

Division of: Ontario
Division No.: 09-Toronto
Estate Number: 31-3356294
Court Number: 31-3356294

**IN THE MATTER OF THE BANKRUPTCY OF
BROOK MCILROY INC.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

**REPORT OF THE TRUSTEE'S PRELIMINARY ADMINISTRATION
OF THE ESTATE OF BROOK MCILROY INC.**

Company Background

1. Brook McIlroy Inc. (“**BMI**”) was a firm of architects, planners and urban designers which had been in operation since 2000. BMI’s practice combined the fields of architecture, landscape architecture, urban design, planning and Indigenous place-making to create a holistic contemporary practice that endeavoured to advance the potential of Canada’s lands, peoples and communities. BMI contracted with municipalities, schools, indigenous communities, as well as private contractors and construction companies.
2. BMI operated from three locations: Toronto, Thunder Bay and Winnipeg, and serviced clients throughout Canada, however, most of its business was in Ontario.

Insolvency Proceedings

3. According to former management (“**Management**”) of BMI, in recent years, BMI faced mounting challenges because of several overlapping factors that ultimately made it extremely challenging to continue operations. These factors included:
 - a. a reduction in BMI’s rates of commission and number of contracts caused by: (i) the Canadian economic slowdown and uncertainty in the economy, (ii) significantly lower activity in the real estate development sector, (iii) awarded project work either being cancelled, or put on hold, and (iv) significant increases in construction costs.
 - b. several large projects that were underway prior to the date of bankruptcy had faced escalating costs and complexities including projects requiring additional work, contractor disputes and extensive project delays. BMI continued to work on these projects in good faith, contributing significant resources to resolving issues to allow the projects to proceed, expecting that the combination of additional services and extended project schedules would be fairly recognized by its clients and for which it would be compensated. Extra billings were rendered but, in certain cases, these were not paid by customers, resulting in losses BMI could no longer finance.

4. Ultimately Management saw no other choice but to cease operations and assign itself into bankruptcy, which it did effective April 7, 2026 (“**Date of Bankruptcy**”) and Dodick Landau Inc. was appointed as Trustee in Bankruptcy of the Estate (the “**Trustee**”).
5. Following its appointment, the Trustee distributed to all known creditors a Notice of Bankruptcy, a copy of the Statement of Affairs and a Proof of Claim form with instructions as well as placed a Notice of Bankruptcy advertisement in the Toronto Sun.

Assets

6. The Statement of Affairs includes an estimate of \$500,000 in accounts receivable estimated to be collectable and \$25,000 which is estimated to be realized by way of auction from the Company’s computer equipment.
7. Accounts receivable consists of progress billings, final billings and holdbacks across multiple projects that BMI had underway as at the Date of the Bankruptcy. It does not include certain additional service requests which the Trustee intends to bill and enforce collection.

Books and Records

8. The Trustee has received the corporate books and records and is in the process of reviewing them.
9. In addition, BMI holds project materials for ongoing customer projects on its server. The server has been transferred to a new secure location. A process has been established to assist clients with the transfer of project material to a new consultant following payment of outstanding accounts receivable and the signing of a transfer of responsibility and release form. The process to transfer project material to customers will begin in the next week.

Legal Proceedings

10. There are two known ongoing legal proceedings against BMI which were being defended by BMI’s insurer. These are contingent claims which total approximately \$550,000.

Provable Claims

11. As at April 21, 2026, 42 proofs of claim have been filed by former employees with the Trustee totalling \$1,183,676.25.
12. The Statement of Affairs includes secured creditor claims totaling \$1,049,475, which primarily relates to several secured credit facilities with TD Canada Trust Co. (“**TD**”) totalling approximately \$1,000,000, employee super-priority claims totaling \$49,475, Meridian One Cap secured software lease, and 91 unsecured creditors with potential provable claims totalling \$1,578,011. To date, no proof of claim has been received from TD, however, a proof of claim from TD is expected to be received in the near term.

Anticipated Realizations and Projected Distribution

13. At this time, it is anticipated based on the estimated realizable value of the accounts receivable that the total anticipated net realizations will be insufficient to repay TD's remaining secured claim in full and that TD will experience a shortfall. As such, it is anticipated there will be no distributions to unsecured creditors.
14. Employee claimants may be eligible to receive funding of a portion of their unsecured claims from the Wage Earner Protection Program ("WEPP"). The creditor packages mailed to the employees provides them with information about the program and how to apply. The Trustee has made submissions to the WEPP program for those employees who have submitted claims to date in the Bankruptcy, which is required prior to the employees making their applications.

Transfers at Undervalue and Preferential Payments

15. To date, the Trustee has not commenced a review of the Company's records in the Trustee's possession to determine if there are any potential transfers at undervalue or preferential transactions.

Third-Party Deposit

16. Prior to the commencement of the Bankruptcy proceeding, the Trustee obtained a third-party deposit of \$30,000 as security for the costs of the Bankruptcy administration.

Dated at Toronto, Ontario, this 22nd day of April 2026.

DODICK LANDAU INC.

Trustee of the Estate of Brook McIlroy Inc.
and not in its personal or corporate capacity.

Per:



Rahn Dodick CPA, CA, CIRP, LIT
President