

CANADA
Province of Ontario
Division No.: 09- Toronto
Court No: 31-3035441
Estate No: 31-3035441

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF INTEGRO IBS HOLDINGS INC. IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

Licensed Insolvency Trustee: MNP Ltd.

The information contained in this Preliminary Report has been prepared from the available books and records of the Company (as such term is later defined) and discussions with the Management. These books and records have not been reviewed or otherwise audited by the Trustee and, consequently, the Trustee expresses no opinion whatsoever with respect to the validity, the exactness or the reliability of the information taken from those records contained herein.

SECTION A – BACKGROUND

Incorporated in February 2015, Integro IBS Holdings Inc. (“**IBS Holdings**” or the “**Company**”) is the holding company and parent to its wholly owned operating subsidiary, Integro Building Systems Inc. (“**Integro**”). Integro was one of the largest curtain wall manufacturers and installers in North America. Integro filed an assignment in bankruptcy in August 2023.

On August 29, 2023, the shareholders of the Company resolved that IBS Holdings and Integro take steps to make an assignment in bankruptcy and that James Wilson be authorized to execute the documents and perform all such acts in relation to the bankruptcy proceedings of the Company as considered necessary.

IBS Holdings filed an assignment in bankruptcy on January 25, 2024, which was accepted by the Office of the Superintendent of Bankruptcy Canada on January 26, 2024 (“**Date of Bankruptcy**”), and MNP Ltd. (“**MNP**”) was appointed as Licensed Insolvency Trustee (the “**Trustee**”) of the bankrupt estate, subject to affirmation by the creditors at the first meeting of creditors (the “**FMOC**”).

On February 1, 2024, the Notice to Creditors advising of the bankruptcy and the FMOC, a list of creditors and a proof of claim form, along with a proxy, were sent to all known creditors of the Company. Pursuant to subsection 102(4) of the *Bankruptcy and Insolvency Act* (the “**BIA**”), the Notice of Bankruptcy was published in the *Toronto Sun* newspaper on February 7, 2024.

The various public documents related to the Company and its bankruptcy proceedings are posted at the Trustee’s Case Website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/integro-ibs-holdings-inc>

SECTION B – PRELIMINARY EVALUATION OF ASSETS AND SECURITY INTERESTS/PRIORITY CLAIMS

Security Interests

An Ontario *Personal Property Security Act* (the “PPSA”) registry search conducted on January 9, 2023, shows registration in favour of Export Development Canada (“EDC”) against the Company. In addition to EDC, 2654506 Ontario Limited, in Trust (“265ONT”) is also shown to have a PPSA registration against the Company.

It is the Trustee's understanding that the PPSA registration in favour of EDC relates to a loan that has been repaid, and whose PPSA registration should have been discharged.

The registration in favour of 265ONT is in connection with the Trust Declaration, dated November 11, 2019, and the Subscription Agreements for Convertible Debentures (the “Subscription Agreements”) entered into by the Company with each of the Subscribers (as such term is defined in the Subscription Agreements), which granted security over all of the property of the IBS Holdings.

Assets – Summary

Integro's assets and their estimated realizable values, according to its sworn Statement of Affairs (“SOA”) are summarized as follows:

Asset Description	Estimated Realizable Value
Deposits in Financial Institutions	\$ 3,766.88
Retainer at Gardiner Roberts LLP	4,229.01
Receivable – Due from Integro	0.00
Total	\$ 7,995.89

Deposits in Financial Institutions

The figure shown on the SOA represents the balance of monies held in the bank account (the “Account Funds”) at Royal Bank of Canada (the “Bank”) on the Date of Bankruptcy. The Trustee has written to the Bank to request the Account Funds but has not yet received a response.

Retainer at Gardiner Roberts LLP (“Gardiner”)

The figure shown on the SOA represents the balance of a retainer previously provided to Gardiner by the Company (the “Retainer Funds”). The Trustee has written to Gardiner to request the Retainer Funds but has not yet received a response.

Receivable – Due from Integro

The Company had advanced to Integro approximately \$22 million. However, as mentioned above, Integro had earlier filed an assignment in bankruptcy and, notwithstanding that it holds security over all of the property of Integro, there is no expectation of any recoveries for the Company given its subordinate security interest relative to Canada Revenue Agency and the Bank in Integro's bankruptcy proceeding.

SECTION C – BOOKS AND RECORDS

The Trustee is in possession and control of available books and records of the Company which are necessary for the administration of these proceedings.

SECTION D – CONSERVATORY AND PROTECTIVE MEASURES

As noted above, the Trustee has written to the Bank and Gardiner to request the funds.

SECTION E – PROVABLE CLAIMS AND CREDITOR GROUPS

The claims of creditors as per the SOA and the proof of claims filed and admitted for voting purposes only, if appropriate, as of noon Eastern Standard Time (“EST”) on February 16, 2024, are summarized below:

Creditor Group	As per SOA	Claims as Filed
Secured	\$7,995.89	Nil
Unsecured	\$4,068,801.10	\$9,474,441.02
Contingent	\$9,328,316.00	Nil
Total	\$ 13,405,112.99	\$9,474,441.02

The Trustee has not determined the admissibility or value of the above-noted claims for dividend purposes. As at the time this Report was issued, the Trustee/MNP held no proxies on behalf of any creditors.

Secured Creditors – The secured creditors reflected on the SOA is essentially the Subscribers, through the trust arrangement with 265ONT. The figure shown represents the estimated realizable value of the security held (the balance of the Subscribers’ claims is unsecured).

Unsecured Creditors – The unsecured creditors reflected on the SOA is the unsecured portion of the Subscribers’ claims.

Contingent Creditors - The contingent creditors reflected on the SOA is the claim of the Bank. However, on December 27, 2023, the Bank obtained a judgment against the Company in the amount of \$9,474,441.02, and accordingly such amount is now shown as an unsecured claim under “Claims as Filed”.

SECTION F- LEGAL PROCEEDINGS, TRANSFERS AT UNDER-VALUE AND PREFERENCE PAYMENTS

Legal Proceedings

The Trustee is aware of only the following legal proceedings:

- *Royal Bank of Canada V. Integro IBS Holdings Inc.*, in which the Bank, the plaintiff, obtained a judgment for \$9,474,441.02 against Integro, on December 27, 2023.

As at the time this Report was issued, the Trustee has not commenced, continued or taken steps to defend any legal proceedings. Any actions to be taken in the future will be subject to creditor, inspector and/or court approval.

As at the time this Report was issued, the Trustee has not had the need to retain independent legal counsel.

Transfers at Under-Value and Preference Payments

The Trustee is in the process of completing its review of potential transfers at undervalue or preference payments. The scope of the review is limited to a review of certain disbursements made in the twelve (12) months preceding the Date of Bankruptcy through the bank account and inquiries with management. If anything comes to the Trustee's notice, the Trustee will bring it to the attention of creditors or inspectors, if appointed.

SECTION G - ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

The Trustee does not anticipate any distribution to the unsecured creditors in this bankruptcy proceeding.

SECTION H – OTHER MATTERS

Third-Party Deposit Agreement

Before the filing of the bankruptcy, MNP received a retainer of \$24,860 from the three major shareholders of the Company namely Hi-Rise Visa Holdings Inc., 61/67 Claireville Holdings Ltd. and Chafhold Corporation entered into a third-party deposit agreement with them to cover its professional fees and disbursements associated with the administration of the bankruptcy estate.

Dated in Toronto, Ontario, this 16th day of February 2024.

MNP LTD.

Trustee of the Estate of Integro IBS Holdings Inc., a Bankrupt
and not in its personal or corporate capacity

Per:



Matthew Lem, CIRP, LIT
Senior Vice-President