

COURT FILE NUMBER 24-116403

COURT COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE EDMONTON

BANKRUPTCY MATTER IN THE MATTER OF THE BANKRUPTCY
OF KID DROP INC.

APPLICANTS SHENEEN JIT and NAVEEN JIT

RESPONDENTS KID DROP INC.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT Sharek Logan & van Leenen LLP
2100, 10060 Jasper Avenue, Edmonton, AB T5J 3R8
Attention: David Archibold & Justin Williams
Phone: 780-413-3100 Fax: 780-413-3152
File: 23413/DA

Clerk's Stamp



lrg ent

AFFIDAVIT OF SHENEEN JIT

Sworn (or Affirmed) on January 3rd, 2025

I, Sheneen Jit, of the City of Coquitlam, in the Province of British Columbia, SWEAR AND SAY THAT:

1. I, Sheneen Jit ("**Sheneen**"), am one of the Applicants in the above noted action, and as such have personal knowledge of the facts and matters herein deposed to, except where stated to be sworn based upon information and belief, and where so stated I verily believe the same to be true.
2. I am the spouse of the other Applicant, Naveen Jit ("**Naveen**" and collectively with Sheneen, the "**Applicants**").

Background and Company Structure

3. Kid Drop Inc. ("**KDI**" or the "**Respondent**") was incorporated in 2019 and has been operating as a transportation service provider for children in and around the Fort McMurray area. KDI is owned jointly by 4 shareholders, being the Applicants, Josh Kalhofer ("**Josh**"), and Julieta Ranger ("**Julieta**"). Attached hereto and marked as **Exhibit "A"** is a copy of the corporate search for KDI.
4. The Applicants are shareholders and directors of the Respondent, holding a combined total of 49% of the voting shares of KDI. We are also creditors of KDI each as unsecured creditors pursuant to shareholders loans.

5. KDI's day to day operations were controlled exclusively by Josh and Julieta, who held a combined share ownership of 51% and were each directors of KDI.
6. KDI carried on its operations from a parcel of land in Fort McMurray legally described as:

PLAN 6344AY
BLOCK 8
LOTS 3 TO 5 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Property**"). The Property is owned by KDI and encumbered by a mortgage (the "**Mortgage**") in favor of the Bank of Montreal ("**BMO**") secured against the Property. Attached hereto and marked as **Exhibit "B"** is a true copy of the Land Titles Certificate for the Property evidencing KDI's ownership and the Mortgage.

7. As directors and shareholders of KDI, Naveen and I reasonably expected that we would be consulted and included in decisions regarding KDI, including but not limited to decisions relating to managing corporate debts, any asset sales outside the ordinary course of business, and, generally, decisions relating to KDI's operations.
8. Despite this reasonable expectation, Julieta and Josh have ceased communicating with Naveen and I, resulting in a complete breakdown in the relationship between the shareholders. As minority shareholders, Naveen and I are absolutely reliant on the information and support of Josh and/or Julieta to affect any corporate decisions.
9. On or about October 4, 2024, Julieta advised me that she would be "closing the business down" and that KDI would be ceasing operations effective immediately. Attached hereto and marked as **Exhibit "C"** is the email from Julieta regarding KDI ceasing operations.

Insolvent Status

10. I verily believe that KDI is insolvent and that the value of its debts are in excess of \$1,000. KDI is and has been operating at a loss, and is unable to pay its debts as they come due. Attached hereto and marked as **Exhibit "D"** is a copy of a business valuation evidencing the NIL value of KDI in light of its significant debts and insufficient income to manage those debts as they come due.
11. Since the inception of KDI, Naveen and I collectively paid to KDI the sum of \$460,026 to be used to finance KDI's operations. These payments were recorded in the financial statements of KDI as shareholders loans. To date, the amount due to Naveen and I for unpaid shareholders loans is as follows:

Sheneen Jit: \$313,026
Naveen Jit: \$147,000

(the "**Jit Indebtedness**"). Attached hereto and marked as **Exhibit "E"** is a true copy of KDI's financial statements for year end March 31, 2024 evidencing the balance of our shareholders loans.

12. The form and nature of the Jit Indebtedness is that of an unsecured demand loan with no set repayment terms.
13. On or about October 29, 2024, Naveen and I, through counsel, delivered to KDI a demand for repayment of the Jit Indebtedness. To date, no response has been received and the Jit Indebtedness remains outstanding and justly due and owing to the Applicants. Attached hereto and marked as **Exhibit "F"** is a copy of the demand letter sent to KDI.
14. On or about October 29, 2024, I received a telephone call from BMO regarding the debts of KDI. I am advised by the representative for BMO that KDI has ceased communicating with BMO, that the Mortgage is in default, and that a further indebtedness exists pursuant to a separate line of credit. Due to Julieta and Josh terminating communication with Naveen and I, we are unaware of how the line of credit debt arose and the balance owing on the line of credit.
15. As a shareholder of KDI, I have been contacted by Esso regarding non-payment of company gas accounts which I verily believe are in excess of \$1,000.
16. It is my honestly held belief that in addition to the above referenced creditors, KDI has also neglected or failed to pay the following creditors:
 - a. Samsara Inc.;
 - b. Intuit;
 - c. Bell Canada;
 - d. ATCO;
 - e. Shaw Communications Inc.;
 - f. WIX.com Ltd.;
 - g. City of Fort McMurray (property taxes); and
 - h. Fort McMurray Tax and Accounting,

however, I am unaware of the balance owing to the above creditors due to Julieta and Josh refusing to correspond with the Applicants.

Unauthorized Disposition of Assets and Preferential Payments

17. On or about October 28, 2024, I learned that Julieta is selling the assets of KDI outside of the ordinary course of business and without the approval of myself or Naveen. More specifically, KDI has sold, assigned, or otherwise disposed of certain vehicles, which are subject to security agreements, and improperly used the proceeds to repay clients for services KDI never provided.
18. On or about October 29, 2024, upon learning of KDI's unauthorized disposing of assets and efforts to defeat or delay its creditors, Naveen and I, through counsel, issued written correspondence demanding that KDI cease these improper actions. Attached hereto and marked as **Exhibit "G"** is a copy of this correspondence.
19. It is my honestly held belief that KDI's unauthorized disposition of assets and improper use of the resulting funds is for purpose of, or had the effect of, defeating or delaying its creditors, including secured creditors and the Applicants.

Trustee Engagement

20. If this honourable court declares the Respondent bankrupt, MNP Inc. has agreed to act as trustee in bankruptcy over the assets and undertakings of KDI. Attached hereto and marked as **Exhibit "H"** is a copy of the Consent to Act from MNP.
21. I swear this Affidavit in support of my application petitioning KDI into bankruptcy and appointing a trustee in bankruptcy for KDI.

SWORN (OR AFFIRMED) BEFORE)
ME at the City of Vancouver, in the)
Province of British Columbia, this 3rd)
day of January, 2025)

Sheneen Jit

A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH
COLUMBIA

ANDREA GRAY

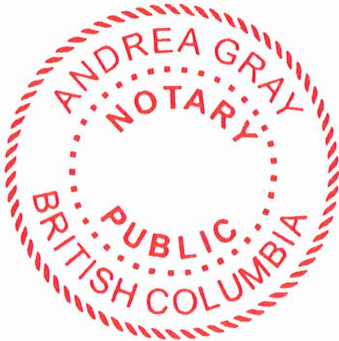
Barrister & Solicitor

300 - 1497 MARINE DRIVE

WEST VANCOUVER, BC V7T 1B8

TELEPHONE: 604-925-0672

FACSIMILE: 604-925-8984



Review Legal Entity History

KID DROP INC.

Not For Resale

Service Request Number: 41989674
Legal Entity Type: Alberta Business Corporation
Alberta Corporation Type: Named Alberta Corporation
Corporate Access Number: 2022155226
Legal Entity Name: KID DROP INC.
Business Number: 771065331
Legal Entity Status: Active
Nuans Number: 120798695
Nuans Date: 2019/09/06 (YYYY/MM/DD)

REGISTERED ADDRESS

Street/Box Number: SUITE 2700, 225 - 6TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1N2

RECORDS ADDRESS

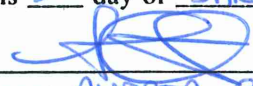
Street/Box Number: SUITE 2700, 225 - 6TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1N2

Email Address: CORPORATESERVICESCALGARY@OSLER.COM

The information in this legal entity table

supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A"
Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION PASSED AT A DULY CONSTITUTED MEETING OF THE BOARD
Min Number Of Directors: 1

This is Exhibit "A" referred to in the Affidavit of SHENEEN JIT sworn before me this 3rd day of JANUARY, 2025

Name: ANDREA GRAY
A Commissioner for Taking Affidavits for British Columbia

Max Number Of 7

Directors:

Business Restricted NONE

To:

Business Restricted NONE

From:

Other Provisions: SEE SCHEDULE "B"

Registration Date: 2019/09/06 (YYYY/MM/DD)

Continuance

No Records returned

Director / Shareholder / Liquidator

Last Name / Corporation Name	First Name	Middle Name
JIT	SHENEEN	
JIT	NAVEEN	
KALHOFFER	JOSH	MARTIN
KALHOFFER	JOSH	MARTIN
RANGER	JULIETA	
RANGER	JULIETA	
JIT	SHENEEN	
JIT	NAVEEN	

Agent for Service

Last Name	First Name	Middle Name
GRANTMYRE	MICHAEL	

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded	Reel	Reel Sequence
Share Structure	ELECTRONIC	2022/02/11		
Other Rules or Provisions	ELECTRONIC	2022/02/11		

Annual Return

File Year	Date Filed
-----------	------------

2023	2024/04/24
2022	2022/09/14
2021	2022/09/14
2020	2020/08/31

Court Order

No Records returned

Successor of Amalgamation

No Records returned

Amalgamating Corporations Registered In Alberta

No Records returned

Amalgamating Corporation - Not Registered in Alberta

No Records returned

Successor of Merger

No Records returned

Merging Corporations

No Records returned Not For Resale



LAND TITLE CERTIFICATE

This is Exhibit " B " referred to
in the Affidavit of SHENEEN
JIT sworn before me
this 30 day of JANUARY, 2025
[Signature]
Name: ANDREA GRAY
A Commissioner for Taking Affidavits
for British Columbia

S
LINC SHORT LEGAL TITLE NUMBER
0016 218 794 6344AY;8;3-5 212 284 139

LEGAL DESCRIPTION
PLAN 6344AY
BLOCK 8
LOTS 3 TO 5 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;9;89;15

MUNICIPALITY: REGIONAL MUNICIPALITY OF WOOD BUFFALO (FORT MCMURRAY)

REFERENCE NUMBER: 182 078 955

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
212 284 139	21/12/2021	TRANSFER OF LAND	\$540,000	\$540,000

OWNERS

KID DROP INC.
OF 8208 MANNING AVENUE
FORT MCMURRAY
ALBERTA T9H 1V9

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
212 284 140	21/12/2021	MORTGAGE MORTGAGEE - BANK OF MONTREAL. 11104 ELLERSLIE ROAD SW EDMONTON ALBERTA T6W1A2 ORIGINAL PRINCIPAL AMOUNT: \$452,000

TOTAL INSTRUMENTS: 001

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 27 DAY OF
DECEMBER, 2024 AT 01:47 P.M.

ORDER NUMBER: 52483560

CUSTOMER FILE NUMBER: 23413



END OF CERTIFICATE

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INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

This is Exhibit "C" referred to
in the Affidavit of SHENEEN
JIT sworn before me
this 3rd day of JANUARY, 2025

Justin Williams

To: Sheneen Jit
Subject: RE: New Proposal- Kid Drop

Name: ANDREA GRAY
A Commissioner for Taking Affidavits
for British Columbia

On Fri, Oct 4, 2024 at 5:33 PM Julieta KID-DROP <Julieta@kid-drop.com> wrote:

Good Evening Shareholders,

It is with a heavy heart that I share that I have begun the process of closing the business down.

More details will be shared in the coming weeks.

Julieta Miranda

Founder & CEO | www.kid-drop.com

T: 780-804-3767
M: 780-893-2380
E: julieta@kid-drop.com
A: 8208 Manning Ave, Fort McMurray, AB, T9H 1V9



[Book time with Julieta Miranda](#)

On Wed, Oct 2, 2024 at 9:44 PM Sheneen Jit <sheneen.jit@gmail.com> wrote:

Thanks Jules.

We reviewed the options and are not sure the statement: "This option eliminates each shareholder of all financial responsibilities of Kid Drop" is legally true. Our current understanding is that all environmental issues will follow each director if they were aware of an issue while they were a Director. You cannot absolve yourself by just removing yourself as a director. We also know that our personal guarantee of the mortgage is making the whole process more complicated. We have engaged with a lawyer in Edmonton to review the options you put forward. Because we're in a different province, this is taking a bit to be onboarded. They did confirm information about what would stay with us and what wouldn't if we explored option 1. We have not yet reviewed the other options as we need to finish the onboarding process first.

We will need more time to review the options with a lawyer and then advise. In the meantime, we need a copy of all outstanding loan paperwork. Which loans are we noted as cosigners on? Who are each of the creditors? We understand more vans were purchased so essentially are looking for an updated asset list. What is the current outstanding tax payable for payroll and GST? This information was not outlined in the last Quickbooks report that was sent. All of this paperwork will be required by our lawyer in order to determine a best option.

Please send this over this week so we can get back to you as soon as we can.

Thanks for your continued patience.

Sheneen Jit

BTech TMGT, Lean Greenbelt Certified

On Sat, Sep 28, 2024 at 4:42 PM Julieta KID-DROP <Julieta@kid-drop.com> wrote:

Hello Shareholders,

I trust this finds you well.

Thank you for your willingness to come back to the table.

After much thought and consideration I would like to put forward 4 new options. It is my hope that you carefully review your options and please inform me of your decision no later than Oct 2nd, 2024.

New Proposal:

Option 1:

I, Julieta Miranda, buys 100% of Sheneen, Naveen and Josh shares for \$1000 each.
- This option eliminates each shareholder of all financial responsibilities of Kid Drop.

Option 2:

I, Julieta Miranda, buys 100% of Sheneen, Naveen and Josh's shares for \$50k each (\$150K total) over 5 years based on company performance, 20% of net profit.

Option 3:

I, Julieta Miranda, buy the majority of Sheneen, Naveen's and Josh's shares for the same \$1000 and you will be left with 5% ownership each.
-This option reduces your financial responsibility to 5% each and you are left with equity in the company.

Option 4:

Josh and I aim to meet your ask of \$200,000 for 100% of your shares and estimate needing about five years based on the company's current performance. However, if business improves, we will pay sooner. This would be formalized through a promissory note, and we'd work with you on a realistic timeline.

If this is acceptable, we can proceed with the legal team to finalize the agreement and release you from obligations, ensuring your payout of \$200,000.

However, we're asking for some flexibility on the timeline to arrange the funds.

The goal is for all of us to walk away with a fair outcome.

Thank you for considering this, and we look forward to finding a solution that works for everyone.

PRIVILEGE AND CONFIDENTIALITY NOTICE:

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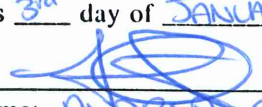
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This is Exhibit " D " referred to
in the Affidavit of STENEEN
JIT sworn before me
this 3rd day of JANUARY, 2025


Name: ANDREA GRAY
A Commissioner for Taking Affidavits
for British Columbia

Kid Drop Inc
8208 Manning Ave,
Fort McMurray, AB T9H 1V9

Price Determination
August 2024

venture  connect INC

Financial Information:

Kid Drop Inc	2024	2023
Revenue	\$500,977	\$418,699
Less Cost of Goods Sold	\$366,460	\$371,887
Gross Margin	\$134,517	\$46,812
	26.9%	11.2%
Less Expenses	\$301,623	\$447,365
Net Income	-\$167,106	-\$400,553
Add Back Recoverable Expenses		
Government grant revenue	\$45,079	\$61,812
Interest expense recovery *	\$8,000	
Total Recoverable Expenses	\$53,079	\$61,812
Revised Net Income	-\$114,027	-\$338,741

Valuation Summary:		
Net Income: (2024 Results)	-\$114,027	
Multiplier:	3.0	3.5
Preliminary Business Price:	\$0	\$0

Value Summary: Current	
Preliminary Business Price	\$0
Asset Adjustment	
Plus: Current Assets	\$749,507
Minus: Current liabilities (credit card, payroll/gst taxes, A/P)	\$152,506
Minus: Long term debt	\$522,249
Minus: Promissory notes	\$318,124
Net Value after Current Amounts Adjustment	-\$243,372
Minus: Due to Shareholders	\$824,661
Net Business Value after Shareholder Obligations:	-\$1,068,033

Note:

Asset values are estimated only, based on information provided. A more detailed review would be required to understand the condition and actual market value of assets. Interest expense recovery is estimated.

While results improved substantially in 2024, the business is still in the position of experiencing significant operating losses. Adding in the substantial debt position and servicing it is highly unlikely the business is going to be able to turn things around and begin to pay off the debt anytime soon. It is likely that losses will continue to add up and the eventual outcome will be a liquidation of the assets of the business.

Risk Assessment:

Many different factors motivate a decision to buy or invest in a business. It is key for a buyer to feel the opportunities outweigh the risks. Risk perception can stop a deal in its tracks, so it is in the seller's best interest to do whatever they can to relieve the risk perception of the buyer. Here is our perception of risk and opportunity regarding this business:

Factors Tending to Dampen Risk:

- ✓ Business has established presence
- ✓ Revenue is substantial and growing
- ✓ Industry has a positive outlook
- ✓ Significant improvement in latest year's results
- ✓ Financial and asset information available and up to date

Factors Tending to Heighten Risk:

- X Despite improvements the business is still losing money
- X Business has significant debt in place that will impair its ability to continue operating

Value Summary After Proposed Changes:

Value Summary: Post Proposed Changes	
Preliminary Business Price	\$0
Asset Adjustment	
Plus: Current Assets	\$669,157
Minus: Current liabilities (credit card, payroll/gst taxes, A/P)	\$152,506
Minus: Long term debt	\$404,448
Minus: Promissory notes	\$151,624
Net Value after Current Amounts Adjustment	-\$39,421
Minus: Due to Shareholders	\$824,661
Net Business Value after Shareholder Obligations:	-\$864,082

The proposed changes would appear to improve the liquidation value for the business.

Notes to Financial Information Provided:

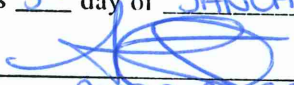
Value is based on information provided. This price determination does not account for balance sheet assets and liabilities apart from assets described in the Assets & Intangibles section. Further balance sheet items and adjustments are to be considered independently in the sale of the business.

Methodology employed:

Time and market tested valuation methodologies have been employed in the development of the price determination for Kid Drop Inc. We have taken care to evaluate the businesses based on their earnings and financial performance, as well as the assets contained within the businesses and accounted for comparison with other similar businesses. Opportunities and challenges for the businesses as they appear today have also been taken into account.

Disclaimer:

Our assessment has been based on the financial information provided and other factors disclosed in our conversations. Venture Connect has not audited this information and makes no representation as to its accuracy or completeness and is not responsible for the accuracy and truthfulness of the information. Market conditions vary, and buyers will employ a variety of tactics to ensure they get the best deal possible for themselves. As a business seller your best negotiation tool is to be armed with an analysis such as this one which has employed a variety of methodologies to show the value of the business. Use this document as a guide to assist you to reach a value and deal structure that both you and the buyer can live with.

This is Exhibit " E " referred to
in the Affidavit of SHENEEN
JIT sworn before me
this 3rd day of JANUARY, 2025

Name: ANDEEA GRAY
A Commissioner for Taking Affidavits
for British Columbia

KID DROP INC.
Compiled Financial Information
March 31, 2024

Pennock Acheson Nielsen Devaney LLP

Chartered Professional Accountants

Suite 2201, 10088-102 Avenue Telephone: 780-496-7774
Edmonton, Alberta T5J 2Z1 Website: www.pand.ca

COMPILATION ENGAGEMENT REPORT

To the Shareholders of Kid Drop Inc.

On the basis of information provided by management, we have compiled the balance sheet of Kid Drop Inc. as at March 31, 2024, and the statement of loss and deficit for the year then ended and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

The financial information for the year ended March 31, 2023 was compiled by another accounting firm and was neither audited nor reviewed and is presented for comparative purposes only.

Pennock Acheson Nielsen Devaney LLP

Chartered Professional Accountants

August 20, 2024

KID DROP INC.**Balance Sheet****As at March 31, 2024**

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 12,923	\$ -
Accounts receivable	5,835	-
Prepaid expenses	9,426	3,319
	28,184	3,319
PROPERTY AND EQUIPMENT <i>(Note 2)</i>	749,507	799,830
	<u>\$ 777,691</u>	<u>\$ 803,149</u>
LIABILITIES		
CURRENT		
Bank indebtedness	\$ -	\$ 17,566
Accounts payable and accrued liabilities	34,777	38,726
Goods and services tax payable	4,294	6,809
Employee deductions payable	45,320	11,281
Current portion of long-term debt <i>(Note 3)</i>	67,915	75,162
Due to shareholders	-	506,062
	152,306	655,606
LONG-TERM DEBT <i>(Note 3)</i>	454,334	601,503
DUE TO SHAREHOLDERS <i>(Note 4)</i>	824,661	306,158
PROMISSORY NOTES <i>(Note 5)</i>	318,124	-
	<u>1,749,425</u>	<u>1,563,267</u>
SHAREHOLDERS' DEFICIENCY		
Share capital <i>(Note 6)</i>	110	110
Deficit	(971,844)	(760,228)
	<u>(971,734)</u>	<u>(760,118)</u>
	<u>\$ 777,691</u>	<u>\$ 803,149</u>

ON BEHALF OF THE BOARD

Director

Director

KID DROP INC.
Statement of Loss and Deficit
For the Year Ended March 31, 2024

	2024	2023
REVENUES	\$ 500,977	\$ 418,699
DIRECT COSTS		
Salaries and benefits	183,195	226,553
Vehicle	116,194	107,665
Repairs and maintenance	27,366	8,771
Insurance and licenses	22,313	19,740
Supplies	17,392	9,158
	<u>366,460</u>	<u>371,887</u>
GROSS PROFIT (27%; 2023 - 11%)	<u>134,517</u>	<u>46,812</u>
EXPENSES		
Management salaries	142,839	306,158
Advertising and promotion	26,722	25,070
Consulting fees	26,669	30,470
Office	22,631	22,175
Professional fees	21,305	18,465
Interest and bank charges	17,042	9,845
Rent	14,130	8,233
Travel	11,989	7,247
Telephone and utilities	11,324	12,271
Business taxes, licenses and memberships	2,760	3,008
Property taxes	2,522	2,470
Insurance	1,582	1,503
Bad debts	108	450
	<u>301,623</u>	<u>447,365</u>
LOSS FROM OPERATIONS	<u>(167,106)</u>	<u>(400,553)</u>
OTHER INCOME (EXPENSES)		
Government grant	45,079	61,812
Amortization	(55,318)	(43,277)
Interest on long-term debt	(34,271)	(35,099)
	<u>(44,510)</u>	<u>(16,564)</u>
NET LOSS	(211,616)	(417,117)
DEFICIT - BEGINNING OF YEAR	<u>(760,228)</u>	<u>(343,111)</u>
DEFICIT - END OF YEAR	<u>\$ (971,844)</u>	<u>\$ (760,228)</u>

KID DROP INC.**Notes to Compiled Financial Information****Year Ended March 31, 2024****1. BASIS OF ACCOUNTING**

The basis of accounting applied in the preparation of the balance sheet of Kid Drop Inc. as at March 31, 2024, and the statement of loss and deficit for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- Accounts receivable less an allowance for doubtful accounts;
- Property and equipment is amortized over their useful lives;
- Accounts payable and accrued liabilities.

2. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Building	\$ 642,356	\$ -	\$ 642,356	\$ 642,356
Motor vehicles	199,810	119,460	80,350	114,785
Computer equipment	73,172	55,446	17,726	31,345
Equipment	7,000	1,960	5,040	6,300
Furniture and fixtures	7,093	3,058	4,035	5,044
	<u>\$ 929,431</u>	<u>\$ 179,924</u>	<u>\$ 749,507</u>	<u>\$ 799,830</u>

3. LONG-TERM DEBT

	2024	2023
Bank of Montreal loan bearing interest at 3.45%, repayable in fixed principal payments of \$2,499 plus interest.	\$ 391,704	\$ 509,792
Ford credit finance contract bearing interest at 6.65%, repayable in blended monthly payments of \$1,253.	42,611	54,408
Ford credit finance contract bearing interest at 7.20%, repayable in blended monthly payments of \$1,255.	40,711	52,376
Bank of Montreal vehicle loan bearing interest at 6.97%, repayable in blended bi-weekly payments of \$420.	34,479	42,929
Bank of Montreal loan bearing interest at 8.70%, repayable in fixed principal payments of \$228 plus interest.	8,067	10,803
Bank of Montreal loan bearing interest at 8.70%, repayable in fixed principal payments of \$140 plus interest.	4,677	6,357
	<u>522,249</u>	<u>676,665</u>
Amounts payable within one year	<u>(67,915)</u>	<u>(75,162)</u>
	<u>\$ 454,334</u>	<u>\$ 601,503</u>

KID DROP INC.**Notes to Compiled Financial Information****Year Ended March 31, 2024****4. DUE TO SHAREHOLDERS**

	2024	2023
Sheneen Jit	\$ 313,026	\$ -
Naveen Jit	147,000	-
Josh Kalhofer	169,620	137,838
Julieta Miranda	195,015	168,320
	<u>\$ 824,661</u>	<u>\$ 306,158</u>

The amounts due to shareholders are non-interest bearing, have no set repayment terms and are unsecured.

5. PROMISSORY NOTES

	2024	2023
Due to Laura Taback	\$ 156,500	\$ -
Due to Asano	81,027	-
Due to Dennie Giles	45,597	-
Due to Vis-Star	25,000	-
Due to Claudia Miranda	10,000	-
	<u>\$ 318,124</u>	<u>\$ -</u>

6. SHARE CAPITAL

Authorized:

Unlimited	Class A, B and I common voting shares
Unlimited	Class C and D common non-voting shares
Unlimited	Class E and F preferred redeemable voting shares
Unlimited	Class G and H preferred redeemable non-voting shares

Issued:

	2024	2023
253 Class A, series 1 common voting shares	\$ 2.53	\$ 2.53
260 Class A, series 2 common voting shares	2.60	2.60
250 Class A, series 3 common voting shares	2.50	2.50
243 Class A, series 4 common voting shares	2.43	2.43
210 Class G non-voting preferred shares redeemable for \$1,000 per share	100	100
	<u>\$ 110</u>	<u>\$ 110</u>

Our File No.: 23413/DA

October 29, 2024

2100 Scotia Place
10060 Jasper Avenue
Edmonton, AB T5J 3R8

phone 780 413 3100
fax 780 413 3152
www.yeglaw.ca

Kid Drop Inc.
c/o Registered Office
2700, 225 6th Avenue SW
Calgary, Alberta T2P 1N2

Via Email & Registered Mail
julesmiranda40@gmail.com
josh.kalhofer26@gmail.com

Re: Kid Drop Inc. – Demand on Shareholders Loans

Be advised that we have been retained by Sheneen Jit and Naveen Jit (collectively, the "Our Clients") to recover on outstanding shareholders loans owing to each of them as shareholders of Kid Drop Inc. ("KDI").

As you are aware, Our Clients made various advances to KDI in the form of shareholders loans which were recorded in the financial statements of KDI. As of KDI's fiscal year end on March 31, 2024, the balance of shareholders loans advanced by Our Clients was \$460,026, broken down as follows:

Sheneen Jit: \$313,026

Naveen Jit: \$147,000

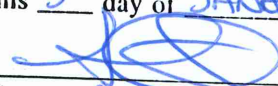
(in the aggregate, the "Indebtedness").

The form and nature of the Indebtedness is that of a demand loan, and Our Clients hereby demand immediate payment of the Indebtedness. If the Indebtedness is not repaid in full by November 6, 2024, Our Clients will have no choice but to take such steps as they deem necessary or required to recover the Indebtedness.

SHAREK LOGAN & VAN LEENEN LLP
Per: 

DAVID ARCHIBOLD, BARRISTER & SOLICITOR
Direct 780 413 3179
Email darchibold@sharekco.com

This is Exhibit " F " referred to
in the Affidavit of SHENEEN
JIT sworn before me
this 3rd day of JANUARY, 2025


Name: AUDREY GRAY
A Commissioner for Taking Affidavits
for British Columbia

This is Exhibit " G " referred to
in the Affidavit of SHENEEN
JIT sworn before me
this 3rd day of JANUARY, 2025

Sharek & Co.
Barristers & Solicitors

Our File No: 23413/DA
October 29, 2024
Name: ANDREA GRAY
A Commissioner for Taking Affidavits
for British Columbia

2 100 Scotia Place
10060 Jasper Avenue
Edmonton, AB T5J 3R8

phone 780 413 3100
fax 780 413 3152
www.yeglaw.ca

Kid Drop Inc., Josh Kalhofer & Julieta Miranda
c/o Registered Office
2700, 225 6th Avenue SW
Calgary, Alberta T2P 1N2

URGENT

Via Emails

Dear Sirs/Madams

Re: Kid Drop Inc. & Ceasing to Carry on Business

Our firm represents Sheneen Jit and Naveen Jit (collectively "Our Clients") in respect to their interests in Kid Drop Inc. We are advised by Our Clients as follows:

- 1) On October 4, 2024 you indicated that you were in the process of "closing the business down";
- 2) On October 28, 2024 Our Client became aware that the business was selling its vehicles and using these funds to pay back clients for uncompleted services, despite extant secured creditors; and
- 3) They have not been provided with ongoing involvement or information on the business for some time, despite being directors and shareholders thereof.

Firstly, Our Clients demand that immediately all sales outside of the ordinary course of business cease immediately. Pursuant to the *Business Corporations Act* sales of all or substantially all of the assets of the business requires shareholders approval. No approval of Our Clients has been sought or obtained to our knowledge.

Secondly, we require you immediately provide current financial information of the business including but not limited to copies of current balance sheet and income statements, bank records for the time period from March 2024 (being the last year end) to current and copies of all purported asset sale agreements and evidence of the dissipation of such funds.

Thirdly, any purported sale of vehicles to pay back clients whom services were not provided for are likely to be a payment made in preference to the registered security interest of Bank of Montreal which we note holds a general security interest in all present and after-acquired personal property and proceeds thereof of the business. Continuing in the manner you are proposing is detrimental to the business of Kid Drop Inc. and Our Client's interests. This must stop immediately.

Given this improper and oppressive conduct, Our Clients are evaluating their options in respect to same. However, in the interim, they again reiterate the proper winding down of the business is necessary, given that your actions to date are oppressive, non-transparent, and likely creating liabilities on the parties. As such, we urge you to contact us immediately with respect to your position on the voluntary appointment of a Licenced Insolvency Trustee to bankrupt the business and ensure its appropriate liquidation.

With that said, if you are not agreeable to such an appointment, we confirm that we have instructions to make demand of repayment of Our Client's demand shareholders loan balances (which are significant) immediately. Such demand will be coming by concurrent letter shortly.

Obviously it is in everyone's interests that the winding up of Kid Drop Inc. occur in accordance with the statutory priorities and under the supervision of an appropriate professional Licenced Insolvency Trustee. As such, please confirm your agreement in that respect and we will make arrangements for such corporate licenced insolvency trustee to contact you and begin this process. Our Clients have indicated they will provide such retainer to their choice of trustee as is necessary for this engagement.

We again reiterate, no assets of the business should be disposed, or creditors paid outside of statutory priorities at this time.

This is a serious matter. Govern yourself accordingly.

SHAREK LOGAN & VAN LEENEN LLP

Per. 

DAVID ARCHIBOLD | BARRISTER & SOLICITOR

direct 780 413 3179

email darchibold@sharekco.com

DA/da

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

EDMONTON

APPLICANTS

IN THE MATTER OF THE BANKRUPTCY
AND INSOLVENCY ACT, R.S.C. 1985, c.
B-3, AS AMENDED

IN THE MATTER OF THE BANKRUPTCY
OF KID DROP INC.

DOCUMENT

CONSENT TO ACT

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Sharek Logan & van Leenen LLP Barristers and Solicitors
2100, 10060 Jasper Avenue Edmonton, Alberta T5J 3R8
Attn: David Archibold Phone No.: 780-413-3100
File No.: 23413/DA

MNP Ltd., a Licenced Insolvency Trustee, if so appointed, does hereby consent to act as Trustee in Bankruptcy of Kid Drop Inc., in accordance with the requirements of section 14 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended and any order of the Court.

This is Exhibit " H " referred to
in the Affidavit of SHENEEN
JIT sworn before me
this 3rd day of JANUARY, 2025
[Signature]
Name: ANDREA GRAY
A Commissioner for Taking Affidavits
for British Columbia

MNP Ltd.

Per: [Signature]

Kristin Gray, CPA, CA, CIRP, LIT
Senior Vice-President