



Estate File No.: 33-3290529

**IN THE MATTER OF THE BANKRUPTCY OF
2195186 ONTARIO INC.
OF THE TOWN OF NEPEAN, IN THE PROVINCE OF ONTARIO**

**TRUSTEE'S REPORT TO CREDITORS ON
PRELIMINARY ADMINISTRATION**

1. Introduction

1. On January 3, 2025, the Ontario Superior Court of Justice (the "**Court**") issued an Order appointing KSV Restructuring Inc. ("**KSV**") as interim receiver (in such capacity, the "**Interim Receiver**"), without security, of all the property, assets and undertakings of 2195186 Ontario Inc. o/a Envie I (the "**Company**") and several affiliated companies (the "**Receivership Companies**").
2. Once KSV was appointed as the Interim Receiver, it was contemplated that, in due course, the interim receivership proceedings would be converted to receivership proceedings.
3. Pursuant to Orders of the Court issued on February 24, 2025 (the "**Receivership Order**"), KSV was appointed as receiver and manager (in such capacity, the "**Receiver**"), without security, of all the property, assets and undertaking of the Company and the Receivership Companies. The receivership proceedings of the Company and certain of the Receivership Companies are continuing.
4. On November 3, 2025, the Court approved of the Receiver's discharge over the Company, upon it filing a certificate with the Court (the "**Certificate**"). The Receiver has not yet received the applicable Order from the Court.
5. On October 28, 2025, the Receiver filed an assignment in bankruptcy on behalf of the Company (the "**Assignment**") as authorized by the Court pursuant to an Order dated August 28, 2025. KSV was appointed by the Office of the Superintendent of Bankruptcy (Canada) as Licensed Insolvency Trustee of the Company's bankrupt estate (in such capacity, the "**Trustee**"), subject to affirmation of the Trustee's appointment at the first meeting of creditors to be held on November 17, 2025.

1.1 Currency

1. All currency references in this report ("**Report**") are to Canadian dollars unless otherwise noted.

1.2 Restrictions

1. In conducting its review and preparing this Report, the Trustee has relied upon financial and other information supplied by the Company.
2. The Trustee has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information contained in this Report should perform its own diligence.
3. The Trustee accepts no responsibility for any reliance placed by any third party on the Company’s financial information presented herein, nor for any information concerning potential recoveries in these proceedings.

2. Background

1. The Company was incorporated in Ontario on January 13, 2009. The Company carried on business as a member of the “Ashcroft Group”, a residential and commercial real estate developer based in Ottawa and owned, directly or indirectly, by David Choo.
2. The Company’s sole director is Mr. Choo.
3. The Company owned and operated a building located at 101 Champagne Avenue S., Ottawa (the “**Real Property**”), comprised of a 29-storey apartment building (the “**Building**”) with 185 units and 592 beds. The Building was completed in 2019 and totals approximately 228,288 gross square feet on a 0.3 acre site, with 1,850 square feet of ground floor retail space and various amenity space. The Company operated the Real Property as a student residence, with each unit having between two and four rooms, where each room is fully furnished and individually leased. The ground floor of the Real Property includes a leased commercial unit.
4. The Receiver entered into an agreement to sell the Real Property (the “**Transaction**”) to HS Canada 101 Champagne, L.P, through its general partner, HS Canada 101 Champagne Inc. (the “**Purchaser**”), pursuant to an Agreement of Purchase and Sale dated February 21, 2025, as amended. The Transaction was approved by the Court pursuant to an Order dated August 7, 2025.
5. The Transaction closed on October 1, 2025 (the “**Closing Date**”) and resulted in distributions to the Company’s secured creditors, as described below.
6. Additional information about the Company, the Transaction and the receivership proceedings is available in the materials filed with the Court in the receivership proceedings which can be accessed at: <https://www.ksvadvisory.com/experience/case/ashcroft>.

3. The Bankrupt Estate

1. Based on the Company's books and records, there are no assets in the bankrupt estate other than two potential litigation assets, being: a) an appeal of the municipal property tax assessment associated with the Real Property; and b) a cause of action against the Company's insurer in respect of the water damage at the Building which ultimately resulted in a reduced purchase price pursuant to the Transaction. The Trustee does not have funding to pursue either of these matters.

4. Creditors

4.1 Secured Creditors

1. On closing of the Transaction and as approved by the Court, among other things:
 - a) Peoples Trust Company ("**Peoples**"), the first mortgagee over the Real Property, received a distribution of certain amounts owing to it as of the Closing Date under its loan to the Company secured by its first mortgage over the Real Property, with the remaining loan amount (and related first mortgage) assumed by the Purchaser;
 - b) the loan of ACM Advisors Ltd. ("**ACM**") to the Company, secured by its second mortgage over the Real Property, was partially assumed by the Purchaser, resulting in ACM incurring a shortfall under its loan exceeding \$1 million, subject to any further recoveries; and
 - c) the Receiver made payments for certain priority amounts, including municipal property taxes and fees owing pursuant to a shared facilities agreement with the adjacent residential condominium building located at 105 Champagne Avenue S., Ottawa.
2. ACM is the Company's sole secured creditor and has filed a proof of claim with the Trustee for approximately \$1.9 million, of which \$100,000 is claimed as an unsecured creditor.

4.2 Priority Claims

1. The Trustee is not aware of any priority or trust claims.

4.3 Unsecured Creditors

1. According to the Company's books and records, the Company's unsecured obligations totaled approximately \$7.57 million at the date of bankruptcy, including an obligation to Canada Revenue Agency ("**CRA**") for HST in the amount of approximately \$7.3 million, including interest and penalties (the "**CRA Claim**"). The CRA Claim relates to a reassessment by CRA in 2019 when construction of the Real Property was completed. The Company filed a Notice of Appeal in 2020, objecting to CRA's reassessment, which was to be determined by the Tax Court of Canada.
2. As at the date of this Report, the Trustee has received four proofs of claim totaling \$1.944 million, of which the claim from ACM is the largest (\$1.92 million).

5. Books and Records

1. The Trustee has taken possession of the books and records it requires to complete its duties and obligations under the *Bankruptcy and Insolvency Act*, including bank statements for the year preceding the date of bankruptcy and the Company's minute books.

6. Preferences and Transfers at Undervalue

1. As part of its statutory duties, the Trustee is required to conduct a review for preferences and transfers at undervalue by reviewing the Company's bank statements and books and records for the year preceding the Assignment. The Trustee is in the process of carrying out that review.
2. The Trustee will advise the Inspector(s), once appointed, and/or creditors, should it become aware of any such transaction(s) which require further investigation.

7. Anticipated Realization and Projected Distribution

1. Based on the lack of assets in the estate, and the Trustee's lack of funding, the Trustee does not anticipate making a distribution to creditors.

8. Other Matters

1. The Trustee has been advised that a representative of ACM will be nominated for appointment as an Inspector in this estate. As of the date of this Report, no other individuals have expressed an interest to be nominated.
2. The Trustee's fees and costs to administer the bankruptcy are subject to a limited guarantee by the Receiver.

* * *

DATED at Toronto, Ontario, this 17th day of November, 2025.

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF
2195186 ONTARIO INC.
AND NOT IN ITS PERSONAL CAPACITY**