership Proceedings. This matter was adjourned at the June 21, 2023 hearing.

- 1.7 On July 13, 2023, on the application of the Receiver, this Honourable Court pronounced an order authorizing the Receiver to pay the arrears of strata fees and related costs to the owners of Strata Plan EPS4950 in connection with the 11 Washington Properties located in the three-tower development at 4963 Cambie Street, 5033 Cambie Street and 5077 Cambie Street, Vancouver B.C. (the “**Cambie Strata Lots**”).
- 1.8 On July 20, 2023, on application of the Receiver, this Honourable Court approved the sale of three Washington Properties located at 4883 Belmont Avenue, 4889 Belmont Avenue and 4899 Belmont Avenue, Vancouver, B.C. which completed on August 31, 2023.
- 1.9 On September 8, 2023, on the application of the Receiver, this Honourable Court pronounced an order approving the sale of two of the Washington Properties located at 505-5033 Cambie Street which was completed on September 15, 2023, and 504-4963 Cambie Street, Vancouver, B.C. (“**504-4963**”). The sale of 504-4963 closed on December 11, 2023.
- 1.10 On October 30, 2023, on application of the Receiver, this Honourable Court pronounced four orders which, amongst other things:
 - a) approved the sale of 504-5033 Cambie Street which was completed on November 15, 2023;
 - b) removed SL 70 from these Receivership Proceedings;
 - c) unsealed the Confidential Supplement to the Third Report of the Receiver dated July 4, 2023; and
 - d) approved the distribution of proceeds from the sale of 4215 Cambie Street, 4491 Cambie Street, and 835 Eyremount to secured creditors.
- 1.11 On December 11, 2023, the Receiver filed separate notices of application, returnable December 18, 2023, and Affidavit #6 and #7 of Avic Arenas sworn on December 11, 2023 with this Honourable Court seeking an order to approve the sale of 4408 West 3rd Avenue (“**4408 West 3rd**”) and 501-5033 Cambie Street (“**501-5033**”), respectively. On December 13, 2023, the Receiver filed a supplemental affidavit of Avic Arenas sworn on December 13, 2023 in support of the sale of 4408 West 3rd.
- 1.12 On December 18, 2023, this Honourable Court approved the sale of 4408 West 3rd and 501-5033. The sale of 501-5033 closed on January 15, 2024, and the sale of 4408 West 3rd closed on January 30, 2024.

- 1.13 On January 30, 2024, the Receiver filed a notice of application, returnable February 9, 2024, and Affidavit #9 and #10 of Avic Arenas sworn on January 29, 2024 and January 30, 2024 respectively with this Honourable Court seeking an order to approve the sale of 602 – 5077 Cambie Street, Vancouver (“**602-5077**”) and 502 – 5077 Cambie Street, Vancouver (“**502-5077**”), respectively. This Honourable Court approved the sale of 602-5077 and 502-5077 on February 9, 2024. The sale of 602-5077 and 502-5077 closed on February 24, 2024 and March 14, 2024, respectively.
- 1.14 On September 27, 2024, the Receiver filed a notice of application, returnable October 11, 2024, and Affidavit #1 of Miriam Dominguez sworn on September 27, 2024 respectively (the “**Dominguez Affidavit**”) with this Honourable Court seeking the following:
- a) an order (the “**601-5033 Order**”) to approve the sale of 601 – 5033 Cambie Street, Vancouver (“**601-5033**”); and
 - b) an order (the “**Vacancy Tax Order**”) (i) removing the levy (the “**2022 Vacancy Tax Levy**”) in respect for a 2022 Vacancy Tax Assessment (the “**2022 Vacancy Tax Assessment**”) from the real property tax roll in respect of the Belmont Properties (as defined herein), and discharging and releasing any charge or lien securing the 2022 Vacancy Tax Assessment, (ii) declaring that the 2022 Vacancy Tax Levy attaches to funds in the amount of \$1,800,000 (the “**Vacancy Tax Holdback Funds**”), representing a portion of the proceeds of sale from the Belmont Lands, currently held in trust by Dentons Canada LLP (“**Dentons**”); and (iii) directing Dentons to transfer the Vacancy Tax Holdback Funds, as subject to the 2022 Vacancy Tax Levy, to Fasken Martineau DuMoulin LLP (“**Fasken**”), and that the Petitioner shall have conduct of the notice of complaint in respect of the 2022 Vacancy Tax Assessment for and in place of the Receiver.
- 1.15 On October 8, 2024, the Receiver filed a notice of application, returnable October 11, 2024, and Affidavit #11 of Avic Arenas sworn on October 7, 2024 respectively (the “**Eleventh Arenas Affidavit**”) with this Honourable Court seeking the following an order (the “**505-4963 Order**”) to approve the sale of 505-4963 Cambie Street, Vancouver (“**505-4963**”).
- 1.16 As of the date of this ninth report (the “**Ninth Report**”), there are currently six Washington Properties that remain subject to these Receivership Proceedings, which include two residential detached homes and four strata lots.
- 1.17 The Receivership Order along with select application materials and other documents filed in the Receivership Proceedings are available for review by interested parties and posted on the Receiver’s website (the “**Receiver's Website**”) at www.alvarezandmarsal.com/washingtonproperties.

2.0 PURPOSE OF THE NINTH REPORT

- 2.1 This Ninth Report has been prepared to provide this Honourable Court with information regarding the proposed sale of 505-4963.

3.0 SALE OF 505-4963

Receiver's Powers

- 3.1 Pursuant to section 2 of the Receivership Order, the Receiver is authorized to, among other things:

2... (k) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;

(l) sell, convey, transfer, lease or assign the Property or any part of parts thereof out of the ordinary course of business:

i. without the approval of this Court in respect of a single transaction for consideration up to \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

ii. with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above, and in each such case notice under Section 59(10) of the Personal Property Security Act, R.S.B.C. 1996, c. 359 shall not be required;

(m) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;

Marketing of 505-4963

- 3.2 505-4963 is a 1,370 square foot, 3-bedroom sub-penthouse strata lot located near a major transit corridor and within the immediate vicinity of a local city attraction, Queen Elizabeth Park.
- 3.3 On September 10, 2024, the Receiver engaged Oakwyn Realty Ltd. ("**Oakwyn**" or the "**Listing Agent**") through a multiple listing services ("**MLS**") contract to market for sale 505-4963 (the "**505-4963 Listing Agreement**").
- 3.4 505-4963 was listed on September 11, 2024, for \$1,599,900, for a nine-week term expiring on November 15, 2024.
- 3.5 Oakwyn's marketing efforts for 505-4963 included posting the listing on MLS and distributing a four-page feature sheet to prospective buyers.

- 3.6 The Listing Agent's efforts resulted in 5 private appointments, as well as phone calls and listing inquiries from interested parties requesting additional information. Oakwyn's marketing report for 505-4963 is attached to the Eleventh Arenas Affidavit.

Accepted Offer

- 3.7 On October 5, 2024, Jia Jia Ren and Adrian Beres (the "**505-4963 Purchasers**"), who are not represented by an agent or a brokerage, presented an offer for 505-4963 in the amount of \$1,400,000. In consultation with the Petitioner, the Receiver engaged in negotiations with the 505-4963 Purchasers, through their realtor, and on October 6, 2024, the Receiver accepted an offer of \$1,525,000 (the "**505-4963 Accepted Offer**").
- 3.8 The key terms of the 505-4963 Accepted Offer include, among other things, (i) a closing date of February 3, 2025; (ii) the property is sold on an "as is – where is" basis; and (iii) the sale is subject to Court approval.
- 3.9 Pursuant to the 505-4963 Listing Agreement, the Receiver has agreed to pay a total commission equal to 7% of the first \$100,000 of gross sale proceeds, and 2.5% of the balance. Accordingly, in respect of the 505-4963 Accepted Offer, the total commission amount would be \$42,625, of which the Listing Agent would receive the entire amount as the 505-4963 Purchasers are not represented by an agent or brokerage.

Receiver's Comments on the Sale of 505-4963

- 3.10 Upon expiry of the stay of the Receivership Order on April 7, 2023, the Receiver had exclusive conduct of the sale of 505-4963 and is supportive of the sale for the following reasons:
- a) the 505-4963 Accepted Offer of \$1,525,000 is the highest and best offer to date;
 - b) the 505-4963 Accepted Offer has a closing date of February 3, 2025, to accommodate the timelines to provide proper notice to end tenancy, should it be required, pursuant to the *British Columbia Residential Tenancy Act*;
 - c) a deposit in the amount of \$76,250 was received on October 8, 2024, and is being held in a trust account with Oakwyn;
 - d) the sale transaction will allow the Receiver to avoid incurring additional holding costs in respect of 505-4963, including preservation costs, statutory obligations (including property taxes and other taxes) and professional fees;
 - e) the purchase price of \$1,525,000 for 505-4963 is consistent with market value and is commercially reasonable; and
 - f) the secured creditor, PLW, and legal owner of 505-4963 is supportive of the sale.

3.11 It is the Receiver's view that 505-4963 was marketed in a manner that was fair and reasonable and the property has been exposed to the market for a reasonable amount of time. Given the current state of the real estate market, the Receiver views the transaction to be in the best interest of the creditors.

4.0 RECEIVER'S CONCLUSION AND RECOMMENDATIONS

4.1 Based on the information and reasons set out above, the Receiver respectfully recommends that this Honourable Court approve the 505-4963 Order.

All of which is respectfully submitted to this Honourable Court this 8th day of October, 2024.

Alvarez & Marsal Canada Inc.,
in its capacity as Receiver of the Washington Properties and
not in its personal capacity



Per: Anthony Tillman
Senior Vice President