

**District of: British Columbia**  
**Division No.: 03 - Vancouver**  
**Court No.: 11-3121211**  
**Estate No.: 11-3121211**

**IN THE MATTER OF THE BANKRUPTCY OF  
13 MANN FARMS B.C. LTD.**

**OF THE CITY OF VANCOUVER  
IN THE PROVINCE OF BRITISH COLUMBIA**

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

**September 12, 2024**

**BACKGROUND AND CAUSES OF INSOLVENCY**

**Background**

1. 13 Mann Farms B.C. Ltd. (“**13 Mann**” or the “**Company**”) is a privately held company that operated two blueberry farms based in Langley and Mission, British Columbia. The Company was incorporated in the province of British Columbia on June 29, 2017 and has a registered office in Surrey, British Columbia.
2. Pursuant to an order (the “**Receivership Order**”) of the Supreme Court of British Columbia granted on March 8, 2024, FTI Consulting Canada Inc. (“**FTI**” or the “**Receiver**”) was appointed receiver of all the property, assets, and undertakings (collectively, the “**Property**”) of 13 Mann, as well as certain other related entities, including 1326 Mann Farm Inc., K P Drywall Ltd. and Dyke Valley Berry Farms Ltd. The Receivership Order specifically excludes the following from the definition of Property (the “**Excluded Lands**”):
  - a) PID: 011-276-584 Lot 2 Except: Part Subdivided by Plan 19940; Section 2 Township 18 New Westminster District Plan 7969 (the “**Mission Property**”); and

b) PID: 011-430-524 North Half of the South East Quarter Section 13 Township 10  
Except: Firstly: North 33 Feet; Secondly: West 33 Feet; Thirdly: Parcel “A”  
(Reference Plan 11360); Fourthly: Part Subdivided by Plan 31586, New  
Westminster District (the “**Langley Property**”).

3. The Excluded Lands and proceeds related thereto are assets of 13 Mann.

### **Causes of Insolvency**

4. The Company was unable to achieve profitable operations and was unable to meet its obligations as they became due.

### **APPOINTMENT OF TRUSTEE IN BANKRUPTCY**

5. On August 26, 2024, pursuant to the Receivership Order, the Receiver filed an assignment in bankruptcy pursuant to section 49(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”). A Certificate of Bankruptcy for 13 Mann was issued on August 27, 2024, by the Official Receiver appointing FTI as Trustee. A copy of the Certificate of Bankruptcy is attached hereto as Appendix “A”.

### **PRELIMINARY EVALUATION OF ASSETS AND SECURITY INTEREST**

6. Prior to the date of bankruptcy, the Mission Property was privately sold for \$3 million and a mortgage of approximately \$2.3 million owing to Farm Credit Canada (“**FCC**”) was repaid with the proceeds. The excess proceeds of approximately \$600,000 (the “**Excess Proceeds**”) were diverted from 13 Mann by the vendor. The bankruptcy proceedings were commenced, in part, to utilize the Trustee investigative powers under the BIA to trace the Excess Proceeds.

7. Farm Credit Canada has commenced foreclosure proceeds for the Langley Property and the Receiver has sold the farming equipment and vehicles belonging to 13 Mann.

8. The Trustee has not taken possession of the Langley Property and the remaining assets are subject to the Receivership Order.

9. The assets of 13 Mann are encumbered by security agreements with FCC and National Bank of Canada (“NBC”).
10. The Receiver’s legal counsel completed an independent review of the security granted by 13 Mann in favour of NBC in British Columbia. The legal opinion confirmed the validity and enforceability of the security held by NBC, subject to standard qualifications.
11. A security opinion has not been obtained on the security granted in favour of FCC.

### **POSSESSION OF BOOKS AND RECORDS**

12. The Receiver is in possession of certain books and records of 13 Mann. However, the books are incomplete. The Trustee will have access to 13 Mann’s records as required to complete the administration of the bankruptcy estate.

### **CONSERVATORY AND PROTECTIVE MEASURES**

13. As mentioned above, the Trustee has not taken possession of the Langley Property given the ongoing foreclosure proceedings commenced by FCC. The Receiver has filed a response in the foreclosure proceedings.
14. In respect of the Excess Proceeds, the Trustee served an Examination in Aid of Execution on Gurmeet Singh Mann on August 30, 2024 in order to determine the whereabouts of the Excess Proceeds. The examination is scheduled to occur on September 13, 2024 at the offices of Osler, Hoskin & Harcourt LLP.
15. All other assets are subject to the Receivership Order.

### **PROVABLE CLAIMS AND DESCRIPTION OF CREDITORS**

16. The claims disclosed in the statement of affairs of 13 Mann are summarized as follows:
  - a) Secured claim: approximately \$18.1 million; and

b) Unsecured claims: unknown

17. The secured claims include amounts owing to FCC and NBC of \$4.4 million and \$13.8 million, respectively.

#### **LEGAL PROCEEDINGS, TRANSFERS AT UNDERVALUE, PREFERENCE PAYMENTS**

18. The Trustee is not ware of any other legal proceedings commenced against or by 13 Mann.
19. The Trustee is not aware of any potential transfers at undervalue but is investigating the diversion of the Excess Proceeds as noted above.

#### **THIRD-PARTY DEPOSITS AND GUARANTEES**

20. The Receiver has guaranteed the reasonable fees and expenses of the Trustee in respect of its activities as the Trustee of the estate.

#### **ASSET REALIZATION AND PROJECTED DISTRIBUTION**

21. Any realizations from the assets of 13 Mann would be subject to the secured claims of FCC and NBC. Accordingly, it is anticipated that there will be no distribution to unsecured creditors of 13 Mann.

#### **OTHER MATTERS**

22. There are no other matters.

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**FTI Consulting Canada Inc.**

In its capacity as Trustee in Bankruptcy of  
13 Mann Farms B.C. Ltd.  
and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Tom Powell', with a stylized, cursive script.

Tom Powell  
Senior Managing Director