

District of Alberta  
Division No: 01-Edmonton  
Court No. 24-3157867  
Estate No. 24-3157867

## In the Matter of the Bankruptcy of AgFinity Inc.

### Trustee's Preliminary Report

**MNP Ltd.**  
**Licensed Insolvency Trustee**

#### **Appointment**

AgFinity Inc. ("the **Bankrupt**") filed an Assignment in Bankruptcy on November 25, 2024 and MNP Ltd. was appointed the Licensed Insolvency Trustee (the "**Trustee**").

#### **Assets**

##### ***Cash Paid into Court***

In accordance with its Statement of Affairs, the Bankrupt had funds paid into Court in response to judgements obtained by enforcement creditors. The Trustee has submitted a request to the Court of King's Bench of Alberta that all proceeds be paid to the bankrupt estate and understands the total balance available to be \$20,888.42.

##### ***Cash in Company Bank Accounts***

In accordance with the Statement of Affairs the Bankrupt had a combined balance of approximately \$67,000 in two bank accounts. The Trustee has requested confirmation of these balances from the financial institutions and will seek to collect any funds not subject to secured interests.

##### ***Computers and Furniture***

The Bankrupt has provided the Trustee with a listing of computers and office equipment. Some of the computers remain with former employees of the Bankrupt and the Trustee is considering options to realize on these assets. The office furniture is stored in a third party storage facility and the Trustee is considering the cost benefit analysis of realizing on these assets.

##### ***Accounts Receivable***

In accordance with the Statement of Affairs the Bankrupt had approximately \$95,000 in accounts receivable outstanding as at the date of bankruptcy. The Trustee has retained copies of the supporting invoices and, subject to input from secured and priority creditors, will be pursuing the collection of the outstanding amounts.

##### ***Vehicle***

As at the date of bankruptcy the Bankrupt owned a 2023 Ford F150. The vehicle is subject to lease financing with Ford Credit Canada and the Bankrupt has delivered the vehicle to the dealership it was purchased from. The Trustee will be following up with Ford Credit Canada to determine the status of any equity available in the asset.

### ***Website and Trading Platform***

The Bankrupt developed a website and trading platform where the realizable value is not yet known to the Trustee. The Bankrupt has provided the Trustee with contact information for individuals and service providers who may be able to assist in liquidating this asset.

### **Books and Records**

The physical books and records are in the possession of the bankrupt, however, the Trustee has retained electronic copies of the internal accounting records. The Trustee is required to file the 2024 pre bankruptcy statutory returns. The director of the Bankrupt will be providing the Trustee with the information that is necessary to enable the Trustee to complete the statutory returns and otherwise administer the Bankrupt's estate.

### **Property of the bankrupt not divisible amongst creditors by virtue of Section 67(b) of the Bankruptcy and Insolvency Act**

The Bankrupt does not own exempt property which would not be divisible amongst the creditors pursuant to Section 67(b) of the *Bankruptcy and Insolvency Act* and the *Civil Enforcement Act*.

### **Property Placed Under the Guardianship of the Debtor**

The office equipment has been placed under the guardianship of the Bankrupt who is working collaboratively with the Trustee to determine the best method of realization.

### **Conservatory and Protective Measures**

The Trustee is of the opinion that no further protective measures are required at this time.

### **Insurance**

There is no requirement for the Trustee to obtain insurance coverage for any assets.

### **Legal Proceedings or Opinions Sought**

The Trustee is not anticipating any legal proceedings or having to obtain any legal opinions.

### **Secured and Priority Creditors**

Ford Credit Canada Leasing ("**Ford**") holds security by way of a serial number registration at the personal Property Registry ("**PPR**") on January 9, 2024. The serial numbered asset (2023 Ford F150) has been surrendered to the dealership where it was purchased.

Toronto Dominion Bank ("**TD**") holds security by way of a General Security Agreement ("**GSA**") against all present and after acquired personal property of the Bankrupt. The amount owed to TD is estimated to be \$288,722.50. TD's security was registered at the PPR on July 24, 2013.

The Canada Revenue Agency ("**CRA**") holds a Deemed Trust interest in the assets of the Bankrupt in relation to balances outstanding for the payroll source deduction account. The estimated total balance owed to CRA for payroll source deductions is \$170,000, however, the Deemed Trust portion of this debt is not yet determined.

### **Anticipated Realization and Projected Distribution**

Based on the quantum of secured debt and priority secured interests declared on the Statement of Affairs and the combined value of the assets, the Trustee does not anticipate that there will be a distribution to the unsecured creditors in the Bankrupt's estate.

### **Transfers at Undervalue and Preference Payments**

There are no transfers at undervalue or preference payments to note at this time. The Trustee notes that additional books and records are still required before a full review of the 3 and 12 month time frames are completed.

Dated at the City of Edmonton in the Province of Alberta this 13<sup>th</sup> day of December, 2024.

#### **MNP Ltd.**

In its capacity as Trustee of the Bankruptcy of

#### **AgFinity Inc.**

And not in its personal capacity



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Per: Eric Sirrs, CIRP, LIT  
Senior Vice President

cc Industry Canada