

District of: Ontario  
Division No. 06-Windsor  
Court No. 35-2905679  
Estate No. 35-2905679

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
1890847 ONTARIO INC.

Trustee: MNP Ltd.

SECTION A - Background

1890847 Ontario Inc. ("**1890847**" or the "**Company**") operated a Naples Pizza restaurant franchise in Tecumseh, Ontario. The Company was incorporated in April 2013 and operated from leased premises at 1840 North Talbot Road. 1890847 was generally profitable until the onset of the Covid-19 pandemic and associated lockdowns, which significantly impacted the restaurant industry. The impact was severe on 1890847 as it was in an industrial area and relied heavily on customers from nearby factories, which were closed down or impacted due to the lockdowns.

Due to cashflow constraints the Company fell behind on filings and remittances of GST to the Canada Revenue Agency ("**CRA**"). In October 2022 CRA froze the Company bank account and it was unable to pay its payroll or rent. The Company was shut down and all assets left in the leased location.

1890847 also owes \$60,000 related to the Canada Emergency Response Benefit as well as many suppliers and employees for unpaid wages.

The Company made an assignment in bankruptcy on January 27, 2023. MNP Ltd. was appointed as trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

The Company had been shut down for several months prior to the bankruptcy. It is presumed any of the inventory, which was perishable, abandoned at the leased location would have been disposed of by the landlord.

CLASS II - Plant, machinery, equipment, and office

There was a small amount of old restaurant equipment abandoned at the leased location. Although it is expected the equipment has no, or nominal value, the Trustee has written the landlord to enquire about the status and disposition of this equipment and is awaiting a response.

CLASS III - Buildings and real estate

The Company did not own real estate.

CLASS IV - Books and records

The Trustee has taken possession of the books and records required to administer the bankruptcy.

CLASS V - Other assets

There are no other assets the Trustee is aware of.

Property of Bankruptcy not divisible amongst creditors by virtue of Section 67(b), of the Bankruptcy and Insolvency Act

None known.

Property placed under the guardianship of the Company

None known.

SECTION B

1. Conservatory and protective measures

The Company's operations ceased prior to the bankruptcy. No conservatory or protective measures are necessary.

2. Carrying on business

The Company's operations ceased prior to bankruptcy.

SECTION C - Legal proceedings

There are no legal proceedings the Trustee is aware of.

SECTION D - Provable claims

Creditor Class	Per Statement of Affairs	Proven
Deemed Trust	\$nil	\$nil
Secured	\$nil	\$nil
Preferred	\$nil	\$nil
Unsecured	\$90,475	\$64,084
<b>Total</b>	<b>\$90,475</b>	<b>\$64,084</b>

**Secured creditors**

There are no registered secured creditors on the *Personal Property Security Act Registry*.

SECTION F - Anticipated realizations and projected distribution

The Trustee does not anticipate a distribution to creditors in this estate.

SECTION G - Reviewable transactions and preferential payment

The Trustee has recently received the bank statements for twelve months preceding bankruptcy and will review for evidence of reviewable transactions or preferential payments.

SECTION H - Other matters

The Trustee has initiated the claims process under the *Wage Earner Protection Program* for wage and termination pay owing to the employees.

The Trustee has received third party deposits of \$4,000 from each of Brandon Prokopetz, Sylvio Lesperance and Chad Teno.

Dated at London, Ontario this 13<sup>th</sup> day of February, 2023.

MNP Ltd.

Licensed Insolvency Trustee of  
1890847 Ontario Inc.



Per: Rob Smith CPA, CA, CIRP, LIT  
Senior Vice-President



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IN THE MATTER OF THE BANKRUPTCY OF  
1890847 ONTARIO INC.

Carrying on business in the City of Tecumseh,  
in the Province of Ontario

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