

Form 87

In the matter of the Receivership of T.S Kwon Holdings Ltd. (dba. Traveller's Inn – Downtown)
of the City of Victoria
In the Province of British Columbia

Notice and Statement of the Receiver
(Subsections 245(1) and 246(1) of the Act)

The Receiver gives notice and declares that:

1. On the 9th day of June, 2010, G. Powroznik Group Inc. of G-Force Group was appointed as Receiver and Manager (the "Receiver") by an Order of the Supreme Court of British Columbia pursuant to Section 39 of the *Law and Equity Act* RBC 1996, Chapter 253, of all the assets, undertakings and property of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of T.S. Kwon Holdings Ltd. (the "Company"). The Company was adjudged bankrupt on June 9, 2010 as well with G. Powroznik Group Inc. of G-Force Group also appointed Trustee in Bankruptcy. The known assets of the Company at June 9, 2010 were:

	<u>Value</u>	<u>Source</u>
Land and Buildings	\$3,500,000	Preliminary Estimate by Receiver
Cash on hand	80	Estimated by Receiver
Accounts Receivable	unknown	Not applicable
Furniture, fixtures, and equipment	75,000	Estimated by Receiver

2. G. Powroznik Group Inc. had been appointed Interim Receiver of the Company on April 22, 2010 by Order of the Supreme Court of British Columbia. This appointment terminated upon appointing the Trustee in Bankruptcy.

3. Copies of the Court Order appointing the Receiver and other receivership documents can be viewed on the Receiver's website at <http://www.g-forcegroup.ca/current-projects/ts-kwon-holdings-ltd>

4. The following information relates to the receivership:

(a) Address of the Company: 1850 Douglas Street, Victoria, British Columbia, V8T 4K6

(b) Principal line of business: Owner and Manager of Traveller's Inn – Downtown hotel (the "Hotel").

(c) Location of business: 1850 Douglas Street, Victoria, British Columbia V8T 4K6;
Legal description: PID 002-916-029, Lot A, of Lots 629, 630, and 631, Victoria City, Plan 25475.

(d) The Hotel business was closed down on April 6, 2010, when the Canada Revenue Agency seized bank accounts believed to be related to the Company, the Hotel, and its furniture and fixtures.

(e) Secured Creditors

	\$
• City of Victoria - property taxes	102,682.85
• Coast Capital Credit Union	3,826,090.03
• Bancorp Financial Services Inc.	1,638,389.63
• Najib Asfar	76,553.35
• Minister of Finance	20,255.94

(f) Unsecured Creditors

We have been advised by a senior representative of a related company that there are no available books and records. This individual has provided a list of the unsecured creditors of the Company, which is attached as Schedule "A". The invoices and statements that we have seen from many of these creditors are addressed to a name other than the Company, but appear to be for services or goods provided to 1850 Douglas Street or the Traveller's Inn Downtown. The attached Schedule may not be an all-inclusive list as additional amounts could surface in the normal course of the receivership and bankruptcy and as additional review is performed.

A formal claims process will be administered by the Trustee in Bankruptcy as part of the bankruptcy process. At this time, we estimate the secured creditors will suffer a significant shortfall and there will be no available assets for the unsecured creditors. We will update our findings in subsequent reports.

(g) Employee Wage Claims

In addition to the aforementioned claims, from our review of the Company's available books and records, we have determined that approximately 27 employees of a related company who performed services at the Hotel have possible wage claims totaling approximately \$28,000. The Trustee in Bankruptcy will administer a formal wage claim process through the federal Wage Earner Protection Program with respect to these former employees.

(h) The initial plan of action of the Receiver during the receivership is as follows:

- Secure and monitor the assets of the Company.
- Assess the state of repair of the Hotel.
- Assess options to maximize the values and recoveries from the assets.
- Administer the monthly parking program at the Hotel
- Report our findings and recommendations to the Court.

(i) Contact person(s) for Receiver:

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Email: csinclair@g-forcegroup.ca

Ali Pourdad
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G-Force Group

Mailing Address: #780-333 Seymour St, Vancouver, B.C., V6B 5A6

Dated at Vancouver, British Columbia, this 23rd day of June, 2010.

G. Powroznik Group Inc., Receiver-Manager of T.S. Kwon Holdings Ltd.



Per: Gary Powroznik
Managing Director

Schedule "A"
T.S. Kwon Holdings Ltd. (in Receivership)
List of Unsecured Creditors as at June 9, 2010

Creditor	\$ CAD
Acme Supplies	89.10
Allstream	4,708.65
American Express	128.83
B.C Hydro	3,966.84
BFI Canada Inc	645.55
Booking.com	1,104.03
Boscoe, Darcy	383.69
Canada Revenue Agency	164,416.92
Canopco	250.94
Carlson Wagolit Brooks Travel Ltd.	8.99
Chemen, Bala	475.00
City of Victoria	9,314.27
Commercial Recovery Bureau Inc	632.47
Commtrak	103.39
Comox Valley Chamber of Commerce	105.00
Genares	907.79
HRG North America	24.98
ICBC	328.13
International Travel & Tourism Guide	981.27
Lee, HyeJeong	569.39
Liveport Corporation	491.40
Net Trans Services AS	10.61
Olympic View Golf Club	1,050.00
Planet Clean	317.19
Schell & Associates	2,572.50
Shaw Cable	4,484.30
Sooparaychetty, Silvana	808.09
Superb Internet Corp.	2,021.54
Terasen Gas	24,358.70
The Law Centre	132.51
Tourism British Columbia	514.78
Velletta & Co.	168.00
WCDEM - Commission	351.00
Winsham Fabrik Canada Ltd.	3,699.78
Workers' Compensation Board	2,326.99
Worldview Travel	12.00
VingCard	632.47
TOTAL	\$ 233,097.09