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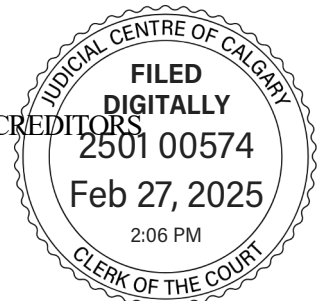
COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED



AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF WESTPHALIA DEV. CORP.

DOCUMENT

SECOND REPORT OF FTI CONSULTING CANADA INC., IN ITS  
CAPACITY AS MONITOR OF WESTPHALIA DEV. CORP.

**February 27, 2025**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
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# SECOND REPORT OF THE MONITOR

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## INTRODUCTION

1. On January 14, 2025, Westphalia Dev. Corp. (“**WDC**” or the “**Applicant**”) was granted an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Initial Order established a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicant until January 24, 2025, and appointed FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”).
3. On January 23, 2025, the Court granted the following orders:
  - a. an amended and restated Initial Order (the “**ARIO**”):
    - i. approving an interim financing commitment letter (the “**Interim Financing Agreement**”) between the Applicant as borrower (in such capacity, the “**Borrower**”) and Walton Global Investments Ltd. (“**WGIL**”) as lender (in such capacity, the “**Interim Lender**”), pursuant to which the Interim Lender will make funds available to the Borrower to finance these CCAA Proceedings;
    - ii. granting a charge to secure all obligations under the Interim Financing Agreement (the “**Interim Lender’s Charge**”) which will have second-ranking priority against the Applicant’s property behind the Administration Charge (as defined in the ARIO);
    - iii. an increase in the Administration Charge; and

- iv. an extension of the Stay of Proceedings until and including March 31, 2025;  
and
  - b. an order (the “**Claims Process Order**”) authorizing and approving the Applicant to undertake a claims process (the “**Claims Process**”) to determine all claims against the Applicant.
4. On February 24, 2025, the Applicant filed a notice of application returnable March 4, 2025, for an order (the “**Meeting Order**”) authorizing the Applicant to file a Plan of Compromise and Arrangement (the “**Plan**”) and to call, hold, and conduct a meeting of its Affected Creditors to vote on the Plan (the “**Meeting**”).

## **PURPOSE**

5. The purpose of this second report of the Monitor (the “**Second Report**”) is to provide this Court and the Applicant’s stakeholders with information and the Monitor’s comments with respect to the following:
- a. the activities of the Monitor since the filing of its first report dated January 21, 2025 (the “**First Report**”);
  - b. the Applicant’s actual cash flow results as compared to the Cash Flow Statement contained in the Monitor’s pre-filing report dated January 14, 2025 (“**Pre-Filing Report**”);
  - c. the Applicant’s second CCAA cash flow statement (the “**Second CCAA Cash Flow Statement**”) for the period commencing February 17, 2025 and ending April 13, 2025;
  - d. the results of the Claims Process to date;

- e. the Monitor’s comments the Plan and the Meeting Order; and
- f. the Monitor’s conclusions and recommendations.

## **TERMS OF REFERENCE**

6. In preparing this Second Report, the Monitor has relied upon certain information (the “**Information**”) including the Applicant’s unaudited financial information, books and records and discussions with senior management of WDC (“**Management**”).
7. Except as described in this Second Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
8. The Monitor has not examined or reviewed financial forecasts and projections referred to in this Second Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
9. Future oriented financial information reported to be relied on in preparing this Second Report is based on Management’s assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
11. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Frist Report, the Claims Process Order or the Meeting Order.

## ACTIVITIES OF THE MONITOR

12. The Monitor's activities during the CCAA Proceedings to date include, but have not been limited to, the following:

- a. monitoring the Applicant's actual cash flow results compared the Cash Flow Statement presented in the Pre-Filing Report;
- b. administering the Claims Process in accordance with the Claims Process Order;
- c. working with the Applicant, the Applicant's legal counsel, the Monitor's legal counsel and the Applicant's key stakeholders to develop a plan of compromise and arrangement, which has been attached as Schedule A to the Meeting Order;
- d. completing an independent review of the value of the Project in a liquidation scenario in order to assess the benefit of the Plan to the creditors of the Applicant as compared to a liquidation;
- e. reviewing and commenting on various documents including the Plan, the restructuring support agreement ("**Restructuring Support Agreement**") among the Applicant, Walton Westphalia Development (USA), LLC and WGIL (in such capacity, the "**Plan Sponsor**") and the Meeting Order;
- f. updating (the "**Monitor's Website**") at the following URL:  
<http://cfcanada.fticonsulting.com/Westphaliadevcorp/> where the Monitor has and will continue to post all court materials related to these CCAA Proceedings; and
- g. preparing this Second Report.

## CASH FLOW VARIANCE

13. The Applicant's actual cash flows in comparison to those contained in the Cash Flow Statement for the period January 13, 2025 to February 16, 2025 are summarized below:

<b>5 Week Period Ending Feb 16, 2025</b>			
<i>(C\$'s)</i>	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Receipts</b>	-	-	\$ -
<b>Disbursements</b>			
General and Administrative Expenses	16,410	20,000	(3,590)
Management Fee to WGIL	-	50,000	(50,000)
Professional Fees	-	75,000	(75,000)
<b>Total - Disbursements</b>	<b>16,410</b>	<b>145,000</b>	<b>(128,590)</b>
<b>Net cash flow</b>	<b>(16,410)</b>	<b>(145,000)</b>	<b>\$ 128,590</b>
Opening cash	27,557	2	27,555
<b>Ending cash before Interim Financing</b>	<b>\$ 11,148</b>	<b>\$ (144,998)</b>	<b>\$ 156,146</b>
<b>Interim Financing (Draw)</b>	-	150,000	(150,000)
<b>Ending Cash after Interim Financing</b>	<b>\$ 11,148</b>	<b>\$ 5,002</b>	<b>\$ 6,146</b>

14. The material variances in actual receipts and disbursements as compared to the Cash Flow Statement are primarily due to timing of payment of disbursements. Below is a more detailed description of these variances:

- a. the favourable variance in general and administrative expenses and management fee due to WGIL are timing related and are expected to reverse in future periods;
- b. the favourable variance in professional fees of \$75,000 is expected to reverse in future periods as amounts have been incurred but invoices have not yet been issued to the Applicant for payment; and

- c. favourable variance in opening cash relates to timing of cash transactions in the Applicant's bank account as the Cash Flow Statement included an opening cash balance that was a forecasted amount.

15. As of February 16, 2025, no amounts have been advanced under the Interim Financing Agreement and the Applicant is holding approximately \$11,000 in cash on hand.

## SECOND CCAA CASH FLOW STATEMENT

16. Management has prepared the Second Cash Flow Statement to set out the Applicant's liquidity requirements for the 8-week period ending April 13, 2025 (the "Forecast Period"). A copy of the Second CCAA Cash Flow Statement is attached as Appendix A.

17. The Second CCAA Cash Flow Statement is summarized as follows:

Cash Flow Statement (C\$'s)	Total 8 Weeks
<b>Receipts</b>	<b>\$ -</b>
<b>Disbursements</b>	
General and Administrative Expenses	33,590
Management Fee to WGIL	250,000
Interest on interim financing	3,441
Professional Fees	250,000
<b>Total - Disbursements</b>	<b>537,031</b>
<b>Net cash flow</b>	<b>\$ (537,031)</b>
Opening cash	11,148
<b>Ending cash before Interim Financing</b>	<b>\$ (525,883)</b>
Interim Financing (Draw)	550,000
<b>Cumulative Interim Financing (Drawn)</b>	<b>550,000</b>
<b>Ending Cash after Interim Financing</b>	<b>\$ 24,117</b>



18. The Second CCAA Cash Flow Statement projects that the Applicant will have negative cash flow of approximately \$537,000 over the Forecast Period and that the Applicant will end the Forecast Period with approximately \$24,000 cash on hand following draws under the Interim Financing Agreement of \$550,000.
19. The Cash Flow Statement is based on the following key assumptions:
- a. the Applicant does not have any sources of revenue and accordingly, receipts are projected as nil;
  - b. general and administrative expenses include the costs for news releases and external corporate services including legal, accounting and tax advisors;
  - c. the Applicant's management duties are performed by WGIL, and the forecasted expenses are to be paid monthly pursuant to the Management Services Agreement;
  - d. professional fees include provisions for the Applicant's legal counsel, the Monitor and the Monitor's legal counsel; and
  - e. draws under the Interim Financing Agreement to fund the Applicant's liquidity requirements over the Forecast Period, and interest paid on such advances.
20. The Second CCAA Cash Flow Statement has been prepared by Management using probable and hypothetical assumptions set out in the notes to the Second CCAA Cash Flow Statement.
21. The Monitor's review of the Second CCAA Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by Management. Since probable and hypothetical assumptions need not be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Second CCAA

Cash Flow Statement, and there are no material assumptions contained therein which seem unreasonable in the circumstances.

22. Based on the Monitor’s review, as at the date of this Second Report, nothing has come to its attention that causes it to believe that, in all material respects:
- a. the probable and hypothetical assumptions are not consistent with the purpose of the Second CCAA Cash Flow Statement; and
  - b. the probable and hypothetical assumptions developed by Management are not supported and consistent with the plan of the Applicant or do not provide a reasonable basis for the Second CCAA Cash Flow Statement.

## **RESULTS OF THE CLAIMS PROCESS**

23. On January 23, 2025, the Applicant was granted approval to commence the Claims Process pursuant to the terms of the Claims Process Order. Immediately after the granting of the Claims Process Order, the Applicant and the Monitor commenced the Claims Process.

### **Notice**

24. In accordance with the Claims Process the Monitor provided the following notice:
- a. on January 30, 2025, all Known Creditors were sent a claims package (“**Claims Package**”). The Claims Package included a claims notice (“**Claims Notice**”) indicating the amount of the Known Creditor’s Pre-Filing Claim in accordance with the Applicant’s books and records. The Claims Notice advised that if the creditor accepted the Applicant’s assessment and amount of the Pre-Filing Claim there is no further action required; however, if they disagree with the assessment or amount

of the claim they would be required to file a proof of claim by February 28, 2025 (“**Claims Bar Date**”);

- b. on January 30, 2025 the Monitor posted the Claims Package on the Monitor’s Website; and
  - c. the Monitor caused a notice of the Claims Process to be published in the Calgary Herald on January 30, 2025.
25. Additionally, the Applicant issued a press release on January 23, 2025, a copy of which will be attached as Exhibit A to the Third Affidavit of B. Tingle to be sworn and filed in these CCAA Proceedings (the “**Third Tingle Affidavit**”).

### Results of Claims Process

26. The following table provides a summary of the number, value, class and status of all Pre-Filing Claims submitted to date:

Claimant	Type of Claim	Claim Amount	Disputed / Amended
BMO Nesbitt Burns Inc.	Unsecured	26,753	No
SMG Asset Canada Inc.	Unsecured	510	No
Walton Asset Management L.P.	Unsecured	1,346,758	No
Walton Global Investments Ltd.	Unsecured	5,839,376	No
<b>Total Claims Notices Sent</b>		<b>\$ 7,213,397</b>	
<b>Claims Disputed / Amended</b>		<b>\$ -</b>	

27. As at the date of this Second Report, the Monitor has not received any disputes or amendments to the Claims Notices which were sent to the above four unsecured creditors of the Applicant. If no responses to the Claims Notices are received by the Claims Bar Date (February 28, 2025), these claims will be accepted as set out in the Claims Notices and there will be a total of

approximately \$7.2 million in accepted unsecured Pre-Filing Claims against the Applicant from Known Creditors.

28. As at the date of this Second Report, no Pre-Filing Claims have been submitted by Unknown Creditors.

29. As at the date of this Second Report, no Subsequent Claims have been submitted by any Creditor. The Subsequent Claims Bar Date is the later of (i) the Claims Bar Date; and (ii) the day which is 30 days after the date on which the agreement in question was disclaimed. As at the date of this Second Report, no agreements have been disclaimed by the Applicant.

30. As at the date of this Second Report, no D&O Claims have been submitted by any Creditor.

#### **PLAN OF COMPROMISE AND ARRANGEMENT**

31. The Applicant is seeking approval to call, hold and conduct a meeting of creditors for the purposes of voting on the Plan. A copy of the Plan is attached as Schedule A to the Meeting Order. The following provides a summary of the high-level aspects of the Plan. Stakeholders are encouraged to review the Plan in detail for full details.

#### **Class of Creditors**

32. The Plan contemplates one class of creditors which consists of all Affected Creditors and all Convenience Class Creditors with Voting Claims.

- a. Affected Creditors are creditors with Claims recognized in accordance with the Claims Process Order that are not Equity Claims or the Claims of Convenience Class Creditors; and

- b. Convenience Class Creditors are creditors with Claims recognized in accordance with the Claims Process Order which are equal to or less than \$30,000, and who are not WAM or WGIL.

### **Treatment of Creditors**

- 33. Convenience Class Creditors are to be paid in full in respect of their Proven Claims as soon as reasonably practicable on or after the Implementation Date.
- 34. Affected Creditors, including WAM and WGIL, shall not receive any immediate payment in respect of their respective Proven Claims. Instead, each Affected Creditor shall have their Proven Claim put in abeyance, to be paid from the proceeds of the completion and monetization of the Project, if any, pro rata and in accordance with such Affected Creditor's entitlement, and the WAM Agreements and WGIL Agreements, as applicable. If, upon completion and monetization of the Project, no proceeds are available to pay such claims, then the Affected Creditors will not receive any recovery.
- 35. All outstanding amounts under the Interim Financing Agreement are to remain in place in accordance with the WGIL Agreements and continue to be secured by the Interim Lender's Charge.
- 36. As at the date of this Second Report, the WAM Agreements and WGIL Agreements have not been finalized and have not been reviewed by the Monitor. The Applicant, WAM and WGIL are progressing those agreements and the Monitor intends to report on them prior to the hearing date of the Sanction Application (as defined below).

## **Treatment of Existing Class B Shareholders**

37. On the Implementation Date and in accordance with the steps and sequence set forth in the Plan, all Existing Class B Shares shall be cancelled and extinguished without compensation and for no consideration.
38. The Applicant sent a notice to the Class B shareholders on February 25, 2025 (the “**Class B Shareholder Notice**”) which advised them of the application for Meeting Order and the March 28, 2025, application for the sanctioning of the Plan (the “**Sanction Application**”). A copy of the Class B Shareholder Notice will be attached as Exhibit B to the Third Tingle Affidavit.
39. Class A Shares are unaffected by the Plan.

## **Releases**

40. The Plan provides that, upon Implementation, each of (a) the Applicant and the current and former directors and officers of the Applicant, (b) WAM and WGIL, and (c) the Plan Sponsor, and each of their respective financial advisors, legal counsel and agents, in each case in such capacity, will be released and discharged from certain claims against them, where such claim is based on any act taking place on or prior to the Implementation Date or after the Implementation Date in furtherance of the Plan.

## **MEETING ORDER**

41. The Applicant is seeking authorization to call, hold and conduct the Meeting on March 25, 2025 at 10:00 A.M. (Calgary time), to allow Affected Creditors to vote in respect of the Plan. The Creditors’ Meeting will be held virtually. The only persons entitled to attend the Meeting are:

- a. the Affected Creditors with Voting Claims, or their Proxies, and their legal and financial advisors;
- b. the Chairperson, one or more Scrutineers, and the Secretary;
- c. one or more representatives of the Monitor, and the Monitor's legal counsel;
- d. one or more representatives of the Applicant from the current board of directors and/or senior management of the Applicant, as selected by the Applicant, and the Applicant's legal counsel and financial advisors;
- e. counsel to the directors and officers of any of the Applicant; and
- f. any person invited by the Applicant to the Meeting in consultation with the Monitor.

42. Convenience Class Creditors are not entitled to attend or vote at the Meeting and are deemed to vote in favour of the Plan.

### **Notice to Creditors**

43. The proposed Meeting Order outlines how the Affected Creditors will be given notice of the Meeting. It provides that the Monitor shall:

- a. within two (2) Business Days following the date of the Meeting Order, serve copies on the Service List and post electronic copies of the meeting materials (the "**Meeting Materials**") on the Monitor's Website. The Meeting Materials include:
  - i. the Notice to Affected Creditors;
  - ii. the Meeting Order;

- iii. a blank form of Creditor Proxy, to be submitted to the Monitor by any Creditor with a Voting Claim who wishes to vote at the Meeting, whether in person or by proxy; and
  - iv. the Notice to Convenience Class Creditors; and
- b. not later than the fifth (5th) Business Day following the pronouncement of the Meeting Order, deliver the Meeting Materials by courier, personal delivery regular mail or email to each Affected Creditor and Convenience Class Creditor at the address set out in such Creditor's Proof of Claim (or in any other written notice that has been received by the Monitor in advance of such date regarding a change of address for a Creditor), or in the case of Known Creditors, the address reflected in the Applicant's books and records for such Known Creditor.

## **Voting**

44. In accordance with the Meeting Order, the Chairperson shall direct a vote by each Affected Creditor with a Voting Claim, by written ballot, on the Plan Resolution in relation to the Plan and any amendments thereto.
45. The only Persons entitled to vote at the Meeting (whether in person or by proxy) are Affected Creditors with Voting Claims against the Applicant as at 5:00 P.M. (Calgary time) on March 23, 2025 or, where the Meeting is extended or adjourned in accordance with the Meeting Order, 5:00 P.M. (Calgary time) two Business Days prior to the date of the Meeting.
46. Each Affected Creditor of the Applicant that has a Voting Claim shall be entitled to a single vote, which vote shall have a value equal to the dollar value of such Affected Creditor's Voting Claim or the aggregate dollar value of all of such Affected Creditor's Voting Claims, if the Affected Creditor holds more than one Voting Claim.



47. Convenience Class Creditors are not entitled to vote at the Meeting and are deemed to vote in favour of the Plan.

### **Approval of the Plan**

48. The Plan must receive an affirmative vote of the Required Majority of Affected Creditors and Convenience Class Creditors in order to be approved. The Required Majority is at least the majority in number and two thirds in value of the Voting Claims, present and voting in person or by proxy at the Meeting or deemed to vote in favour of the Plan. For clarity, the Convenience Class Creditors will be deemed to vote in favour of the Plan and such votes are to be included in the calculation of the Required Majority.

49. The result of any vote at the Meeting shall be binding on all Affected Creditors and Convenience Class Creditors of the Applicant, regardless of whether such Creditor was present at or voted at the Meeting, or was entitled to be present or vote at the Meeting.

### **Plan Sanction**

50. The proposed Meeting Order provides that the Monitor shall report to the Court the results of any votes taken at the Meeting as soon as reasonably practicable after the Meeting (or any adjournment thereof).

51. An electronic copy of the Monitor's Report regarding the Meeting and a copy of the materials filed in respect of the Sanction Application by the Applicant for a sanction order (the "**Sanction Order**") shall be served on the Service List and posted on the Monitor's Website prior to the hearing date of the Sanction Application.

52. In the event the Plan is approved by the Required Majority, the Sanction Application shall be held on March 28, 2025, or such later date as shall be acceptable to the Applicant and the Monitor, and as scheduled by this Court upon application by the Applicant.

## **MONITOR'S ANALYSIS OF THE PLAN AND MEETING ORDER**

53. The Monitor has reviewed and considered the Plan and Meeting Order and provides the following analysis and recommendations.

### **Plan versus Alternatives**

54. The Monitor has considered the recoveries offered to Affected Creditors and Convenience Class Creditors pursuant to the Plan and compared them to recoveries that could be expected under other alternatives, such as a receivership or bankruptcy.

55. As described in further detail in the Pre-Filing Report, any recovery to the Applicant would be a result of the value recovered with respect to its shareholdings of Walton Westphalia Development (USA), LLC (the “**US Subsidiary**”). The US Subsidiary, in turn, holds an 85.6% interest in the Project. The Applicant has no material assets other than its ownership of the US Subsidiary.

56. The US Subsidiary has liabilities of approximately \$73.3 million, which would need to be satisfied prior to any funds flowing up from the US Subsidiary to the Applicant and ultimately to be available to the Affected Creditors and Convenience Class Creditors. Further, the Monitor's analysis confirms the Applicant's view that the Project could take up to three years to be completed and the Applicant does not have sufficient liquidity to fund the work required to complete the Project. Therefore, the most reasonable alternative scenario to the Plan would be for the Project to be marketed and sold on an ‘as is’ basis.

57. The Monitor concluded that the recoveries offered to the Applicant's creditors under the Plan are greater than would be received in an alternative liquidation scenario (a near-term sale of the Project on an ‘as is’ basis). In the Monitor's analysis, it determined that recoveries to unsecured creditors of the Applicants would be nil if the Project were to be liquidated in a

receivership or bankruptcy, and accordingly there would be no recovery for the shareholders of the Applicant.

58. To formulate this view, the Monitor:

- a. reviewed prior sales efforts the Applicant had undertaken for the Project and considered offers or indications of interest that were received through these efforts;
- b. reviewed the cash flow forecast model for the Project to understand the cash needs required to complete the Project. The Monitor concluded that substantial additional funding is required to complete the Project and that completion will take several years. The Monitor understands that in the current circumstances and capital structure, the Applicant does not have the funding necessary to complete the Project; and
- c. completed its own independent restricted appraisal of the Project (the “**Appraisal**”) in its current state utilizing its internal real estate appraisal experts. The Monitor’s internal real estate experts have extensive experience valuating real estate projects across the United States. The Appraisal included:
  - i. assessing the general quality and conditions of the area in which the Project is located;
  - ii. reviewing the Project’s competitive conditions relative to its local market including supply/demand conditions, vacancy, absorption rates and rental rates;
  - iii. analysis of the Project’s development planning and approvals process with respect to the Project’s proposed development plans,

- iv. researching comparable sales relative to the Project; and
- v. a ‘highest & best’ use analysis, on an as-is and as-improved basis based on a comparison property approach.

59. The Appraisal determined that the liquidation value of the Project would be less than the secured debt currently encumbering the Project, resulting in no recovery for the Applicant with respect to the Project. As the Project is on-going, the Appraisal has not been attached to this Second Report as it contains commercially sensitive information that could materially prejudice the Applicant if the information contained therein is published and disclosed.

60. Accordingly, based on the Appraisal and other analysis completed by the Monitor and described above, the alternative liquidation scenario to the Plan would result in a shortfall within the US Subsidiary causing a worse outcome for the Affected Creditors and Convenience Class Creditors compared to the recoveries offered under the Plan.

### **Timing of Distributions to Creditors**

61. If the Plan is accepted, Convenience Class Creditors are to be paid in full upon (or as soon as reasonably practicable after) implementation of the Plan. Affected Creditors will have to wait until the Project is completed and/or monetized to receive any recovery. Despite the uncertainty of timing and amount of distribution to Affected Creditors the Monitor is of the view that the Plan still presents a better option to Affected Creditors than the alternative which would be a receivership or bankruptcy sale of the unfinished Project, which in the Monitor’s view would result in no recovery to Affected Creditors or Convenience Class Creditors.

## **Treatment of Class B Shareholders**

62. The Plan contemplates that all Class B Shares are to be cancelled and extinguished upon implementation of the Plan, without compensation and for no consideration. In the Monitor's view this is reasonable as there is currently no value in a receivership or bankruptcy sale for Class B Shares.

## **Monitor's Recommendation in respect of the Plan**

63. It is the Monitor's view that the Applicant has pursued the Plan with due diligence and in good faith. The Monitor is satisfied that the Plan presents a superior recovery option to creditors compared to available alternatives and that the mechanism to distribute recoveries under the Plan is reasonable given the Project must be monetized before there is cash available for distribution.

64. Nothing has come to the attention of the Monitor that would suggest that the Applicant has not acted in compliance with the terms of the Initial Order, the ARIO, the Claims Process Order, or the CCAA generally.

## CONCLUSIONS AND RECOMMENDATIONS

65. Based on the above, the Monitor respectfully recommends that this Honourable Court approve the filing of the Plan and grant the proposed Meeting Order. Furthermore, based on the above, the Monitor would recommend the Affected Creditors vote in favour of the Plan.

\*\*\*\*\*

All of which is respectfully submitted this 27<sup>th</sup> day of February, 2025.

**FTI Consulting Canada Inc.,**  
in its capacity as Monitor of  
the Westphalia Dev. Corp.  
and not in its personal or corporate capacity



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Deryck Helkaa  
Senior Managing Director  
FTI Consulting Canada Inc.



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Dustin Olver, CA, CPA, CIRP, LIT  
Senior Managing Director  
FTI Consulting Canada Inc

# **Appendix A**

**Westphalia Dev. Corp.**

Projected Cash Flow Statement for the period February 17 to April 13, 2025

Cash Flow Statement	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Total	Notes	
(C\$'s)	Week Ending	23-Feb-25	2-Mar-25	9-Mar-25	16-Mar-25	23-Mar-25	30-Mar-25	6-Apr-25	13-Apr-25	8 Weeks	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Receipts</b>		-	-	-						\$ -	<b>1</b>
<b>Disbursements</b>											
General and Administrative Expenses		-	16,141	-		10,000	-	7,449	-	33,590	<b>2</b>
Management Fee to WGIL		-	50,000	-	100,000	-		100,000		250,000	<b>3</b>
Interest on interim financing		-		176	353	529	706	706	970	3,441	<b>4</b>
Professional Fees		-	-	75,000	-	100,000	-	75,000	-	250,000	<b>5</b>
<b>Total - Disbursements</b>		-	<b>66,141</b>	<b>75,176</b>	<b>100,353</b>	<b>110,529</b>	<b>706</b>	<b>183,155</b>	<b>970</b>	<b>537,031</b>	
<b>Net cash flow</b>		-	<b>(66,141)</b>	<b>(75,176)</b>	<b>(100,353)</b>	<b>(110,529)</b>	<b>(706)</b>	<b>(183,155)</b>	<b>(970)</b>	<b>\$ (537,031)</b>	
Opening cash		11,148	11,148	(54,993)	(130,170)	(230,523)	(341,052)	(341,758)	(524,913)	11,148	
<b>Ending cash before Interim Financing</b>		<b>\$ 11,148</b>	<b>\$ (54,993)</b>	<b>\$ (130,170)</b>	<b>\$ (230,523)</b>	<b>\$ (341,052)</b>	<b>\$ (341,758)</b>	<b>\$ (524,913)</b>	<b>\$ (525,883)</b>	<b>\$ (525,883)</b>	
<b>Interim Financing (Draw)</b>		-	100,000	100,000	100,000	100,000		150,000		550,000	<b>6</b>
<b>Cumulative Interim Financing (Drawn)</b>		-	100,000	200,000	300,000	400,000	400,000	550,000	550,000	550,000	
<b>Ending Cash after Interim Financing</b>		<b>\$ 11,148</b>	<b>\$ 45,007</b>	<b>\$ 69,830</b>	<b>\$ 69,477</b>	<b>\$ 58,948</b>	<b>\$ 58,242</b>	<b>\$ 25,087</b>	<b>\$ 24,117</b>	<b>\$ 24,117</b>	



Westphalia Dev. Corp.

Per: Autumn Habermehl, CFO

**Notes:**

The Manager of Westphalia Dev. Corp. ("**WDC**") prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Westphalia Dev. Corp. during the period of February 17, 2025 to April 13, 2025. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-6. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 WDC does not have any source of revenue, accordingly receipts are projected as nil
- 2 Includes general administrative expenses, news releases, external corporate legal, accounting and tax services.
- 3 Company does not have any employees, management duties are performed pursuant to a management agreement with Walton Global Investment Ltd. ("**WGIL**")
- 4 Interest payable on advances under the Interim Financing Agreement.
- 5 Professional fees include provision for WDC Counsel, Monitor and Monitor's counsel in addition to retainers currently held by these parties.
- 6 Interim Financing provided pursuant to the terms of the Interim Financing Agreement with WGIL.