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July 6, 2023

**Re: Update to Stakeholders**

**SUMMARY OF ACTIVITIES OF THE LIQUIDATOR AND STATUS OF THE LIQUIDATION**

Below is a summary of the recent material activities of the Liquidator, and general information regarding the status of the Liquidation.

***Collection of Outstanding Loans by Arrangement***

The Liquidator has collected payment in full on all but one small outstanding loan. The Liquidator has halted efforts to collect on the last remaining loan balance, as it has determined further collection efforts are unlikely to be successful.

***Realization of Real Property by Judicial Sale or Foreclosure***

All judicial sales have now been completed under previously-initiated mortgage enforcement proceedings.

***Sale of Real Property owned by PrimeWest***

All condominium units owned by PrimeWest have now been sold. The Liquidator continues to hold 2 titled parking units in the condominium building. The Liquidator has received an offer to purchase the parking units, and is in process of arranging the sale details with the prospective purchaser.

***Court Judgments and Other Enforcement Proceedings***

All court proceedings against defendants in regard to unsatisfied debts due to PrimeWest have been completed. Where feasible and economical, recovery to PrimeWest has been obtained through payment arrangements, judicial sale, foreclosure or income garnishment.



### *Realizations Generally*

Please see below for a summary of the Liquidator’s receipts and disbursements to June 19<sup>th</sup>, 2023:

<b>PrimeWest Estimated Realization Analysis</b>		
<b>As at June 19, 2023</b>		
	<b>Notes</b>	<b>Amount (CAD \$)</b>
<b>Realizations</b>		
Realizations during liquidation		4,803,234
Opening bank balance		1,775,312
<b>Total realizations to date</b>		<b>6,578,546</b>
Estimated future realizations		20,000
<b>Total estimated realizations</b>		<b>6,598,546</b>
<b>Disbursements</b>		
<b>Total disbursements to date</b>	<b>1</b>	<b>1,977,915</b>
Estimated future disbursements	<b>2</b>	155,400
<b>Total estimated disbursements</b>		<b>2,133,315</b>
<b>Net realizations</b>		<b>4,465,231</b>
1 - Includes professional fees (including the Liquidator, its counsel and the additional legal fees incurred in ongoing litigation), payroll, contractors, taxes, insurance, Inspector fees, commissions, GST and PST, and miscellaneous administration costs.		
2 - Future disbursements are dependent on ongoing litigation and may vary materially.		

### *Claims Against the Company and the former directors thereof (the “Directors”)*

The following claims have been brought on behalf of and against the Company and the Directors:

- Q.B.G. No. 1395 of 2018 (the “**Granite Action**”)
- Q.B.G. No. 1889 of 2018 (the “**Burwash Action**”)
- Q.B.G. No. 1559 of 2017 (the “**Zealand Action**”)
- Q.B.G. No. 1455 of 2019 (the “**Merchant Action**”)
- Q.B.G. No. 61 of 2018 (the “**Ostrander Claim**”)



### ***i. Granite Action***

The Granite Action has been resolved through settlement and a copy of the Notice of Discontinuance of the claim as against Primewest has been filed by the Plaintiff, Granite Enterprises Inc. The settlement amount provided in the resolution of this claim has been funded in full by PrimeWest’s insurer, Great American Insurance (the “**Insurer**”).

PI Financial, the co-Defendant who has not settled their claim with Primewest, has brought an application seeking an order that Granite produces the settlement agreement in this action. In response, either Granite or Primewest will apply for formal approval of the settlement agreement in an application to be heard concurrently. Primewest does not take issue with the disclosure of the settlement agreement with necessary redactions including the settlement amount.

### **ii. Burwash Action**

The Burwash Action has also been resolved through a settlement and a copy of the Notice of Discontinuance is to be filed with the Court by the Plaintiff, Debbie Gloria Burwash. The settlement amount to be provided in the resolution of this claim has been funded in full by the Insurer.

### **iii. Zealand Action**

The Zealand Action remains unresolved. If the Zealand Action cannot be resolved in due course, the matter will be brought before Mr. Justice N.G. Gabrielson in order to approve a litigation plan to facilitate the timely resolution of the same.

### **iv. Merchant Action**

The Merchant Action has been excluded from the Liquidation Proceedings as a result of a decision of the Saskatchewan Court of Appeal, and will therefore proceed accordingly.

### **v. Ostrander Claim**

No further efforts are being made to prosecute the Ostrander Claim in light of the receivership proceedings regarding the Ostrander group of companies, except for the filing of a Proof of Claim in respect of the Ostrander Claim in Mr. Ostrander’s proposal under the *Bankruptcy and Insolvency Act*. Recovery under the proposal will be minimal.

The Merchant and Zealand actions are the last remaining substantive matters preventing distribution of funds to stakeholders.

We trust that this update to the stakeholders of the Company is helpful.



Yours faithfully,

**KPMG Inc.**, in its capacity as Liquidator  
Of PrimeWest Mortgage Investment Corporation.,  
And not in its personal or corporate capacity.

Neil Honess, Senior Vice President