



**IN THE MATTER OF THE BANKRUPTCY OF**  
**2007996 AB LTD.**  
**OF THE CITY OF CALGARY,**  
**IN THE PROVINCE OF ALBERTA**  
**REPORT ON THE TRUSTEE'S**  
**PRELIMINARY ADMINISTRATION**  
**ESTATE NO. 25-2582159**

On November 9, 2019, 2007996 AB Ltd. (formerly, Trakopolis SaaS Corp. (“**SaaS**”) (“**200 AB Ltd.**” or the “**Company**”) filed a Notice of Intention to File a Proposal (“**NOI**”) pursuant to Part III, Division I of the Bankruptcy and Insolvency Act (“**BIA**”). On January 27, 2020, 200 AB Ltd. was deemed to have filed an assignment in bankruptcy pursuant to s.50.4 of the BIA. Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as the Licensed Insolvency Trustee (the “**Trustee**”) of 200 AB Ltd. by the Official Receiver, subject to affirmation by the creditors of the Trustee’s appointment or substitution with another trustee by the creditors of the Company.

## **Background**

SaaS was incorporated on April 14, 1999, in the Province of British Columbia (SaaS herein referred to as 200 Ltd.) 200 AB Ltd. is a wholly owned subsidiary of Trakopolis IoT Corp. (“**Trak IoT**”). Trak IoT is a public company based in Calgary, Alberta, whose outstanding shares of common stock are listed on the TSX Venture Exchange under the symbol “**TRAK**”. 200 AB Ltd. held all of the assets and was the operating arm of Trak IoT. Trak IoT’s assets were the common stock held in 200 AB Ltd. Both 200 AB Ltd. and Trak IoT are commonly referred to as “**Trak**” herein.

Trak was a software company with proprietary, cloud-based solutions for real-time tracking, data analysis and management of corporate assets such as equipment, devices, vehicles and workers. The Company’s asset management platform worked across a variety of networks and devices. The Company had a diversified revenue stream including oil and gas, forestry, transportation, construction, rentals, urban services, mining, government and others.

Around late October 2019, the Company was delivered a demand letter and notice of intention to enforce security under the BIA from its secured lender and the subsequent halt of trading of the Company’s shares on the TSX Venture Exchange on November 4, 2019. The Company’s secured lender, ESW Holdings, Inc. (“**ESW**”), was owed approximately \$3.5 million USD.

On November 9, 2019, 200 AB Ltd. sought creditor protection through filing a NOI pursuant to the BIA and a stay of proceedings was obtained on that date. A&M was named as Proposal Trustee under the NOI (the “**Proposal Trustee**”).

During the NOI proceedings, Trak with the assistance of the Proposal Trustee marketed and obtained offers for the assets and/or shares of Trak. A variety of interest and various offers were obtained through this process and ultimately, a successful bidder was selected to purchase all of the assets of 200 Ltd., including intangibles and the previous name of 200 Ltd. (i.e. SaaS). This transaction was approved by the Court of Queen’s Bench of Alberta (the “**Court**”) and a sale approval and vesting order was granted on January 9, 2020. The sales transaction closed on January 21, 2020, ESW and priority creditors were paid in full (along with cure costs per the purchase and sale agreement), all employees resigned as a result of the transaction followed by the resignation of all board of directors.

The remaining asset of 200 AB Ltd. is cash held by A&M (as Trustee) of approximately CDN \$460,000, which is comprised of funds held in USD and CDN.

Details on the causes and events leading up to Trak insolvency, the NOI proceedings and the sale transaction of the SaaS assets that were approved by the Court, can be found on the Proposal Trustee’s and Trustee’s website located at [www.alvarezandmarsal.com/trakopolis](http://www.alvarezandmarsal.com/trakopolis) (the “**Website**”).

### **Conservatory & Protective Measures and Preliminary Evaluation of Assets and Details of Security Interests**

Since the Bankruptcy Date, the Trustee has taken possession and control of all the assets of 200 AB Ltd. and took all necessary conservatory measures. During the NOI the Company was sold and the name of the Company was changed from Trakopolis SaaS Corp. to 2007996 AB Ltd. on January 21, 2020.

The Trustee’s preliminary review of the cash held by the Trustee is that a dividend for unsecured creditors may be expected once all claims have been proven by the Trustee in the bankruptcy proceedings subject to a review of the validity of ESW’s secured proof of claim filed in the 200 AB Ltd. estate of approximately USD \$606,000. The Trustee understands that ESW has valued its secured claim at USD \$531,000 and remaining portion of their claim at approximately USD \$75,800 as unsecured.

### **Books and Records**

The Trustee has taken possession of the books and records of 200 AB Ltd. and the Trustee will have access as required to complete the administration of the bankruptcy estate.

### **Provable Claims and Secured Claims**

ESW has filed secured claim in the bankruptcy proceedings claiming a security interest in 200 AB Ltd.’s real and personal property. The proof of claim indicates that the secured amount required to satisfy 200 AB Ltd.’s obligation to ESW is approximately USD \$606,000. ESW valued its security at USD \$531,000, and as a result, has filed an unsecured claim of approximately USD \$75,800 in

the bankruptcy proceedings. The Trustee is currently evaluating the secured proof of claim filed by ESW to determine its validity and enforceability as against the remaining assets (cash) of 200 AB Ltd.

The Trustee has received a number of proof of claims and while there are differences from that noted in the statement of affairs, differences are not material individually or in aggregate.

### **Legal Proceedings**

No legal proceedings have been instituted by the Trustee to date.

The Trustee is not aware of any legal proceedings by or against the Company.

### **Reviewable Transactions and Preference Payments**

The Trustee has conducted a preliminary review of the books and records of 200 AB Ltd. with respect to reviewable transactions and preference payments and has not noted any transactions of significance.

### **Trustee's Intention to Act**

A&M has accepted this engagement to act as Trustee, subject to affirmation by the creditors of the Trustee's appointment at the first meeting of creditors.

### **Anticipated Realization and Projected Distribution**

All of 200 AB Ltd.'s assets capable of realization have been recovered and collected by the Trustee during the NOI and Bankruptcy Period. The remaining "asset" available to creditors is cash of approximately CDN \$460,000.

At the time of this report, the Trustee is uncertain of the total realization of the estate will be to unsecured creditors (as a result of the filed ESW secured claim).

### **ALVAREZ & MARSAL CANADA INC.**

*In its capacity as the Licensed Insolvency Trustee in Bankruptcy of  
2007996 AB Ltd.,  
and not in its personal or corporate capacity*



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