

District of: Ontario
Division No. 05-London
Court No. 35-2996253
Estate No. 35-2996253

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF
ENTRY SOFTWARE CORPORATION

Trustee: MNP Ltd.

SECTION A - Background

Entry Software Corporation ("**Entry**" or the "**Company**") was incorporated August 27, 1998. Entry provided proprietary service desk and project management software for various industries including manufacturing, transportation, healthcare, municipalities, service organizations and education.

Entry lost new customer growth during the lockdowns and economic slowdowns brought on by the Covid-19 pandemic and lost three key customers within the past ten months and was not able to replace them. The Company went from profit of approximately \$50,000 in fiscal 2021 to losses in 2022 and 2023 of \$9,000 and \$118,000 respectively. The Company was no longer able to cashflow its operations and in October 2023 made the decision to shut down operations.

Entry made an assignment in bankruptcy on October 11, 2023. MNP Ltd. was appointed as trustee. (the "**Trustee**").

Certain customers used the software on a third-party platform hosted by Entry. The platform hosting fees were paid prior to the bankruptcy to November 6, 2023. On October 12, 2023 the Trustee wrote to affected customers to advise that alternate arrangements should be made.

CLASS I - Stocks of merchandise

There was no inventory remaining at the time of bankruptcy.

CLASS II - Plant, machinery, equipment, and office

There was no equipment owned by Entry.

CLASS III - Buildings and real estate

The Company did not own real estate.

CLASS IV - Books and records

The Trustee has received the books and records required to administer the bankruptcy.

CLASS V - Other assets

Entry owns proprietary project management software. The Trustee is advised it is unlikely there would be a market for the software. The software needs work to perform maintenance and updates. The only people familiar enough to do the required work and maintain the software going forward are the two former employees of Entry who were terminated as a result of the bankruptcy.

Entry also owns the following domain names:

- entry.com
- myentrypoint.com
- entrysoftware.com
- teamheadquarters.com

The Trustee understands there is value in the entry.com domain. The Trustee has received one unsolicited offer for this domain. To ascertain the fair market value the Trustee recommends listing it for sale through a third-party broker specializing in the marketing and sale of high value domains. The Trustee will discuss the offer received and listing option with inspectors appointed at today's meeting.

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

None known.

Property placed under the guardianship of the Company

None known.

SECTION B

1. Conservatory and protective measures

The domain names have been locked pending their sale. The Trustee requested the Company bank account be frozen and any funds on hand paid to the estate. There are no other conservatory or protective measures to be taken.

2. Carrying on business

The Company's operations ceased prior to bankruptcy.

SECTION C - Legal proceedings

There are no legal proceedings the Trustee is aware of.

SECTION D - Provable claims

Creditor Class	Per Statement of Affairs	Proven
Deemed Trust	\$nil	\$nil
Secured	\$10,000	\$nil
Preferred	\$4,000	\$nil
Unsecured	\$445,186	\$150,240
Total	\$459,186	\$150,240

Secured creditors

Toronto-Dominion Bank (“TD”) has a general security agreement registered. At the date of bankruptcy TD was owed \$10,000. This debt was personally guaranteed by one of the Company directors. The director has since paid the TD debt in full.

SECTION F - Anticipated realizations and projected distribution

The Trustee does anticipate there will be a distribution but cannot estimate the amount of same as it is dependant on the sale price for the domain name(s), which cannot be estimated at this time.

SECTION G - Reviewable transactions and preferential payment

The Trustee has done a review of the bank and financial activity for the last twelve months and found no indication of reviewable transactions or preferential payments.

SECTION H - Other matters

The Trustee has initiated the claims process under the *Wage Earner Protection Program* for unpaid wages, vacation and termination pay owing to employees.

The Trustee has received a third-party deposit of \$15,000 from Mark Donais to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 1st day of November 2023.

MNP Ltd.

Licensed Insolvency Trustee of
Entry Software Corporation



Per: Rob Smith CPA, CA, CIRP, LIT
Senior Vice-President



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ENTRY SOFTWARE CORPORATION

Carrying on business in the City of London,
in the Province of Ontario

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