

District of Alberta
Division No.: Calgary
Estate No: 24-3075406
Court No: 24-3075406

**IN THE MATTER OF THE BANKRUPTCY OF
793085 ALBERTA LTD (O/A 49TH STREET GRILL).
TRUSTEE'S PRELIMINARY REPORT**

The information contained in this report has been prepared from the available books and records of the Company (as subsequently defined) and discussions with management. These books and records have not been reviewed or otherwise audited by the Trustee and, consequently, the Trustee expresses no opinion whatsoever with respect to the validity, the exactness or the reliability of the information contained therein.

BACKGROUND

1. 793085 Alberta Ltd. (the "**Company**") operated the 49th Street Grill restaurant located at 4901 49th Street, Athabasca, Alberta (the "**Property**"). The Company was incorporated under the *Business Corporations Act of Alberta* on July 16, 1998. Shauna Milner is listed as the Company's sole director and sole shareholder.
2. Ms. Milner was unable to continue restaurant operations and on February 9, 2024, on the application of Canadian Imperial Bank of Commerce ("**CIBC**"), the Court of King's Bench of Alberta granted an order authorizing CIBC's agent to enter the Property for the purposes of inspecting and carrying out such measures as CIBC deemed necessary for the interim preservation and maintenance of the Property.
3. Also, on February 9, 2024, CIBC appointed MNP Ltd. as its agent (the "**Agent**") to realize on the assets, undertakings, and properties of the Company secured by CIBC.
4. Subsequently, the Company filed an assignment in bankruptcy on May 1, 2024 (the "**Filing Date**"), and MNP Ltd. ("**MNP**" or the "**Trustee**") was named as Trustee of the bankrupt estate, subject to creditor affirmation at the first meeting of creditors.
5. Publicly available information regarding the agency and the bankruptcy proceedings can be found on the Trustee's website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/793085-alberta-ltd>.
6. On May 3, 2024, the Notice of Bankruptcy and First Meeting of Creditors, the Statement of Affairs and a proof of claim form, along with a proxy, were sent to all known creditors of the Company.

ASSET REALIZATION AND PROJECTED DISTRIBUTION

7. On the Filing date, the Company reported in its Statement of Affairs the following assets (the "**Assets**"):ol style="list-style-type: none;">- a. the Property, which was listed as having an estimated value of \$400,000; and

- b. Restaurant furniture and equipment, which was listed as having an estimated value of approximately \$20,000 (the "Equipment").
- 8. The Assets are continuing to be sold by the Agent.
- 9. Based on estimated realizations of the above assets, it is anticipated that there will be shortfall in satisfying the secured and priority claims, therefore, no funds are anticipated to be available for distribution to the Company's ordinary unsecured creditors.

CONSERVATORY AND PROTECTIVE MEASURES

- 10. The Agent took reasonable steps to conserve and protect the Assets, which will continue to be sold by the Agent.

SUMMARY OF CLAIMS

- 11. At the Filing Date, the Company listed CIBC as having a secured claim of approximately \$530,000 (the "**CIBC Claim**") in respect of which they hold a mortgage (the "**CIBC Mortgage**") and registered interest over all the Company's present and after acquired personal property (the "**CIBC Security**").
- 12. CRA completed a trust exam of the Company's books and records in April 2024 and confirmed the amounts owing to CRA. As such, at the Filing Date, the Company listed CRA was owed approximately \$271,000 in source deductions, penalties and interest. CRA will have a priority claim on its deemed trust portion with respect to the Equipment but not the Property, to the extent it is encumbered by the CIBC Mortgage.
- 13. At the Filing Date, the Company listed additional ordinary unsecured creditors with claims totaling approximately \$72,000.
- 14. As of the date of this report, the Trustee had received a proof of claim from CIBC for a secured amount of \$420,000 and an unsecured amount of \$75,680.02. At the time that this report was finalized, no other proofs of claim or proxies had been received and the Trustee has not determined the admissibility of any claims for dividend purposes.

LEGAL

- 15. Caron & Partners LLP ("**Caron**") acts as legal counsel for the Agent, the Trustee will seek approval to also retain Caron as legal counsel in the bankruptcy, should any matters that require legal assistance arise.
- 16. Prior to the Filing Date, Caron completed an independent review of the CIBC Security and determined that the CIBC Security is, subject to the usual and customary assumptions and qualifications, valid and enforceable against the Company.

REVIEW OF FRAUDULENT PREFERENCES AND TRANSFERS AT UNDERVALUE

17. The Trustee is required to undertake a review of any transactions that occurred prior to the date of bankruptcy that would constitute a transfer at undervalue or a fraudulent preference as defined by subsections 95 and 96 of the BIA and expects to shortly commence that review.

OTHER

18. The Trustee notes as follows with respect to the administration of the bankrupt estate:

- a. The Property will continue to be realized by the Agent.
- b. Based on estimated realizations from the Property and the Equipment, it is not anticipated that any funds will be available for distribution to the Company's unsecured creditors; and
- c. CIBC has provided the Trustee with an indemnity in the event that there are not sufficient realizations in the bankrupt estate to satisfy its fees and disbursements as Trustee.

Dated at Calgary, Alberta this 16th day of May 2024.

MNP Ltd.,
In its capacity as Licensed Insolvency Trustee
In the Bankruptcy of 793085 Alberta Ltd.
And not in its personal capacity



Julie Kennedy, CIRP, LIT
Vice President