

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2940170  
Estate No. 32-2940170

**TRUSTEE'S PRELIMINARY REPORT**  
**IN THE MATTER OF THE BANKRUPTCY OF**  
**JLA ELECTRIC WHOLESALE AND DISTRIBUTION INC.**

**Trustee:** MNP Ltd.

**SECTION A - Background**

JLA Electric Wholesale and Distribution Inc. ("JLA" or the "Company") was incorporated in June 2022 and started operations in July 2022 as a wholesaler of specialty electric products. Wayne Davies ("Davies") was the sole registered director. JLA operated from leased premises at #5-400 Britannia Road East, Mississauga, Ontario.

Davies had a background in the electrical supply industry. He incorporated JLA with expectations of doing business with existing industry contacts. Unfortunately, sales volumes were much lower than hoped, and margins were also significantly less than expected due to competitive price pressure. The Company struggled with cashflow since incorporation.

In March 2023 JLA shut down operations. Inventory that had not been paid for was returned to suppliers for account credits. All fixed assets and personal property of JLA were liquidated by Davies. The proceeds of sale were used first to pay off the secured debt owing to the Royal Bank of Canada ("RBC"), and then deposited to the Company bank account. Davies has not taken a wage from JLA since incorporation.

An assignment in bankruptcy was made on May 3, 2023. MNP Ltd. was appointed as trustee. (the "Trustee").

**CLASS I - Stocks of merchandise**

All inventory had been returned to suppliers prior to the bankruptcy.

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

All equipment had been liquidated prior to the bankruptcy.

**CLASS III - Buildings and real estate**

There was no real property owned by the Company.

**CLASS IV - Books and records**

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

**CLASS V - Other assets**

*Cash on Hand*

The Company had approximately \$102,000 from the pre-bankruptcy asset liquidation in its bank account at the date of bankruptcy. These funds have been paid to the Trustee and deposited to an estate bank account.

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 bankruptcy. The Trustee has taken no conservatory or protective measures.

**2. Carrying on business**

The business was shut down prior to bankruptcy

**SECTION C - Legal proceedings**

There are no legal proceedings the Trustee is aware of.

**SECTION D - Provable claims**

	As per Statement of Affairs	Claims Received to Date
Unsecured	\$356,618	\$14,324
Preferred	Nil	Nil
Secured	Nil	Nil
Deemed trust	Nil	Nil
<b>Total</b>	<b>\$356,618</b>	<b>\$14,324</b>

**SECTION E - Secured creditors**

RBC has general security registered against all assets of JLA; however, we are advised the RBC debt has been repaid in full. A notice of the bankruptcy was sent to RBC and no claim has been received to date.

**SECTION F - Anticipated realizations and projected distribution**

Based on the known creditor claims, as listed on the Statement of Affairs, the Trustee anticipates there will be a distribution to the unsecured creditors of approximately 25%.

**SECTION G - Reviewable transactions and preferential payment**

The Trustee has reviewed the bank statements since July 2023 when the corporate bank account was opened and details of all pre-bankruptcy asset sales and has found no evidence or indication of reviewable transactions or preferences.

**SECTION H - Other matters**

None known.

Dated at London, Ontario this 23<sup>rd</sup> day of May, 2023.

MNP Ltd.  
Licensed Insolvency Trustee of  
JLA Electric Wholesale and Distribution Inc.



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

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IN THE MATTER OF THE BANKRUPTCY OF  
JLA ELECTRIC WHOLESALE AND DISTRIBUTION INC.

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

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TRUSTEE'S PRELIMINARY REPORT

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MNP Ltd.  
557 Southdale Road East, Suite 201  
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