

District of: Ontario
Division No. 09-Mississauga
Court No. 32-2874036
Estate No. 32-2874036

TRUSTEE'S PRELIMINARY REPORT
IN THE MATTER OF THE BANKRUPTCY OF
2627140 ONTARIO INC.

Trustee: MNP Ltd.

SECTION A - Background

2627140 Ontario Inc. (the “Company”) was incorporated March 23, 2018. It was an owner managed Lettuce Love Café franchise, specializing in gluten free and plant-based meals operating from leased premises at 326 Kerr St, Oakville, Ontario.

The restaurant opened for business in November 2018. The Covid-19 pandemic hit while the Company was still struggling to establish. The resulting lockdowns and economic impact severely impacted the Company’s sales and ability to recruit and retain staff. Management marketed the location for sale through the Summer of 2022; however, was unable to find a purchaser. Being unable to cashflow its operations and pay debts as they became due the Company made the decision to shut down effective October 3, 2022. All employees were terminated, and the restaurant equipment was picked up by Benaco Asset Sales, a liquidation company specializing in restaurant equipment.

The Company made an assignment in bankruptcy on October 13, 2022. MNP Ltd. was appointed as trustee. (the “Trustee”).

CLASS I - Stocks of merchandise

The Company did not have any inventory.

CLASS II - Plant, machinery, equipment, and office

All restaurant equipment is in possession of Benaco Asset Sales to be liquidated at public auction.

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

None known.

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 business was shut down prior to bankruptcy. The Trustee has written Scotiabank requesting the bank be frozen.

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

	As per Statement of Affairs	Claims Received to Date
Unsecured	\$107,162	\$1,035
Preferred	Nil	Nil
Secured	\$193,000	Nil
Deemed trust	Nil	Nil
Total	\$300,162	\$1,035

SECTION E - Secured creditors

CIBC has registered general security against the Company. The bank has not yet filed a proof of claim.

SECTION F - Anticipated realizations and projected distribution

The equipment proceeds will be subject to CIBC's secured claim, assuming it is properly registered, valid and enforceable. As such, there is no distribution expected in this estate.

SECTION G - Reviewable transactions and preferential payment

The Trustee has done a review of the bank statements for the last twelve months and found no indication of reviewable transactions or preferential payments.

SECTION H - Other matters

The Trustee has received third-party deposits totaling \$12,000 from the Company directors, Neven Madzarac, Tania Nicoletti and Melissa Rivers to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 26th day of October 2022.

MNP Ltd.
Licensed Insolvency Trustee of
2627140 Ontario Inc.



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

Mississauga
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IN THE MATTER OF THE BANKRUPTCY OF
2627140 Ontario Inc.

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

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.
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