

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF
LUCKY 5 ENTERPRISES LTD.**

TRUSTEE'S REPORT TO CREDITORS

November 10, 2015

BACKGROUND

Lucky 5 Enterprises Ltd. (the "Company") became bankrupt on October 26, 2015 by way of a Bankruptcy Order granted by the Supreme Court of British Columbia pursuant to a petition into bankruptcy by FactorBank AG. The Bowra Group Inc. was appointed Trustee in Bankruptcy.

We understand the Company was in the business of paper, plastic and packaging distribution. The Company leased office space in Vancouver, British Columbia and previously leased a warehouse in Vaughan, Ontario.

The sole director and officer of the Company was Mr. Gene Vihodesf.

TAKING POSSESSION

The Trustee attended the Vancouver leased office premises on October 26, 2015. The premises were vacant, there were fixed assets of nominal value and there were no books and records. The Trustee did not take possession of the leased premises as there were arrears owing to the landlord of \$22,591 and the monthly lease costs were \$7,327. The cost of taking possession would have exceeded the recoverable value of the assets on the premises.

The Trustee contacted the property manager for the leased warehouse in Vaughan, Ontario. The manager confirmed that the landlord terminated the lease in August 2015. The property manager confirmed the premises were vacant and did not contain any assets, books or records.

The Trustee in Bankruptcy was unable to get in contact with the director of the Company, despite efforts including, numerous phone calls, emails and sending registered mail.

FINANCIAL SITUATION

The Trustee in Bankruptcy was not provided with and was not able to obtain any books and records of the Company.

Both the Vancouver and Vaughan premises were vacant with no electronic or hard copies of accounting records and files.

SECURED CREDITORS

The Trustee is aware of the following creditors whose claims have priority over the claims of unsecured creditors:

Creditor	Assets Secured	Estimated Claim (\$000's)
National Leasing	Equipment	117
LiftCapital Corporation	Equipment	196
Blueshore Leasing	Equipment	Unknown
Employees - WEPP	Current Assets	Unknown
CRA - Payroll Withholdings	Current Assets	Unknown

National Leasing, LiftCapital Corporation and Blueshore Leasing have security over specific leased equipment and vehicles. The whereabouts of these assets is unknown.

As we do not have any books and records of the Company, it is not known if there are any amounts owing to:

- i) Employees for outstanding wages, severance or vacation pay; and
- ii) CRA for payroll source deductions.

Any amounts owing to CRA would be considered a deemed trust claim which ranks ahead of all creditors.

Any amounts owed to employees may be subject to a Wage Earner Protection Program ("WEPP") claim which ranks ahead of all creditors, except the deemed trust claim of CRA.

UNSECURED CREDITORS

The Trustee obtained unclaimed mail of the Company from the Vancouver office. Based on the mail received unsecured creditor claims identified to date are approximately \$5,260,182 as follows:

- i) \$5,237,591 for unsecured trade creditors; and
- ii) \$22,591 claim by the landlord for arrears.

These amounts do not include amounts that may be owing to CRA for GST.

IDENTIFICATION AND ESTIMATED REALIZATION VALUE OF ASSETS

The Trustee in Bankruptcy was not provided with any accounting records for the Company to identify the assets.

The Trustee attended the leased premises on October 26, 2014. The premises were vacant and contained office furniture with nominal value. The Trustee did not take possession of the premises as the costs to recover the assets would be greater than the estimated gross realization.

We have been informed by certain creditors of the Company that various leased assets were fraudulently sold prior to the date of bankruptcy. Certain creditors are also alleging the Company was involved in other fraudulent activities and business practices. We have not verified these allegations as we have been unable to locate the sole director and there are no Company records available to prove or disprove these allegations of fraud.

Accordingly, we believe there are no Company assets to realize upon.

LEGAL ACTIONS

Based on the information we have been able to obtain from the abandoned premises and mail, the Trustee is not aware of any ongoing litigation.

REVIEW OF RECORDS

The Trustee in Bankruptcy was unable to obtain any books and records of the Company and therefore was unable to perform a review of the Company's records.

CONCLUSION

We do not expect there to be any recovery for creditors.

The Bowra Group Inc.

Trustee in the Bankruptcy of Lucky 5 Enterprises Ltd.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.