

UNOFFICIAL TRANSLATION

CANADA
PROVINCE OF QUEBEC
DISTRICT OF LAVAL

N° : 540-11-012245-249

IN THE MATTER OF THE PROVISIONAL
ADMINISTRATION OF:

C O U R S U P E R I O R
"Commercial Division"

WHITEHAVEN SECURITIES INC. WHITEHAVEN
ASSET MANAGEMENT INC. WHITEHAVEN
INVESTMENTS INC. WHITEHAVEN VENTURE
CAPITAL INC. WHITEHAVEN CAPITAL INC.
PHARMA SOLSTAR INC.
SOLSTAR CAPITAL INC.
SOLSTAR CAPITAL FUND
MVMT CAPITAL FUND
MVMT CAPITAL LIMITED PARTNERSHIP MVMT
CAPITAL OPERATING TRUST MVMT CAPITAL
LIMITED PARTNERSHIP
MVMT CAPITAL LIMITED PARTNERSHIP 1

Collectively, the "Defendants"

and

FTI CONSULTING CANADA INC.

The "Provisional Administrator"

REPORT OF THE PROVISIONAL ADMINISTRATOR

Regarding the Interim Administrator's Motion to (i) amend its powers granted under an order dated September 12, 2024, (ii) approve a claims process, and (iii) authorize an interim distribution (the "Motion")

TO THE HONORABLE PATRICK OUELLET, J.C.S., PRESIDING IN THE COMMERCIAL CHAMBER FOR THE DISTRICT OF LAVAL AND ACTING AS MANAGING JUDGE, THE PROVISIONAL ADMINISTRATOR SUBMITS THE FOLLOWING:

This report (the "Report") is submitted in support of the Interim Administrator's Motion seeking approval of a reverse claim process (the "Claim Process"), authorization to proceed with one or more interim distributions to investors holding units of MVMT Capital Funds (the "Interim Distribution") and the amendment of his powers.

1. BACKGROUND OF THE PROVISIONAL ADMINISTRATION

- 1.1. By order dated September 12, 2024, the Honorable Christian Immer, J.C.S., appointed FTI Consulting Canada Inc. as Provisional Administrator of the following companies and issued various orders relating to, among other things, the powers granted to the Provisional Administrator (the "Order"):
 - Whitehaven Securities Inc., Whitehaven Asset Management Inc., Whitehaven Investments Inc., Whitehaven Venture Capital Inc., and Whitehaven Capital Inc. (the "WH Entities");
 - Pharma Solstar Inc., Capital Solstar Inc., and Solstar Capital Fund (the "Solstar Entities");
 - MVMT Capital Fund, MVMT Capital Limited Partnership, MVMT Capital Operating Trust, MVMT General Partner Inc. and MVMT Capital Limited Partnership 1 (the "MVMT Entities" and, collectively with the WH Entities and the Solstar Entities, the "Entities Concerned").
- 1.2. The Defendants did not contest the Order.
- 1.3. On or around October 11, 2024, the Interim Administrator filed its first report dated October 11, 2024 (the "First Report") with the Court, which was also published on the Interim Administrator's website¹.
- 1.4. On or around November 12, 2024, the Interim Administrator filed its second report dated November 12, 2024 (the "Second Report") with the Court, which was also published on the Interim Administrator's website.
- 1.5. On February 20, 2025, the Honorable Chantal Chatelain issued a specific management order appointing the Honorable Patrick Ouellet as the managing judge for this case following the appointment of the Honorable Christian Immer to the Court of Appeal.
- 1.6. On July 23, 2025, the Honorable Patrick Ouellet issued an order modifying the powers of the Interim Administrator in order to grant the latter the powers to implement an investment solicitation and sale process ("PSIV") for the assets of the MVMT Entities and to file, on behalf of the Solstar Entities, a notice of intention to make a proposal, a proposal or an assignment of property under the *Bankruptcy and Insolvency Act* ("BIA").
- 1.7. On or about July 29, 2025, the Interim Administrator filed its third report dated July 29, 2025 (the "Third Report") with the Court, which was also published on the Interim Administrator's website.

¹ (<https://cfcanada.fticonsulting.com/Whitehaven/>)

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2. BACKGROUND

- 2.1. As a reminder, MVMT Capital Fund is a trust that acted as an issuer to raise funds on the exempt market through offering memoranda.
- 2.2. The capital raised on the exempt market by the MVMT Capital Fund was used, in part, to enable MVMT Limited Partnership to make residential and commercial loans to borrowers.
- 2.3. Prior to the Order, the MVMT Capital Fund made distributions of 10% to Investors. Part of the distributions was made as a return of capital (redemption of Units) and the other part constituted a return on investment (the "Distributions").
- 2.4. In light of the concerns raised by the Autorité des marchés financiers (the "AMF") and the reasons for the Order, the Interim Administrator has suspended Distributions since his appointment.
- 2.5. However, since the Order, the Interim Administrator has implemented protective measures concerning the assets of the MVMT Entities, which are described in more detail in his reports.
- 2.6. The purpose of these protective measures was to recover, protect, and optimize the value of the assets of the MVMT Entities for the benefit of the Investors, in order to be able to distribute the remaining assets to them.
- 2.7. One of these protective measures consists of monitoring and collecting the principal and interest owed by the borrowers of the MVMT Entities.
- 2.8. As shown in Section 5 of this Report, the amounts collected, net of expenses incurred during the provisional administration of the MVMT Entities, are approximately \$7.7 million.
- 2.9. Considering the cash flow thus generated, the Interim Administrator deemed it appropriate to invest a portion of MVMT Limited Partnership's cash in a GIC, with the objective of generating a certain return for the benefit of the Investors.
- 2.10. The capital invested is insured and cannot negatively affect the capital invested.
- 2.11. As of today, the CPG consists of a total amount of \$5.3 million, which will be used to proceed with the Interim Distribution proposed by the Interim Administrator under the terms of the Motion.
- 2.12. However, in order to proceed with the proposed Interim Distribution, the Interim Administrator must be able to conduct a claims process to ensure that the interim distributions are made to Investors holding a claim validated by the Interim Administrator.
- 2.13. Through the Claims Process and the Interim Distribution(s), the Interim Administrator seeks the Court's authorization to distribute to Investors a portion of the cash held by the MVMT Entities resulting from efforts to collect on the loans issued.

2.14. For ease of reference in this Report, the Claims Process refers to the process by which the Interim Administrator intends to establish and confirm the amount of an Investor's claim arising from any investment made on the exempt market in the MVMT Capital Fund, using the calculation method set out below, but excluding certain excluded claims.

2.15. Furthermore, the term "Calculation Method," i.e., the method used to determine a claim, is as follows:

Capital invested by an investor	A
(-) Capital repayment received or presumed to have been received	B
Investor's claim	<hr/> C = A – B

2.16. The Claim Process and Interim Distribution are intended exclusively for investors in MVMT Capital Funds who purchased one or more units on the exempt market (the "Investors").

2.17. To simplify the content of the Report, it should be read in conjunction with the allegations in the *ex parte* and in camera Application to appoint a provisional administrator of the Authority (the "AMF Application"), the Order, the First Report, the Second Report, and the Third Report (collectively, the "Reports").

2.18. Unless otherwise indicated in this report, the Interim Administrator has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would be consistent with generally accepted assurance standards, nor has it reviewed or revised the financial information referred to in this report under the Canadian Chartered Professional Accountants Handbook.

2.19. Unless otherwise indicated in this report, all amounts are expressed in Canadian dollars. Capitalized terms not otherwise defined in this report have the meanings given to them in the Reports or in the Petition or the draft order attached to the Petition (Exhibit R-1), as applicable.

2.20. Readers are encouraged to review all of the Interim Administrator's reports available on his website at the following address:
<https://cfcanada.fticonsulting.com/Whitehaven/default.htm>

3. STRUCTURE OF THIS REPORT

3.1. The purpose of this Report is to:

- i. Inform the Court and Investors of the steps taken by the Interim Administrator concerning the MVMT Entities since the issuance of his Third Report;
- ii. Provide the Court and Investors with an update on the financial situation and loan portfolio of the MVMT Entities;
- iii. Submit for the Court's approval the Claims Process, Distribution Method, and Interim Distribution proposed by the Interim Administrator;
- iv. Inform the Court and Investors of the next steps that the Interim Administrator plans to take for the MVMT Entities in the short and medium term.

3.2. The Report contains the following sections:

- Actions taken regarding MVMT Entities since the issuance of the Third Report (Section 4);
- Financial update on MVMT Entities (section 5);
- Update on the MVMT Entities' loan portfolio (section 6);
- Reverse claim process proposed by the Interim Administrator (section 7);
- Distribution method proposed by the Interim Administrator (section 8);
- Proposed interim distribution by the Interim Administrator (section 9);
- Next steps in relation to the MVMT Entities (section 10);
- Conclusions and recommendations (section 11).

4. ACTIONS TAKEN WITH RESPECT TO THE MVMT ENTITIES SINCE THE ISSUANCE OF THE THIRD REPORT

4.1. Since the issuance of the Third Report, the Interim Administrator has:

- monitored the revenues and disbursements of the MVMT Entities;
- analyzed the requests for receipts received from Ms. Élizabeth Fortin (“Ms. Fortin”), the sole trustee or administrator of the MVMT Entities at the time of the Order;
- analyzed the requests received from Ms. Fortin in connection with certain loans;

- monitored the SCMC (MVMT) loan portfolio and collected certain loans issued by SCMC (MVMT);
- followed up with Ms. Fortin's attorney regarding the numerous commitments made by Ms. Fortin during her interrogatories in February 2025, which had still not been forwarded to the Interim Administrator as of the date of this report;
- Worked with PSB Boisjoli LLP (hereinafter "PSB"), auditor of the MVMT Entities, in connection with the reconciliation of capital and interest distributions made by the MVMT Entities to investors from the creation of the MVMT Entities until the appointment of the Interim Administrator.
- Develop a sales and investment solicitation process in connection with the assets of the MVMT Entities.

5. FINANCIAL UPDATE OF THE MVMT ENTITIES

- 5.1. The following table shows the status of the MVMT Entities' revenues and disbursements for the period between September 13, 2024, and November 25, 2025.

MVMT Entities	For the period beginning September 13, 2024 as of November 25, 2025				
		SCMC	SCMC 1	MVMT GP	TOTAL
Cash receipts					
Amounts received from representatives		-	-	115	115
Loan repayments (principal and interest)		8,302,327	-	-	8,302,327
Other		51,521	-	110	51,631
Total receipts	A	8,353,848	-	225	8,354,073
Disbursements					
Disbursements related to loans issued by MVMT		330,000	-	-	330,000
Subcontractors		41,049	-	-	41,049
Professional fees		243,801	-	-	243,801
Professional fees - Provisional administration		407,198	-	-	407,198
Bank charges		113	315	1,974	2,402
Transfer between accounts		2,300	(350)	(1,950)	-
Investment in a GIC		5,300,000	-	-	5,300,000
Other		285	-	-	285
Total disbursements	B	6,324,746	(35)	24	6,324,735
Change in cash	C=A-B	2,029,102	35	20	2,029,338
Bank balance at the beginning	D	327,484	77	911	328,472
Bank balance at end	E=C+D	2,356,586	112	1,112	2,357,810
Investing in a GIC	F	5,300,000	-	-	5,300,000
Total cash available as of November 25, 2025	G=E+F	7,656,586	112	1,112	7,657,810

- 5.2. Cash receipts associated with principal and interest repayments correspond to amounts received as final or partial repayment of loans following signed receipts and/or releases and monthly interest payments made by borrowers.
- 5.3. Other cash receipts correspond to interest income generated on an investment made by SMCM at the initiative of the Interim Administrator in a GIC with the Bank of Montreal.
- 5.4. The Interim Administrator deemed it appropriate to invest part of SCMC's cash in a GIC with the objective of generating a certain return for the benefit of the Investors. The capital invested is insured and cannot negatively affect the capital invested.
- 5.5. Disbursements related to loans issued by SCMC represent progressive disbursements made for a loan granted prior to the commencement of provisional administration. These disbursements were made in accordance with the mortgage deed signed between the borrower and SCMC and were intended to protect the loan collateral and ensure its continuity.
- 5.6. Professional fees, other than the Interim Administrator's fees, mainly relate to expenses associated with the auditors in connection with the financial statements for the years ended December 31, 2023, and 2024, and the reconciliation of distributions made by the MVMT Entities to investors prior to the appointment of the Interim Administrator.

6. UPDATE ON THE LOAN PORTFOLIO OF MVMT ENTITIES

- 6.1. Since his appointment, the Interim Administrator has managed SCMC's loan portfolio with the assistance of Ms. Fortin.
- 6.2. The following table presents the financial position of the MVMT entities' loan portfolio and cash holdings.

Summary table of loans

Number of days past due in thousands of CAD	Status of the loan portfolio as of November 25, 2025					According to the Third Report				
	Principal	Interest	TOTAL	Proportion	Number	Capital	Interest	TOTAL	Proportion	Number
Loans in good standing	4,314	68	4,382	14	6	2,756	23	2,779	8	10

- 6.3. According to the TMO loan tracking system, as of November 25, 2025, SCMC's loan portfolio consists of 50 active loans (the "Loans"), compared to 76 active loans as of the Second Report and 63 as of the Third Report.
- 6.4. Loans represent a receivable principal amount of \$27.2 million compared to \$29.6 million as of the Third Report. This change is due to the full or partial repayment of certain loans.
- 6.5. In addition, accrued interest receivable of \$4.6 million as of November 25, 2025, is due for a total principal and interest amount of approximately \$31.7 million as of November 25, 2025.

- 6.6. Thus, since the issuance of the Third Report, in addition to interest, 13 loans have been cashed in for a principal amount of \$2.4 million representing the entire principal balance due.

7. THE REVERSE CLAIM PROCESS PROPOSED BY THE PROVISIONAL ADMINISTRATOR

- 7.1. Considering the investigation conducted by the Interim Administrator and the taking possession of the assets and records of the MVMT Entities and the WH Entities, the Interim Administrator is able to assess with a good degree of accuracy the existing claims of Investors who invested in the exempt market, through Whitehaven, in the MVMT Capital Fund (the "Claims").
- 7.2. To this must be added the report received from PSB regarding the reconciliation of funds received and amounts distributed to Investors since the creation of the MVMT Capital Fund.
- 7.3. As a result, the Interim Administrator proposes to implement a simplified claims process (the "Claims Process") in order to:
- i. Establish an effective and fair Claims Process;
 - ii. To definitively determine the amount of the Investors' Claims;
 - iii. Reduce the costs associated with such a Claims Process;
 - iv. Enable one or more interim distributions;
 - v. Enable the preparation of a final distribution/liquidation plan.
- 7.4. To this end, the draft order (R-1) provides, in particular, that:
- a. The publication on the websites of the Provisional Administrator and the AMF of a copy of the order to be issued in response to the Petition;
 - b. The transmission by the Interim Administrator of a copy of the order to be issued to all Investors known to him, together with a notice setting out the amount of each Investor's Claim according to the records in his possession (the "Notice");
 - c. The date for determining a Claim shall be September 12, 2024, the date on which the Order of Appointment was issued;
 - d. The Claim will relate exclusively to the capital invested by each Investor, less any amount received by the Investor as capital in connection with that same investment;
 - e. Each Investor will have a strict deadline of 30 business days from the Notice to send the Interim Administrator a notice of objection (the "Notice of Objection"), the content of which is specified in the draft order (R-1);

- f. If a Notice of Dispute is not submitted within the required period of 30 business days, the amount of the Claim contained in the Notice will be deemed to have been accepted by the Investor concerned.
 - g. Any Notice of Dispute will be handled according to the dispute process set out in the draft order (R-1) supporting the Motion.
- 7.5. The proposed Claims Process does not prejudice Investors, who may prove a claim different from that proposed by the Interim Administrator in the Notice, subject to the terms and conditions of the proposed order (R-1).
 - 7.6. Furthermore, the Claims Process is desirable and constitutes a simplified, fair, necessary, and just Claims Process in the interests of the Investors and justice.
 - 7.7. Such a reverse claims process was approved by the Court in *Cape Cove*², which concluded that it was a "clear, simple and effective process and that its implementation is in the interest of all investors."

8. THE DISTRIBUTION METHOD PROPOSED BY THE PROVISIONAL ADMINISTRATOR

- 8.1. With regard to the method of distributing the assets of the MVMT Entities, the Interim Administrator is of the opinion that, for the purposes of the interim distribution and the final distribution plan to be implemented, the "Fund-by-Fund Distribution Method" should be used rather than the "Global Distribution Method," on a pro rata basis according to the amount invested by each Investor.
- 8.2. The "Global Distribution Method" consists of distributing all of the assets of the Defendant companies to all investors, regardless of the fund in which the investor invested.
- 8.3. The Global Distribution Method is based on the fact that "fraud corrupts everything (*fraus omnia corrumpit*)" to the extent that, if it were applicable in this case, all the assets of all investors in all the Defendants would have to be combined into a single pool of assets for the benefit of all investors.
- 8.4. With regard to the distinctions between the various distribution methods, the Interim Administrator refers the reader to the decision of the Honorable Judge Immer, now a judge of the Court of Appeal, in the *Cape Cove* case³.
- 8.5. As appears from the Report and previous reports of the Interim Administrator, this method of distribution should not be recommended in this case, since nothing in our previous reports would justify the application of such a method.
- 8.6. Indeed, there is no reason to treat investors who have invested sums with one or more of the defendant issuing companies on a consolidated basis.

² *Autorité des marchés financiers v. Agro Tech Ventures 1 Inc.*, 2023 QCCS 4105 (CanLII), <<https://canlii.ca/t/k0vmt>>

³ *Autorité des marchés financiers v. Agro Tech Ventures 1 Inc.*, 2023 QCCS 2829 (CanLII), <<https://canlii.ca/t/jzb43>>

- 8.7. Furthermore, the assets of the MVMT Entities have not been "polluted" or "contaminated" by inappropriate transactions between the Defendant issuing companies, in particular, ensuring that the ownership of said assets cannot be called into question.
- 8.8. The Fund-by-Fund Method provides that an investor who invests in a particular fund may recover only part or all of their investment from the assets of the fund in which they invested.
- 8.9. In this case, and as appears from the Reports of the Interim Administrator, the "Fund-by-Fund Method" should be applied in this case for Investors who subscribed to units of the MVMT Capital Fund on the exempt market.
- 8.10. Furthermore, the Interim Administrator requests that this honorable Court authorize a pro rata distribution mechanism for each Investor's investments, considering that this mechanism is the fairest, most practical, and most equitable in the circumstances for Investors who have subscribed to units in the MVMT Capital Fund.
- 8.11. Furthermore, the Interim Administrator is unable to apply the Lowest Intermediate Balance Rule (LIBR) distribution mechanism. This rule is a legal and accounting principle used primarily in the context of bankruptcy law and the tracing of funds. This rule should not be considered in the present circumstances.

9. INTERIM DISTRIBUTION PROPOSED BY THE PROVISIONAL ADMINISTRATOR

- 9.1. As previously indicated, the MVMT Entities' cash holdings amounted to \$7.7 million as of November 25, 2025.
- 9.2. Prior to the Order, the MVMT Capital Fund made distributions of 10% to Investors. Part of the distributions was made as a return of capital (redemption of Units) and the other part was a return on investment.
- 9.3. However, the Order provides for the suspension of all redemptions of securities issued by the MVMT Capital Fund and empowers the Interim Administrator to lift such suspension when he deems it appropriate.
- 9.4. Based on the concerns raised by the AMF and the reasons for the Order, the Interim Administrator has suspended distributions since his appointment.
- 9.5. Considering the available cash, the Interim Administrator is of the opinion that an interim distribution would be desirable for Investors and that an amount of \$6.3 million could be distributed to Investors holding a Claim validated by the Interim Administrator under the Claims Process.
- 9.6. The Interim Administrator is of the opinion that this amount can be distributed on an interim basis without affecting the operations of the MVMT Entities or the mandate of the Interim Administrator.

- 9.7. The proposed interim distribution would be made as soon as the Claims Process is completed, and each Investor would receive an amount as an interim distribution, prorated to the Claims accepted by the Interim Administrator.
- 9.8. Claims eligible for interim distribution are all claims by Investors arising from an investment that enabled the subscription of a Share or Shares of the MVMT Capital Fund on the exempt market, but excluding any Excluded Claims.
- 9.9. Excluded Claims are limited to the following:
 - i) any Claim by a person who received one or more securities issued by the MVMT Capital Fund free of charge; and
 - ii) any Claim by a person who received a sum from one of the MVMT Entities as an investment, placement, loan or advance, and any person related to that person.
- 9.10. These excluded Claims, at least at the interim distribution stage, are justified by the fact that it is likely that Investors will not be able to recover their entire net invested capital.
- 9.11. Furthermore, previous reports by the Interim Administrator have shown that investor funds were used to make loans to persons related to the MVMT Entities, several of which are currently in default.
- 9.12. Furthermore, the interim distribution is subject to the following preconditions:
 - a) The Order to be issued (R-1) must be enforceable and must, among other things:
 - i) Declare that the Interim Administrator is authorized to take all measures and perform all acts necessary to implement one or more interim distributions;
 - ii) Declare and order that the Interim Administrator may apply to the Court for directions with respect to any matter arising from the order to be made;
 - iii) Declare that the order to be made is the only approval required to enable the Interim Administrator to make one or more interim distributions.

10. NEXT STEPS RELATING TO THE MVMT ENTITIES

- 10.1. The Interim Administrator intends to continue, in collaboration with Ms. Fortin, to collect the Loans.
- 10.2. In addition, the Interim Administrator intends to continue to take certain protective measures in relation to the Loans and to undertake certain collection measures for defaulted loans that require such action.

- 10.3. In addition, following the order issued on July 23, 2025, the Interim Administrator intends to launch a Solicitation Process for the sale and investment of the assets of the MVMT Entities.
- 10.4. To the extent that the Interim Administrator is able to obtain a reasonable price for the assets of the MVMT Entities, the Interim Administrator may proceed with the sale of such assets, subject to court approval.
- 10.5. In parallel with the implementation of a PSIV, the Interim Administrator intends to continue to exercise his powers.

11. CONCLUSIONS AND RECOMMENDATIONS

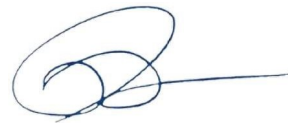
- 11.1 In this context, the Claims Process proposed by the Interim Administrator allows for fair and equitable treatment of investors in the MVMT Entities.
- 11.2 The Interim Distribution proposed by the Interim Administrator will allow investors to recover a portion of the investment they made in the MVMT Entities.
- 11.3. The Interim Administrator recommends approval of the reverse claim process, the "Fund by Fund" distribution method, prorated to each Investor's investment, an interim distribution, and the amendment of its powers to commence the Claim Process and proceed with an interim distribution.
- 11.4 These additional powers and the orders sought are consistent with the Interim Administrator's mission and are in the best interests of the Investors.

December 10, 2025

FTI CONSULTING CANADA INC
Provisional Administrator for the Defendants



By Martin Franco, CPA, CIRP, SAI
Designated Person



By: Patrick Fillion, CPA, CF

No.: 540-11-012245-249

SUPERIOR COURT
(COMMERCIAL CHAMBER)
DISTRICT OF LAVAL

FINANCIAL MARKETS AUTHORITY

Plaintiff

v

WHITEHAVEN SECURITIES INC. & ALS.

Defendants

-and-

FTI CONSULTING CANADA INC.

Intervenor

BL0052

EXHIBIT R-2

**MOTION BY THE PROVISIONAL ADMINISTRATOR TO
(I) MODIFY HIS POWERS GRANTED UNDER
TERMS OF AN ORDER DATED
SEPTEMBER 12, 2024, (II) FOR APPROVAL OF A
CLAIMS PROCESS, AND (III) FOR AUTHORIZATION
TO PROCEED WITH AN INTERIM DISTRIBUTION**

ORIGINAL

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