

CANADA
Province of Ontario
Division No.: 09- Toronto
Court No.: 31-2920086
Estate No.: 31-2920086

**TRUSTEE'S PRELIMINARY REPORT TO CREDITORS
ON THE BANKRUPTCY ADMINISTRATION**

**IN THE MATTER OF THE BANKRUPTCY OF
HESTIA TEA COMPANY LTD.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

Section A – Background

Hestia Tea Company Ltd. (the “**Company**”) was incorporated on June 20, 2012, under the *Canada Business Corporations Act*. The Company operated as a café from rented premises located at 100 Wellington Street West, Toronto, Ontario (the “**Premises**”).

As a result of the Covid-19 pandemic and operating restrictions mandated by the Ontario Government, the Company struggled to meet its ongoing operating expenses during the past three years of the pandemic. It anticipated a significant increase in business once restrictions were lifted and therefore entered into new leases for two additional locations. Unfortunately, sales did not increase to the expected level and the Company was not able to fund the requirements for the new locations or continue to fund operations of its current location. On March 6, 2023, the Company’s landlord terminated the lease for the Premises.

On March 9, 2023, MNP Ltd. (“**MNP**”) filed the Company’s assignment in bankruptcy with the Office of the Superintendent of Bankruptcy (the “**OSB**”) and on March 10, 2023, the OSB issued a Certificate of Appointment naming MNP as the Licensed Insolvency Trustee (“**Trustee**”) of the Company and setting the date for the First Meeting of Creditors (“**FMOC**”) to take place virtually on March 29, 2023 at 10:00 AM. On March 15, 2023, the OSB issued an amended Certificate of Appointment to indicate that the OSB would be chairing the FMOC.

The Designated Officer of the Company in this bankruptcy administration is Mr. Simon Poulin, the President and a Director of the Company.

Section B - Evaluation of Assets

According to the Statement of Affairs, the Company estimated the liquidation value of its assets as \$15,000 with respect to the equipment.

Section C - Conservatory and Protective Measures

Following termination of the lease of the Premises by the landlord, the Company arranged for the equipment to be removed from the Premises by a liquidator specializing in restaurant equipment for safekeeping.

Section D – Secured Creditors

According to a search conducted of the security registrations under Personal Property Security Act (Ontario) (“PPSA”), there do not appear to be any secured creditors with valid security over the assets of the Company.

Section E - Provable Claims

Proven claims filed in the estate to date are as follows:

Creditor Type	Per Statement of Affairs	Proven & Filed to March 28, 2023
Secured	\$ -	\$ -
Preferred	-	-
Unsecured	284,462.00	18.21
	\$ 284,462.00	\$ 18.21

Section F – Legal Proceedings, Reviewable Transactions & Preference Payments

The Trustee has not commenced any other legal proceedings on behalf of the Estate.

The Trustee has reviewed the Company’s financial transactions that occurred within one year of the date of bankruptcy. No unusual transactions were noted.

Section G – Remuneration of Trustee

The Trustee's fees will be based on a time and hourly basis. The Trustee received a retainer from a third party (Ms. Assels) in the amount of \$16,932.50 with respect to the basic administration of the bankruptcy.

Section H - Anticipated Realization and Projected Distribution

Subject to the any instructions to be received from the creditors and/or inspectors, the Trustee intends on selling the assets through a public auction conducted by the auctioneer currently holding the assets. The Trustee anticipates that a distribution to unsecured creditors would be nominal, if any.

Dated March 29, 2023.

MNP Ltd.

Licensed Insolvency Trustee

Per:



Deborah Hornbostel CPA, CA, CIRP, LIT, CFE