

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
CCON METALS INC.

ORDINARY ADMINISTRATION

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

BACKGROUND

Ccon Metals Inc. (“**Ccon Metals**” or the “**Company**”) is a provincially registered corporation located in Abbotsford, British Columbia.

A search of the British Columbia Corporate Registry Performed on March 7, 2024 indicated that Company’s director is Gregory Dahl (the “**Director**”). The Company operated as a metal processing company and is a volume buyer and processor of catalytic converters, automotive batteries and other scrap metals.

ASSIGNMENT IN BANKRUPTCY

The Company’s Director stated that the Company experiences financial difficulty and incurred net losses in the most recent fiscal year. The Company made a voluntary assignment in bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act* effective March 26, 2024. MNP Ltd. was appointed as the Licensed Insolvency Trustee of the Bankrupt Estate (the “**Trustee**”), subject to creditor affirmation at the First Meeting of Creditors.

Notice of the Assignment in Bankruptcy and First Meeting of Creditors was sent to all known creditors on March 27, 2024.

ASSETS

Cash

The Statement of Affairs filed in the bankruptcy reported cash of \$148,217.00. The Funds in the Company’s bank account have been directed to the Trustee. The Trustee currently holds \$148,217.00 in the Estate account.

The Company and Tradewest Asset Solutions Inc. entered into an auction agreement for the sale of the Assets prior to the date of the bankruptcy. The cash value reported on the Statement of Affairs represents the net cash proceeds realized from the auction.

PROVABLE CLAIMS

It is the duty of the Trustee to examine and satisfy itself as to the validity and priority of all claims filed in the Estate. As of the date of this report, eight proof of claims have been filed with the Trustee and represents \$1,346,315.42 in total creditor claims.

	Statement of Affairs	Filed
Secured creditors	\$15,000.00	Nil
Preferred creditors	Nil	Nil
Unsecured creditors	\$1,492,114.55	\$1,346,315.42
Total	<u>\$1,507,114.55</u>	<u>\$1,346,315.42</u>

There were not any significant differences between the claims filed and claims listed on the Statement of Affairs.

SECURED CREDITORS

According to a British Columbia Personal Property Registry search performed on March 7, 2024, Driven Financial Technologies Corporation (“**Driven Financial**”) is the only secured creditor of Ccon Metals Inc. Driven Financial has general collateral over all of the Company’s present and after acquired personal property. As of the date of this report, Driven Financial has not submitted a proof of claim.

Canada Revenue Agency (“CRA”)

CRA has a “deemed trust” claim or property claim equal to the amount of payroll deductions withheld from employees’ compensation and not remitted to CRA. This claim comes in priority to the claims of all other creditors. The Company estimates that it owes unpaid payroll remittances of approximately \$23,000.

Any debt owing to CRA for unremitted goods and service tax at the date of bankruptcy will rank as a general, unsecured claim.

To date, a proof of claim has not been received from CRA in relation to the unremitted payroll source deductions. The Trustee will engage in correspondence with CRA for the purpose of confirming the deemed trust amounts owing to CRA.

Claims of Wage Earners

Pursuant to Section 81.3(1) of the BIA, claims of employees who are owed wages, vacation pay, and other compensation for services rendered in the six-month period preceding the Date of Bankruptcy are secured, to the extent of \$2,000, by security over the Company’s assets (Other Property).

The Directors provided information regarding amounts owing to employees as of the date of bankruptcy. The Trustee provided notice regarding the Wage Earners Protection Program (“WEPP”) to all employees, and the Trustee is in the process of administering the claims of employees through WEPP.

There are no priority expected claims for wages and compensation, as all WEPP claims relate to termination.

PREFERRED CREDITORS

There are no preferred creditors noted.

UNSECURED CREDITORS

The Statement of Affairs reports total unsecured creditors of \$1,492,114.55. Ultimately the amounts owing to the unsecured creditors will be based on proofs of claim filed by the creditors and admitted by the Trustee.

OTHER MATTERS

Books and Records

The Trustee is in possession of certain books and records as at the date of bankruptcy that were provided by the Company.

Legal Proceedings

The Trustee has not commenced any legal proceedings at the date of this report.

Conservatory and Protective Measures

All physical assets of the company were sold prior to its assignment in bankruptcy. No conservatory and protective measures were deemed necessary.

Preferences, and Transactions at Under Value

The Trustee will undertake a review of the Company’s books and records preceding the date of bankruptcy in order to ascertain whether or not any preferential payments and/or reviewable transactions have occurred within the last three months or, where related parties are involved, within the last twelve months.

ESTIMATED REALIZATION

The Trustee holds the net proceeds from the sale of all of the Company’s assets. No further asset realizations are expected. Following the confirmation of the amounts of priority and secured claims and the payment of the same, and the payment of professional fees the trustee expects that there will be funds available to be distributed to the unsecured creditors, however the amount is unknown at this time.

All dividends payable by the Trustee to creditors are subject to a 5% levy payable to the Office of the Superintendent of Bankruptcy.

This concludes the Trustee’s Preliminary Report to Creditors.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of April, 2024.

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
of the Bankrupt Estate of
Ccon Metals Inc.
and not in its personal capacity



Seamus Boyle, CPA, CIRP, LIT
Vice President