

CANADA
Province of Ontario
Court No: 31-2805914
Estate No: 31-2805914

TRUSTEE’S PRELIMINARY REPORT

**IN THE MATTER OF THE BANKRUPTCY OF
BEYOND PRINT MOUNTING & DIE CUTTING INC.
OF THE GREATER TORONTO AREA
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

Beyond Print Mounting & Die Cutting Inc. (“**Beyond Print**” or the “**Company**”) is a mounting and die cutting firm specializing in the manufacture of product displays. Beyond Print was incorporated in June 2001 and carried business out of its leased premises, which was located in the Greater Toronto area, Ontario.

The Company attributes its financial difficulties primarily to the financial stress related to the COVID-19 pandemic. The Company ceased operating the fall of 2021 and its remaining assets were sold at auction.

On February 18, 2022 (“**Date of Bankruptcy**”), Beyond Print filed an assignment in bankruptcy in which MNP Ltd. (“**MNP**” or the “**Trustee**”) was named as Trustee, subject to affirmation at the First Meeting of Creditors (“**FMOC**”).

On February 22, 2022, 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* (“**BIA**”), the Notice of Bankruptcy was published in the *Toronto Sun* newspaper on February 24, 2022.

SECTION B – PRELIMINARY EVALUATION OF ASSETS AND SECURITY INTERESTS

Security Interests

A search of the *Personal Property Security Act* conducted on February 2, 2022 (the “PPSA”) revealed that there was one security interest registered against the Company, in favour of Canadian Imperial Bank of Commerce (“CIBC”).

Cash at bank

The Company maintained its bank account at CIBC and based on the Statement of Affairs (the “SOA”), its sole asset represents the cash remaining on deposit of \$1,000.00 at the Date of Bankruptcy. The Trustee has taken steps to obtain these funds from CIBC.

SECTION C – BOOKS AND RECORDS

MNP is in the process of taking possession and control of available books and records of the Company which are necessary for the administration of these proceedings.

SECTION D – CONSERVATORY AND PROTECTIVE MEASURES

As noted above, the Trustee has requested CIBC to freeze Beyond Print’s bank account and is waiting confirmation from CIBC that it has done so.

SECTION E – PROVABLE CLAIMS

The claims of creditors as per the SOA and the claims filed as at 5:00 p.m. on March 4, 2022 are summarized below:

	<u>SOA</u>	<u>Claims as Filed</u>
Secured	\$ 1.00	Nil
Preferred	Nil	Nil
Unsecured	\$62,102.18	\$2,146.23
Contingent	Nil	Nil
	<hr/> \$62,102.18	<hr/> \$2,146.23

The secured claim (the “**Secured Claim**”) on the SOA is in respect of a General Security Agreement that Beyond Print made with CIBC.

The Trustee has not determined the admissibility of the above-noted claim for dividend purposes.

SECTION F- LEGAL PROCEEDINGS, TRANSFERS AT UNDER-VALUE AND PREFERENCE PAYMENTS

Legal Proceedings

N/A

Transfers at Under-Value and Preference Payments

The Trustee is still in the process of obtaining the Company’s books and records in order to identify any potential transfers at undervalue or preference payments. The scope of the review will be limited to a review of certain disbursements made in the 12 months preceding the Date of Bankruptcy and inquiries with management.

The Trustee will discuss any matters which require attention of the creditors and any findings with the Inspector(s), if appointed at the FMOC.

SECTION G - ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

Given the foregoing and the SOA, the Trustee anticipates no realizations in the estate, and accordingly, no distributions to the Company’s unsecured creditors.

SECTION H – OTHER MATTERS

Third Party Deposit

Prior to the Bankruptcy Date, MNP received a retainer from the Company’s principals in the amount of \$11,300.00.

This deposit is to guarantee the costs of the administration of the bankruptcy given that the Trustee anticipates no realizations from other sources to, as the primary responsibility for the payment of the Trustee’s fees and disbursements lies with the estate. These funds deposited with the Trustee are not considered funds belonging to Beyond Print’s bankruptcy estate. Upon completion of the administration of the bankruptcy, any remaining balance of the deposit will be returned to Beyond Print.

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WEPP

The Trustee understands that Beyond Print has a couple of employee and anticipates a couple of claims under Wage Earner Protection Program (“**WEPP**”).

Dated at Toronto, Ontario this 4th day of March, 2022.

MNP LTD.
Trustee of the Bankrupt Estate of
Beyond Print Mounting & Die Cutting Inc.
and not in its personal or corporate capacity

Per:

A handwritten signature in blue ink, appearing to read "Jerry Henechowicz". The signature is written in a cursive style with a large initial "J".

Jerry Henechowicz, CIRP, LIT, CPA, CA
SENIOR VICE-PRESIDENT