

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF  
COQUITLAM EXPRESS AUTOBODY LTD.**

ORDINARY ADMINISTRATION

**TRUSTEE'S PRELIMINARY REPORT TO CREDITORS**

**BACKGROUND**

Coquitlam Express Autobody Ltd. (the “**Company**”) is a provincially registered corporation located in Coquitlam, British Columbia.

A search of the British Columbia Corporate Registry performed on February 13, 2024, indicated the Company’s directors are Rahila Khan and Michael Khan (the “**Directors**”). The Company operated as an autobody shop from leased premises located at units 4 & 5 930 Tupper Road Coquitlam, BC. The Company was placed into Receivership and MNP Ltd. was appointed as receiver (the “**Receiver**”) pursuant to a Court Order issued by the Supreme Court of British Columbia on June 5, 2024.

**ASSIGNMENT IN BANKRUPTCY**

The Receiver’s powers outlined in the Receivership Order permitted the Receiver to assign the Company into bankruptcy. The Receiver made an assignment in bankruptcy on behalf of the Company pursuant to the provisions of the Bankruptcy and Insolvency Act effective September 9, 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 September 9, 2024.

## ASSETS

The Statement of Affairs filed in the bankruptcy reported Other Property valued at \$1.00. These are the residual funds from Receivership. We do not expect there to be any assets available for unsecured creditors following the payment of priority and secured creditor’s claims.

## 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, three proofs of claims been filed with the Trustee.

	<b>Statement of Affairs</b>	<b>Filed</b>
Secured creditors	2,921,983.29	4,636,441.45
Preferred creditors	Nil	Nil
Unsecured creditors	7.00	340,139.62
Total	<u>\$2,921,990.29</u>	<u>\$4,976,581.07</u>

## SECURED CREDITORS

According to a British Columbia Personal Property Registry search performed on February 13, 2024, 9859870 Canada Inc., Color Compass Corporation, RCAP Leasing Inc., Bank of Montreal, Fraser City Motors Ltd. and the Royal Bank of Canada (“**RBC**”) each have registered security interests against the Company. The Trustee is in the process of corresponding with these parties regarding their claims against the Company’s assets.

### *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.

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, the CRA has submitted a proof of claim for outstanding payroll deductions. The CRA has submitted an unsecured claim for \$328,688.64 and a deemed trust claim for \$209,535.55.

### ***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 current assets.

The Receiver has processed the claims of two wage earners through the Wage Earner Protection Program resulting in an estimated secured claim in the amount of \$592 against the Company's current assets.

### **PREFERRED CREDITORS**

There are no preferred creditors noted.

### **UNSECURED CREDITORS**

The Statement of Affairs reports total unsecured creditors of \$2,921,982.29. 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 provided by the Company and is in the process of obtaining further information as it pertains to the Trustee's review of the Company's historical financial information.

#### ***Legal Proceedings***

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

***Conservatory and Protective Measures***

The Receiver attended the Company’s leased premises on the day of its appointment and changed the locks. The Receiver took an inventory of the assets on site and determined that the Asset’s had limited net realizable value. Further, the Receiver took steps to identify third party goods, being customers’ vehicles and employee’s personal effects and arranged for the return of these assets. The Company’s assets that were onsite were sold at auction. Following the sale of the assets, the Receiver disclaimed its interest in the lease.

***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.

***Directive 16 Third-Party Deposits and Guarantees***

It is agreed by RBC that the costs of administering the bankruptcy will be paid in priority to the security held by RBC.

**ESTIMATED REALIZATION**

The Trustee does not expect to realize any proceeds for the benefit of the unsecured creditors.

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 25th day of September, 2024.

**MNP Ltd.**

In its capacity as Licensed Insolvency Trustee  
of the Bankrupt Estate of  
Coquitlam Express Autobody Ltd.  
and not in its personal capacity



Seamus Boyle, CPA, CIRP, LIT  
Vice President