

CANADA  
Province of Ontario  
Division No.: 09- Toronto  
Court No.: 31-2808724  
Estate No.: 31-2808724

**TRUSTEE'S PRELIMINARY REPORT TO CREDITORS  
ON THE BANKRUPTCY ADMINISTRATION**

**IN THE MATTER OF THE BANKRUPTCY OF  
5018288 ONTARIO LTD.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

### **Section A – Background**

5018288 Ontario Ltd. (the “**Company**”) was incorporated on July 3, 2019 in the province of Ontario. The Company operated as Maizuo Noodle and Crepe restaurant from rented premises located at 209 Dundas Street West, Toronto, Ontario (the “**Premises**”).

As a result of the Covid-19 pandemic and operating restrictions mandated by the Ontario Government, the Company struggled to meet its ongoing operating expenses during the past two years of the pandemic. On February 2, 2022 the Debtor’s lease for the Premises was terminated by the landlord for non-payment of rent.

On February 28, 2022, the Company executed an assignment in bankruptcy and MNP Ltd. (“**MNP**”) filed that assignment with the Office of the Superintendent of Bankruptcy (the “**OSB**”) on that date. On March 1, 2022 the OSB issued the certificate of appointment naming MNP as the Licensed Insolvency Trustee (“**Trustee**”) of the Company.

The Designated Officer of the Company in this bankruptcy administration is Mr. Qi Chen, the President and a Director of the Company.

### **Section B - Evaluation of Assets**

The Trustee obtained the remaining cash on hand from the Company’s bank account in the amount of \$705.43 and is expecting further funds of \$140 that were subsequently received in the account. According to the Statement of Affairs dated February 28, 2021, the Company reported the value of its assets as \$700 for cash in bank and \$1,500 for equipment.

## Section C - Conservatory and Protective Measures

The Trustee has not taken possession of any of the assets subject to security agreements by the secured creditors. Following termination of the Premises lease by the landlord, certain equipment was removed from the Premises by the Company to safeguard the removable assets subject to the security agreements.

## Section D – Secured Creditors

The following is a summary of the security registrations under Personal Property Security Act (Ontario) (“PPSA”):

Secured Party	Description of Security
Royal Bank of Canada (“RBC”)	Inventory, Equipment, Accounts, Other, Motor Vehicle
Magic White Inc. (“Magic White”)	Equipment

According to the PPSA report, all assets of the Company are subject to the security of RBC and Magic White but to date, the Trustee has not received any claims from those creditors. The Trustee has reviewed the form of security issued by the Company to RBC, which appears to indicate that the RBC security is valid and enforceable against the Trustee. The Trustee understands that Magic White has security over dishwashing equipment that was left at the Premises in the possession of the landlord.

## Section E - Provable Claims

Proven claims filed in the estate to date are as follows:

	Per Statement of Affairs	Proven & Filed to March 16, 2022
Secured	\$2,200	\$0
Preferred	\$0	\$0
Unsecured	\$518,645	\$3,155
	<b>\$520,845</b>	<b>\$3,155</b>

## **Section F – Legal Proceedings, Reviewable Transactions & Preference Payments**

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

The Trustee has reviewed the Company's financial transactions that occurred within one year of the date of bankruptcy. No unusual transactions were noted.

## **Section G – Remuneration of Trustee**

The Trustee's fees will be based on a time and hourly basis. The Trustee received a retainer from the Company in the amount of \$11,300 with respect to the basic administration of the bankruptcy.

## **Section H - Anticipated Realization and Projected Distribution**

The Trustee does not anticipate any distribution to unsecured creditors in the bankruptcy.

Dated March 16, 2022.

**MNP Ltd.**

Licensed Insolvency Trustee

Per:



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Deborah Hornbostel CPA, CA, CIRP, LIT, CFE