

CANADA
Province of Ontario
Division No.: 09- Toronto
Court No: 31-2936062
Estate No: 31-2936062

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF 1613766 ONTARIO INC. O/A PICCOLO PAESE BAR OF THE CITY OF MAPLE IN THE PROVINCE OF ONTARIO

Licensed Insolvency Trustee (“**Trustee**”): MNP Ltd.

The information contained in this Preliminary Report has been prepared from the available books and records of the Company (as such term is later defined) and discussions with the 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 taken from those records contained herein.

SECTION A – BACKGROUND

1613766 Ontario Inc, operating as Piccolo Paese Bar (the “**Company**”) commenced operations on April 13, 2004, from leased premises in Maple, Ontario. It operated a small size espresso bar that served light snacks to the local customers for close to two decades until closing the premises on March 3, 2023. As a result of the Covid-19 pandemic-related operating restrictions mandated by the Ontario Government and the corresponding impact on the restaurant industry, the Company could not meet its ongoing operating expenses during the pandemic.

The restrictions have since been relaxed but the business did not pick up as anticipated on account of the sustained negative impact and high inflation experienced during the last fifteen months. Accordingly, the Company could support its rent payments and other operating expenses. Ultimately, it ceased operations in March 2023 when its lease was terminated by the landlord on account of outstanding rent payments.

On the 20th day of April 2023, the Company filed an assignment in bankruptcy, which was accepted by the Office of the Superintendent of Bankruptcy Canada and became effective on April 24, 2023 (“**Date of Bankruptcy**”) MNP Ltd. (“**MNP**” or the “**Trustee**”) was appointed as the Licensed Insolvency Trustee of 1613766 Ontario Inc.’s bankruptcy estate, subject to affirmation by the creditors at the first meeting of creditors (“**FMOC**”).

Mr. Vince Reale (“**Mr. Vince**”) is the President and sole Director of the Company.

On April 27, 2023, the Notice to Creditors advising of the bankruptcy and the FMOC, a list of creditors, and a proof of claim form, along with a proxy, were sent to all known creditors of the

Company. Pursuant to subsection 102(4) of the BIA, the Notice of Bankruptcy was published in the *Toronto Sun* newspaper on April 28, 2023.

SECTION B – PRELIMINARY EVALUATION OF ASSETS AND SECURITY INTERESTS

Security Interests

The SOA and a search of the Personal Property Security Act (Ontario) registry reveal there are no secured creditors.

Cash at bank

As set out on the Company's Statement of Affairs (the "SOA"), its primary asset represents the cash remaining on deposit of approximately \$8,520.25 at the Date of Bankruptcy, which was withdrawn by Mr. Vince and handed over to MNP at the time of filing an assignment in Bankruptcy.

Apart from cash at the bank, the Company had no other assets other than a potential small HST refund.

SECTION C – BOOKS AND RECORDS

The Trustee has taken possession of the books and records of the Company which are necessary for the administration of these proceedings.

SECTION D – CONSERVATORY AND PROTECTIVE MEASURES

N/A

SECTION E – PROVABLE CLAIMS

The claims of creditors as per the SOA and the claims filed as of 5:00 p.m. on May 7, 2023, are summarized below:

	<u>SOA</u>	<u>Claims as Filed</u>
Secured	Nil	Nil
Preferred	Nil	Nil
Unsecured	\$ 70,342.96	\$9,762.42
Contingent	Nil	Nil
	<hr/> \$ 70,342.96	<hr/> \$9,762.42

The Trustee has not determined the admissibility of the above-noted claim for dividend purposes.

SECTION F- LEGAL PROCEEDINGS, TRANSFERS AT UNDER-VALUE AND PREFERENCE PAYMENTS

Legal Proceedings

N/A

Transfers at Under-Value and Preference Payments

The Trustee reviewed the Company's financial transactions that occurred within one year of the date of bankruptcy. The scope of the review was limited to a review of certain disbursements made in the twelve months preceding the Date of Bankruptcy and inquiries with Mr. Vince.

The Trustee identified a payment of \$21,824 on January 31, 2023, to Mr. Vince.. Mr. Vince advised that he did not withdraw any remuneration prior to the above payment since the onset of Covid-19 and this payment was to compensate him for his services over the preceding years. The Trustee will discuss this matter with the creditors and with the Inspector(s) if appointed at the FMO.

SECTION G - ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

Based on the foregoing, the Trustee does not anticipate any distribution to creditors.

SECTION H – OTHER MATTERS

Remuneration of Trustee

The Trustee received a retainer from Mr. Vince in the amount of \$2,779.75 with respect to the administration of the bankruptcy. A third-party deposit agreement was executed between the Trustee and Mr. Vince prior to the filing. This deposit is to guarantee the costs of administration of the bankruptcy, as the primary responsibility for the payment of the Trustee's fees and disbursements lies with the estate. These funds deposited with the Trustee by Mr. Vince are not considered funds belonging to the Company's bankruptcy estate. Upon completion of the administration of the bankruptcy, any remaining balance of the deposit will be returned to Mr. Vince.

Wage Earner Protection Program

The Trustee understands that the Company has not had any employees, and accordingly, does not anticipate any claims under Wage Earner Protection Program.

**1613766 Ontario Inc. o/a Piccolo Paese Bar
Estate No: 31-2936062
Trustee's Preliminary Report**

Dated in Toronto, Ontario, this 8th day of May 2023.

***MNP LTD.
in its capacity as
Trustee of the Estate of 1613766 Ontario Inc., a Bankrupt
and not in its personal capacity***

Per:



Jerry Henechowicz, CIRP, LIT, CPA, CA
SENIOR VICE-PRESIDENT