

District of: Ontario  
Division No. 04-Owen Sound  
Court No. 35-2893941  
Estate No. 35-2893941

## TRUSTEE'S PRELIMINARY REPORT

### IN THE MATTER OF THE BANKRUPTCY OF JAR HOSPITALITY LIMITED

Trustee: MNP Ltd.

#### SECTION A - Background

Jar Hospitality Limited (“**Jar**” or the “**Company**”) was incorporated November 16, 2016. Alan Boivin is the sole director. The Company operated two locations of the Sail Restaurant and Catering Company from leased premises in Meaford and Owen Sound Ontario, as well as a catering company through Grey, Bruce and Simcoe Counties under the name Just Like Home Catering Company.

The Company blames the Covid-19 pandemic for its financial difficulty. As a hospitality and service industry it was significantly impacted by the resulting lockdowns and restrictions since March 2020. In order to survive Jar took all available pandemic relief from the government but was also forced to borrow \$53,000 in high interest debt. Due to ongoing cashflow constraints the company fell behind on HST and Source Deduction remittances and owes CRA approximately \$125,000.

In the Fall of 2022, the Meaford landlord changed the locks at the leased restaurant. The landlord has registered a secured claim against all assets of the Company.

The Owen Sound landlord, who also sold the restaurant to Jar in 2021, has a secured claim registered against the assets at that location. This restaurant was shut down in late 2022 and all assets were abandoned to the landlord.

The Company made an assignment in bankruptcy on December 14, 2022. MNP Ltd. was appointed as trustee. (the “**Trustee**”).

#### CLASS I - Stocks of merchandise

All inventory was depleted prior to the bankruptcy.

#### CLASS II - Plant, machinery, equipment, and office

The Company owned restaurant equipment at both the Owen Sound and Meaford locations. As previously stated, the landlords of both locations also had secured claims registered against Jar. All equipment was abandoned at the leased locations prior to the bankruptcy. The Trustee does not believe the equipment would be worth more than the landlord’s secured claim, or preferred claim for unpaid/accelerated rent.

**CLASS III - Buildings and real estate**

The Company did not own any real estate.

**CLASS IV - Books and records**

The Trustee has taken possession of the books and records required to administer the bankruptcy.

**CLASS V - Other assets**

There are no other assets the Trustee is aware of.

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 business was shut down prior to the bankruptcy. No conservatory and protective measures were necessary.

**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**

<b>Creditor Class</b>	<b>Per Statement of Affairs</b>	<b>Proven</b>
Deemed Trust	\$nil	\$nil
Secured	\$nil	\$42,017
Preferred	\$nil	\$nil
Unsecured	\$614,830	\$71,679
<b>Total</b>	<b>\$614,830</b>	<b>\$113,695</b>

**Secured creditors**

The following security registrations appear on the Personal Property Security Registry:

- general secured claims registered by Bharti Enterprises Inc. (Owen Sound Landlord).
- 9859870 Canada Inc. has registered security against accounts and other. This secured creditor has filed a claim in the bankruptcy of \$42,017.
- Silver Chef Rentals Inc. (Meaford Landlord) has registered security against the assets at that location.

SECTION E - Anticipated realizations and projected distribution  
The Trustee does not anticipate a distribution in this estate.

SECTION F - Reviewable transactions and preferential payment  
The Trustee has done a review of the bank statements for the last twelve months and found no indication of reviewable transactions or preferential payments.

SECTION G - Other matters  
The Trustee has initiated the claims process under the *Wage Earner Protection Program* for unpaid wages and other amounts owing to former employees of Jar.

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

Dated at London, Ontario this 3<sup>rd</sup> day of January 2023.

MNP Ltd.  
Licensed Insolvency Trustee of  
Jar Hospitality Limited



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

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IN THE MATTER OF THE BANKRUPTCY OF  
JAR HOSPITALITY LIMITED.

Carrying on business in the Village of Shallow Lake,  
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.  
557 Southdale Road East, Suite 201  
London, ON N6E 1A2