



COURT FILE NO. S-246124  
VANCOUVER REGISTRY  
ESTATE NO. 11-254674

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF  
BY THE BAY HOME DEVELOPMENT LTD.**

**SECOND REPORT OF THE RECEIVER**

**January 27, 2026**

## **SECOND REPORT OF THE RECEIVER**

### **Table of Contents**

Introduction.....	3
Terms of Reference.....	5
Receiver's Activities .....	6
Statement of Receipts and Disbursements .....	6
Summary of Professional Fees for the Receivership .....	8
Security Opinion .....	9
Distribution and Discharge Order.....	10
Discharge of the Receiver .....	11
Receiver's Recommendations.....	11

## INTRODUCTION

1. On October 3, 2024 (the “**Receivership Date**”), FTI Consulting Canada Inc. (“**FTI**”) was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertaking and property (collectively, the “**Property**”) of By the Bay Development Ltd. (the “**Debtor**”) pursuant to an order pronounced by the Supreme Court of British Columbia on October 3, 2024 (the “**Receivership Order**”).
2. The Receivership Order authorizes the Receiver to, among other things, take possession of and exercise control over the Property, manage, operate and carry on the business of the Debtor, and to market any or all of the Property, including through advertising and soliciting offers to purchase.
3. The Debtor’s primary asset was a multi-unit residential development site located at 1289 Nicola Street, Vancouver, British Columbia (“**1289 Nicola**”), legally described as follows:  
  
PID: 031-425-909  
Lot 1, Block 51, District Lot 185, Group 1, New Westminster District Plan EPP109066
4. 1289 Nicola is a parcel of bare land with demolition and certain site preparation performed but no significant construction work completed. The site has the following characteristics:

Site Area: 7,392 square-feet

Gross Buildable Area: 14,043 square-feet

5. Zoning: RM-5A (Multiple Dwelling), permitting multi-family residential use As at the Receivership Date, the Debtor owed approximately \$7.5 million, plus accrued interest and legal costs, to its senior secured lender, National Bank of Canada (“NBC”), and approximately \$3.8 million to its senior secured second lien lender, Genesis Mortgage Investment Corp. (“Genesis”).
6. Genesis commenced foreclosure proceedings over 1289 Nicola in November 2023 and obtained a conduct of sale in January 2024. However, no sale was completed prior to the Receivership Date, after which, all proceedings were stayed.
7. On November 24, 2025, this Court granted an order approving the sale of 1289 Nicola (the “**Transaction**”), as contemplated by the contract of purchase and sale dated October 15, 2025 between the Receiver and 1561466 B.C. Ltd. as permitted assignee of Epix Developments Ltd. (in such capacity, the “**Purchaser**”), and vesting title to the Property in the Purchaser’s nominee, 1561472 B.C. Ltd. free and clear of all encumbrances upon the Receiver filing a certificate with the Court.
8. The Transaction closed on December 8, 2025 and the Receiver filed the Sale Certificate with the Court on December 9, 2025.
9. Concurrently with filing this second report of the Receiver (the “**Second Report**”), the Receiver intends to file a notice of application seeking the following order (the “**Distribution and Discharge Order**”):
  - a) authorizing and directing the Receiver to distribute the remaining net proceeds to NBC;
  - b) approving the activities, fees and disbursements of the Receiver and its legal counsel, McCarthy Tétrault LLP (“**Receiver’s Counsel**”); and
  - c) discharging the Receiver in this proceeding.

10. The purpose of this Second Report is to provide this Court with information with respect to the following:
  - a) the Receiver's activities since the First Report of the Receiver, dated November 4, 2025 (the "**First Report**");
  - b) a summary of the independent review of NBC's security prepared by the Receiver's Counsel;
  - c) the Receiver's statement of cash receipts and disbursements;
  - d) a summary of the professional fees and disbursements of the Receiver and Receiver's Counsel for the period ending January 16, 2026;
  - e) the Receiver's application for the Distribution and Discharge Order; and
  - f) the Receiver's conclusion and recommendations.
11. Publicly available information, including the Receivership Order and other materials related to these proceedings, is posted on the Receiver's website at <http://cfcanada.fticonsulting.com/BytheBay/>.

## **TERMS OF REFERENCE**

12. In preparing this Second Report, the Receiver has relied upon audited and unaudited financial information, other information available to the Receiver, and, where appropriate, the Company's books and records and discussions with various parties (collectively, the "**Information**").
13. Except as described in this Second Report:

- a) The Receiver 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; and
  - b) The Receiver has not examined or reviewed financial forecasts or projections referenced in this Second Report in accordance with the procedures described in the Chartered Professional Accountants of Canada Handbook.
14. Any future-oriented financial information relied upon or included in this Second Report is based on assumptions regarding future events. Actual results may vary from those forecasts and such variances may be material.
15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

#### **RECEIVER'S ACTIVITIES**

16. The Receiver's activities since the First Report include, among other things, the following:
- a) providing periodic updates to NBC in its capacity as fulcrum secured lender to the Debtor;
  - b) attending to the court approval and closing of Transaction; and
  - c) preparing this Second Report.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

17. The receipts and disbursements ("R&D") for the period from the Receivership Date to January 16, 2026 is summarized below:

**R&D**  
**For the period from October 3, 2024 to January 20, 2026**  
**CAD Thousands**

<b>Receipts</b>	
Sale Proceeds	\$ 3,492
Receiver Borrowings	250
Other Receipts	3
<b>Total Receipts</b>	<b>3,745</b>
<b>Disbursements</b>	
Operating Expenses	(5)
Insurance	(5)
Property Tax	(41)
Bank Fees and Interest	(19)
Professional Fees	(132)
<b>Total Disbursements</b>	<b>(202)</b>
<b>Cash on Hand</b>	<b>\$ 3,543</b>

18. The key components of the R&D are as follows:
- a) \$3.5 million of net sale proceeds, received from the Transaction, including interest on asset realization proceeds;
  - b) the Receiver borrowed \$250,000 from NBC under a Receiver’s Certificate, which is secured by the Receiver’s Borrowing Charge, as defined in the Receivership Order;
  - c) other receipts primarily relate to GST refunds from the Government of Canada;
  - d) operating expenses include costs related to fence rentals, utilities and general site maintenance;
  - e) insurance costs of \$5,300 relate to general liability insurance coverage;

- f) property taxes of \$41,228 were paid in respect of the 2024 and 2025 taxation years; and
  - g) bank fees and interest are charged on the Receiver's bank account and advanced under a Receiver's Certificate; and
  - h) professional fees and disbursements for the Receiver and Receiver's Counsel have been paid through December 2025.
19. As at January 16, 2026, the Receiver held approximately \$3.5 million in the estate bank accounts.

**SUMMARY OF PROFESSIONAL FEES FOR THE RECEIVERSHIP**

20. The professional fees and disbursements of the Receiver and Receiver's Counsel for the period ending January 16, 2026, are set out in the below table:

Summary of Professional Fees						
For the period from October 3, 2024 to January 16, 2026						
<i>CAD Thousands</i>						
Firm	Role	Fees	Disbursements	Taxes	Total	
FTI Consulting Canada Inc.	Receiver	\$ 88	\$ 2	\$ 5	\$ 95	
McCarthy Tétrault LLP	Receiver's Counsel	32	1	4	36	
<b>Total</b>		<b>\$ 120</b>	<b>\$ 3</b>	<b>\$ 8</b>	<b>\$ 132</b>	

21. Summary statements of the accounts of the Receiver are detailed in the Affidavit #1 of Tom Powell, made January 27, 2026.
22. Summary statements of the accounts of Receiver's Counsel are detailed in the Affidavit #1 of H. Lance Williams, made January 27, 2026.
23. The Receiver considers that the fees and disbursements charged by Receiver's Counsel have been necessarily incurred and that the hours and rates charges are fair and reasonable in the circumstances.

24. The Receiver and Receiver's Counsel anticipate that accrued and additional professional fees and disbursements to complete the administration of the receivership proceedings (the "Estimated Completion Fees") will be up to approximately \$50,000, including:
- a) preparing application and supporting materials seeking the Distribution and Discharge Order;
  - b) preparing and issuing the Receiver's final report;
  - c) court attendance to seek approval of the Distribution and Discharge Order;
  - d) attending to the distributions of proceeds detailed in this report;
  - e) preparing final bank reconciliations and closing the Receiver's bank account;  
and
  - f) attending to final administrative matters in respect of the receivership proceeding.
25. NBC has been provided an overview of the fees of the Receiver, Receiver's Counsel and the Estimated Completion Fees, and does not oppose the Court's approval.

## **SECURITY OPINION**

26. Receiver's Counsel has completed an independent review of the security held by NBC in relation to the Property and determined, subject to standard qualifications and assumptions, that:
- a) The NBC security documents constitute a legal, valid and binding obligation in first priority financial charge against the Property; and

- b) Genesis may have security interests in collateral that rank behind NBC.
27. The Receiver has not received any assertion from the Canada Revenue Agency or British Columbia Ministry of Finance of a statutory priority claim for unpaid GST, HST or PST under applicable tax legislation, nor any similar super priority claim from any other potential creditors of the Debtor.

### **DISTRIBUTION AND DISCHARGE ORDER**

28. The proposed Distribution and Discharge Order provides for the estate funds to be distributed as follows:
- a) repayment of the \$250,000 borrowed from NBC and secured by the Receiver's Borrowing Charge; and
- b) the distribution of remaining funds, net of payment of outstanding professional fees and costs to complete the administration of the receivership proceedings, to NBC ("**Proposed Distribution**").
29. The estimated net proceeds available for the Proposed Distribution to NBC are set out in the below table:

<b>Proposed Distribution</b>	
<i>CAD Thousands</i>	
Cash on hand	\$ 3,543
Less:	
Repayment of Receiver's Borrowings	(250)
Estimated costs to completion	(50)
Estimated Net Cash Available for Distribution to NBC	<u><u>\$ 3,243</u></u>

30. NBC is expected to suffer a shortfall after the Proposed Distribution. As such, no other creditors will receive any recovery. NBC is supportive of the Proposed Distribution.

### **DISCHARGE OF THE RECEIVER**

31. Subject to the Receiver paying the Estimated Completion Fees and making the Proposed Distribution as described above, the Receiver will have completed its duties as set out in the Receivership Order, save and except for:
- a) preparing final bank reconciliations and closing the Receiver's bank account;
  - b) preparing and issuing the Receiver's final report pursuant to subsection 246(3) of the BIA; and
  - c) any other matters incidental to the wind up of the administrative of the receivership.

### **RECEIVER'S RECOMMENDATIONS**

32. Following the distribution of net proceeds to NBC, the Receiver's administration of the Receivership proceedings will be substantially complete.
33. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the Distribution and Discharge Order.

\*\*\*\*\*

All of which is respectfully submitted this January 27, 2026.

FTI Consulting Canada Inc.  
in its capacity as receiver of  
By the Bay Home Development Ltd.



\_\_\_\_\_  
Tom Powell  
Senior Managing Director



\_\_\_\_\_  
For: Hailey Lu  
Director