

CANADA  
Province of Ontario  
Division No.: 09- Toronto  
Court No: 31-3034754  
Estate No: 31-3034754

## TRUSTEE'S PRELIMINARY REPORT

### IN THE MATTER OF THE BANKRUPTCY OF ADARA PROPERTIES INC. OPERATING AS OFFICESCAPE CANADA, OF THE CITY OF MARKHAM, 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

Adara Properties Inc. carried on business as Officescape Canada (the "**Company**") and commenced operations in July 2014. The Company was in the business of providing its customers with shared coworking and office spaces for a short term from a rented premises in Markham, ON.

The COVID-19 pandemic's operating limits and the subsequent rise in remote work from home after the COVID-19 limits were lifted hurt the Company financially.

On January 24, 2024, the Company filed an assignment in bankruptcy, which was accepted by the Office of the Superintendent of Bankruptcy Canada on January 25, 2024 ("**Date of Bankruptcy**"). MNP Ltd. was appointed as the licensed insolvency trustee (the "**Trustee**") of the Company's bankrupt estate, subject to affirmation by creditors at the first meeting of creditors (the "**FMOC**").

The Company's Board of Directors gave David Geiss ("**Geiss**"), the President of the Company, the authority to sign the bankruptcy documents.

On January 25, 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 January 29, 2024.

The various public documents related to the Company and its bankruptcy proceedings are posted at the Trustee's case website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/adara-properties-inc>.

## **SECTION B –PRELIMINARY EVALUATION OF ASSETS**

The Statement of Affairs (“SOA”) dated January 24, 2024 shows 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 Bank of Nova Scotia, 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 February 12, 2024, are summarized below:

<b>Particulars</b>	<b>SOA</b>	<b>Claims as Filed</b>
Secured	Nil	Nil
Unsecured	\$538,995.88	Nil
<b>Total</b>	<b>\$538,995.88</b>	<b>Nil</b>

Unsecured Creditors - are comprised of loans from the two directors of approximately \$239,000 each, and ii) a Canada Emergency Business Account loan of \$60,000.

## **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**

Before the Date of Bankruptcy, the Trustee, and the directors, Geiss and Mr. Andrew Gebbie (together, the “**Depositors**”) signed a third-party deposit agreement. The Depositors each paid the Trustee a retainer of \$5,650.00 to cover the costs of the bankruptcy administration, which funds do not directly or indirectly, in whole or in part, come from assets that would otherwise be estate assets. The Trustee will refund any remaining part of the retainer to the Depositors when the bankruptcy administration is done.

Dated in Toronto, Ontario, this 13<sup>th</sup> day of February 2024.

**MNP LTD.**

**Trustee of the Estate of Adara Properties Inc., a Bankrupt  
and not in its personal or corporate capacity**

Per:



Sheldon Title