

CANADA  
Province of Ontario  
Division No.: 09- Mississauga  
Court No: 32-3042110  
Estate No: 32-3042110

**TRUSTEE’S PRELIMINARY REPORT**  
**IN THE MATTER OF THE BANKRUPTCY OF**  
**2421021 ONTARIO INC.,**  
**OF THE CITY OF BRAMPTON,**  
**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 AND CAUSES OF FINANCIAL DIFFICULTIES**

2421021 Ontario Inc. (the “**Company**”) commenced operations in June 2014. The Company was reselling tradeshow displays from leased premises in Brampton, ON.

The Company struggled during the Covid-19 pandemic, which severally affected its sales and operations. The Company accumulated significant debt during the pandemic and was not able to generate sufficient revenues to repay those debts or operate profitably for several years. As a result, the Company has been unable to meet its liabilities. Therefore, On February 12, 2024, the Company filed an assignment in bankruptcy, which was accepted by the Office of the Superintendent of Bankruptcy Canada on February 12, 2024 (“**Date of Bankruptcy**”). MNP Ltd. was appointed as the licensed insolvency trustee (the “**Trustee**”), subject to affirmation by creditors at the first meeting of creditors (the “**FMOC**”).

Ms. Navjot Sarao, who is the President and a Director of the Company, is the Designated Officer of the Company for this bankruptcy administration.

On February 13, 2024, 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 *Bankruptcy and Insolvency Act*, the Notice of Bankruptcy was published in the *Toronto Sun* newspaper on February 15, 2024.

The Trustee’s case website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2421021-ontario-inc> contains the various public documents about the Company and its bankruptcy proceedings.

**SECTION B –PRELIMINARY EVALUATION OF ASSETS**

The Statement of Affairs (“**SOA**”) dated February 9, 2024 indicates that the Company has no assets.

## SECTION C – BOOKS AND RECORDS

The Trustee is in possession and control of available books and records of the Company which are necessary for the administration of the estate.

## SECTION D – CONSERVATORY AND PROTECTIVE MEASURES

The Trustee has notified the Royal Bank of Canada, which held the bank account for the Company, to freeze the Company's bank account and to transfer any remaining funds, if any, to the Trustee.

## SECTION E – PROVABLE CLAIMS

The claims of creditors as per the SOA and the proof of claims filed as of 5:00 p.m. on March 1, 2024, are summarized below:

Particulars	SOA	Claims as Filed
Secured	Nil	Nil
Unsecured	\$ 58,863.09	Nil
<b>Total</b>	<b>\$ 58,863.09</b>	<b>Nil</b>

Unsecured Creditors - consist of two debts: a CRA debt of \$ 41,113 and a RBC loan of \$17,750.

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

### *Legal Proceedings*

The Trustee has not commenced any legal proceedings on behalf of the estate.

### *Transfers at Under-Value and Preference Payments*

The Trustee has completed its review of potential transfers at undervalue and/or preference payments. The scope of the review was limited to a review of certain disbursements made in the 12 months preceding the Date of Bankruptcy through the bank account and the corporate credit card and inquiries with management. Based on this review, the Trustee has not identified any transactions worthy of further investigation.

## SECTION G - ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

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

## SECTION H – OTHER MATTERS

### **Remuneration of Trustee**

The Trustee's fees will be based on a time and hourly basis. The Trustee has received a third-party retainer from Navjot Sarao in the amount of \$9,500.

**2421021 Ontario Inc.**  
**Estate No: 32-3042110**  
**Trustee's Preliminary Report**

Dated in Toronto, Ontario, this 3<sup>rd</sup> day of March 2024.

**MNP LTD.**  
**Trustee of the Estate of 2421021 Ontario Inc., a Bankrupt**  
**and not in its personal or corporate capacity**  
Per:



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Sheldon Title