

MINUTES OF THE FIRST MEETING OF CREDITORS

**In the matter of the bankruptcy of
Lifeforia Wellness Incorporated
of the City of Wendover
in the Province of Ontario**

Minutes of the first meeting of creditors held at MNP LTD.

1600 Carling Avenue Suite 800

Ottawa ON K1Z 1G3, on December 8, 2017 11:00 AM.

Present:

John Haralovich

Vince Colizza

(see attached attendance list for other attendees)

Representing

Trustee

Bankrupt Corporation

John Haralovich acted as the Chairperson of the meeting. The Chairperson informed the meeting that pursuant to section 105(1) of the Bankruptcy and Insolvency Act, he would act as Chairperson and would decide any questions or disputes arising at the meeting and from such discussion any creditor may appeal to the court. The Chairperson examined the proofs of claim and there was no quorum. The Chairperson declared the meeting legally constituted and called the meeting to order.

The Chairperson advised that the main purpose of the meeting is:

1. To consider the affairs of the Bankrupt
2. To affirm the appointment of the Trustee or to make a substitution
3. To appoint Inspectors, if necessary
4. To give such directions to the Trustee as required

The Chairperson tabled the following documents:

assignment

receiving order

statement of affairs

Official Receiver's examination

Trustee's preliminary report

Trustee's affidavit calling first meeting of creditors

Trustee's proof of publication

The Trustee presented the Preliminary Report and there was a general discussion.

The Chairperson read the Official Receiver's examination and there was a general discussion.

It was moved by: _____
seconded by: _____

that MNP Ltd. be affirmed as Trustee. Carried unanimously.

It was moved by: _____
seconded by: _____

That there be 0 Inspectors, and those Inspectors are:

	Name	Address	Telephone
1.			
2.			
3.			
4.			
5.			

The Creditors gave the following directions to the Trustee:

There being no further business

It was moved by: _____
seconded by: _____

that the meeting be closed.

Chairperson

Dec 8/2017
Date

District of ON
Division No. 12
Court No. 33- 2316489
Estate No. 33-2316489

TRUSTEE'S PRELIMINARY REPORT

In the matter of the bankruptcy of
Lifeforia Wellness Incorporated
of the City of Wendover, in the Province of Ontario

Trustee: MNP LTD.

SECTION A

On November 17, 2017, an assignment for the General Benefit of Creditors was filed with the Official Receiver and MNP LTD. was appointed Trustee.

Class I- Stocks of Merchandise

The Company ceased operations prior to the assignment in bankruptcy.

Class II - Plant, Machinery and Equipment and Office Equipment

The operations included equipment related to a Spa. The trustee has taken an inventory. The trustee will seek offers to purchase the equipment either as part of the rental of the commercial space or to be removed by the purchaser.

Class III – Buildings and Real Estate

The business operated from a property owned by the Company which was located at 390 McNabb Street, Sault Ste. Marie, Ontario. The land and building are encumbered by liens in favour of Business Development Bank of Canada and the City of Sault Ste Marie for outstanding property taxes.

Class IV – Books and Records

The trustee is in possession of some books and records of the business.

Class V – Other Assets

There are no other assets.

Property of Bankrupt not divisible amongst creditors by virtue of Section 67(b), of the Bankruptcy and Insolvency Act.

None

Property Placed Under the Guardianship of the Debtor

None

SECTION B

1. Conservatory and Protective Measures

The trustee has engaged a property manager to manage the property and report back to the trustee. The trustee will solicit 2 realty proposals to list the property for sale.

2. Carrying on Business

The Company had ceased active operations prior to the bankruptcy. The trustee did not operate the business.

SECTION C – Legal Proceedings

The trustee is not aware of any legal proceedings that will carry on post bankruptcy.

SECTION D – Provable Claims

The trustee has not received any unsecured proof of claims.

SECTION E – Secured Creditors

The trustee has not received any secured proof of claims.

SECTION F – Anticipated Realization and Projected Distribution

There will be no realization for unsecured creditors.

SECTION G – Reviewable Transactions and Preference Payments

None

SECTION H – Other Matters

There are no other matters to report

Dated at Ottawa/ December 8, 2017



Chairperson – John Haralovich LIT, MNP LTD.

District of ON
Division No. 12
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ESTIMATED REALIZATION AND PROJECTED DISTRIBUTION

	As Per Debtor's Sworn Statement dated <u>November 17, 2017</u>	Estimated Realization as per <u>Trustee</u>
<u>Assets</u>		
Pledged	\$1,400,000.00	\$1,400,000.00
Free	Nil	.00
Total Assets	<u>1,400,000.00</u>	<u>1,400,000.00</u>
<u>Liabilities</u>		
Unsecured	754,042.00	754,042.00
Secured	1,473,237.00	1,473,237.00
Preferred	0.00	0.00
Total Liabilities	<u>2,227,279.00</u>	<u>2,227,279.00</u>
Apparent Deficit	<u>.00</u>	<u>.00</u>

Projected Distribution

Estimated Total Realization		\$1,000,000.00
Less: To Secured Creditors – Deemed trust claim (from pledged assets)	\$980,000.00	
Cost of Administration	\$20,000.00	
Third party guarantee	.00	
Preferred Claims		<u>\$1,000,000.00</u>

Estimated Amount Available For
Unsecured Creditors:
Dividend Percentage

\$.00
0.0%


Trustee

