

District of: Ontario  
Division No. 07-Hamilton  
Court No. 32-3031408  
Estate No. 32-3031408

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
310 Bath Inc.

Trustee: MNP Ltd.

SECTION A - Background

310 Bath Inc. ("**310 Bath**" or the "**Company**") was incorporated on June 12 2020. Gord Hollingsworth is the sole director. The Company provided home renovation services, primarily kitchens and bathrooms.

The Company struggled with sales and cashflow during the lockdowns brought on through the Covid-19 pandemic. The financial statements reflect net losses of \$99,300 for the year ended December 31, 2021 and \$291,300 for 2022. The challenges continued through 2023. 310 Bath fell behind on remittances to Canada Revenue for HST and Source Deductions, owing an estimated \$145,000 and \$465,000 respectively.

310 Bath was not able to cashflow operations and pay back the CRA debt so made the decision to shut down and made an assignment in bankruptcy January 17, 2024. MNP Ltd. was appointed as trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

All inventory (and equipment) was appraised and sold in an en bloc sale for greater than appraised value prior to the bankruptcy.

CLASS II - Plant, machinery, equipment, and office

See note above, all equipment was sold prior to the bankruptcy. There are various encumbered vehicles that have been returned to the secured lenders.

CLASS III - Buildings and real estate

The Company did not own real estate.

CLASS IV - Books and records

The Trustee has received 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 Trustee wrote to Meridian Credit Union to request the Company's bank account be frozen.

##### 2. Carrying on business

The Company's operations ceased prior to bankruptcy.

#### SECTION C - Legal proceedings

None known.

#### SECTION D - Provable claims

Creditor Class	Per Statement of Affairs	Proven
Deemed Trust	\$nil	\$nil
Secured	\$nil	\$nil
Preferred	\$1,275	\$nil
Unsecured	\$799,389	\$63,951
<b>Total</b>	<b>\$800,664</b>	<b>\$63,951</b>

#### Secured Creditors

The following creditors have registered specific security registrations against vehicles:

- Bank of Nova Scotia
- Ford Credit Canada Leasing
- Royal Bank of Canada

These vehicles were returned to the secured creditors and none of the above have filed proofs of claim.

#### SECTION F - Anticipated realizations and projected distribution

There is no distribution expected to creditors.

SECTION G - Reviewable transactions and preferential payment

The Trustee has reviewed the bank statements for the twelve months preceding bankruptcy and did not find any evidence of preferences or reviewable transactions.

SECTION H - Other matters

The Trustee has received a third-party deposit of \$12,000 from Gord Hollingsworth to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 5<sup>th</sup> day of February 2024.

MNP Ltd.  
Licensed Insolvency Trustee of  
310 Bath Inc.



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



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IN THE MATTER OF THE BANKRUPTCY OF  
310 Bath Inc.

Carrying on business in the City of St. Catharines  
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

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