

District of ON  
Division No. 12  
Court No. 33- 2226657  
Estate No. 33-2226657

## TRUSTEE'S PRELIMINARY REPORT

In the matter of the bankruptcy of  
Food Business Solutions Inc.  
of the City of Ottawa, in the Province of Ontario

Trustee: MNP LTD.

### SECTION A

On March 9, 2017, an assignment for the General Benefit of Creditors was made by Food Business Solutions Inc. and filed with the Official Receiver.

#### Class I- Stocks of Merchandise

The Company ceased operations prior to the assignment in bankruptcy and all manufacturing locations were taken over by the various landlords. Any inventory for resale was disposed of by the landlords to avoid the food spoiling.

#### Class II - Plant, Machinery and Equipment and Office Equipment

These assets consist of baking equipment and coolers and fridges at the 3 mall locations. The assets of the company were appraised by Rideau Auctions Inc. to have a value of approximately \$40,000 before costs of realization.

#### Class III – Buildings and Real Estate

The Company operated from rented premises at the 4 locations.

#### Class IV – Books and Records

The trustee is in possession of various books and records. The Company maintained much of the accounting records in Quick Books and the service was terminated prior to the assignment. Our office was able to obtain various bank statements and payroll reports to allow for the filing of the 2016 t-4's and for the trustee to complete the WEPPA filings. We were also able to generate invoices and customer statements to assist the trustee in sending out accounts receivable direction letters.

#### Class V – Other Assets

There are several leased assets ranging from coolers, fridges and 3 vehicles. The trustee has received copies of the various leases and has provide letters to those creditors disclaiming any interest in the asset.

The accounting records report \$63,092 in various accounts receivable. Collections letters were issued by the trustee. We have received several responses, most of which suggest the Company did not have time to updated the accounting records prior to closing.

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

None

Property Placed Under the Guardianship of the Debtor

None

SECTION B

1. Conservatory and Protective Measures

The 4 locations were under control of the various landlords and the trustee contacted all to advise them the appointment. The trustee advised the landlords that there were various security interests who had priority over the assets and the landlords were not to dispose of them. The trustee has no funds in the estate to cover the costs of occupying any of the locations.

2. Carrying on Business

The Company had ceased active operations in early February 2017. The trustee did not operate the business.

SECTION C – Legal Proceedings

The trustee is not aware of any legal proceedings that will carry on post bankruptcy.

SECTION D – Provable Claims

The trustee has received several provable claims as reported in the claims register presented.

SECTION E – Secured Creditors

The trustee has received 7 secured claims as at the date of this report. There has been no receiver appointed.

SECTION F – Anticipated Realization and Projected Distribution

There will be no realization for preferred and unsecured creditors. The trustee has received a third party from the Royal Bank of Canada to cover the costs of filing the 2016 t-4s and assist employees in receiving their WEPPA claims.

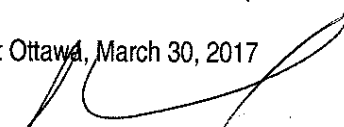
SECTION G – Reviewable Transactions and Preference Payments

The trustee has conducted a review and attach a list of transactions over \$5,000 for the 12-month period ending February 28, 2017.

SECTION H – Other Matters

There are no other matters to report

Dated at Ottawa, March 30, 2017

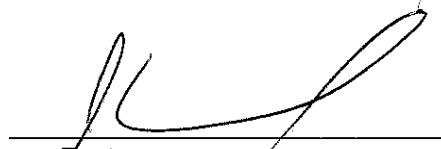
  
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Chairperson – John Haralovich LIT, MNP LTD.

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ESTIMATED REALIZATION AND PROJECTED DISTRIBUTION

	As Per Debtor's Sworn Statement dated <u>March 9, 2017</u>	Estimated Realization as per <u>Trustee</u>
<u>Assets</u>		
Pledged	105,007.00	.00
Free	Nil	<u>.00</u>
Total Assets	<u>105,007.00</u>	<u>150,000.00</u>
<u>Liabilities</u>		
Unsecured	1,306,070.00	1,306,070.00
Secured	105,007.00	105,007.00
Preferred	0.00	0.00
Total Liabilities	<u>1,411,077.00</u>	<u>1,411,077.00</u>
Apparent Deficit	<u>1,306,070.00</u>	<u>1,306,070.00</u>
<u>Projected Distribution</u>		
Estimated Total Realization		\$20,000.00
Less: To Secured Creditors – Deemed trust claim (from pledged assets)	\$20,000.00	
Cost of Administration	\$20,000.00	
Third party guarantee	-20,000.00	
Preferred Claims		<u>\$20,000.00</u>
Estimated Amount Available For Unsecured Creditors:		\$ .00
Dividend Percentage		0.0%

  
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 Trustee