

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

**IN THE MATTER OF THE BANKRUPTCY OF
MERIDIAN SIDING SOLUTIONS INC.**

TRUSTEE'S REPORT TO CREDITORS

November 2, 2023

BACKGROUND AND INSOLVENCY EVENTS

This report has been prepared by MNP Ltd., in its capacity as Licensed Insolvency Trustee (the "Trustee") of the bankrupt estate of Meridian Siding Solutions Inc. (the "Company" or "Meridian") to provide preliminary information to the creditors as at the date of this report.

The Company was incorporated in Alberta on November 24, 2015, and the Company's directors as at the date of bankruptcy are Mr. Jeffrey Jespersen and Mr. John Jespersen. The Company owned and operated a siding construction business in and around Spruce Grove, Alberta.

We understand the Company ran into financial difficulties as a result of family health issues and increasing costs and was not able to meet its financial obligations as they generally became due. We understand the Company ceased operations in September 2023.

The Company made an assignment into bankruptcy on October 13, 2023. MNP Ltd. consented to act as the Licensed Insolvency Trustee.

FINANCIAL SITUATION

Table 1 summarizes the statement of operations for the fiscal year ending, November 30, 2018. The financial statements were compiled by an independent, external accountant and are the most current financial statements available.

Table 1

	Year Ended Nov. 30, 2017	Year Ended Nov. 30, 2018
Revenue	316,490	356,326
Cost of sales	(182,361)	(221,374)
Gross profit	<u>134,129</u>	<u>134,952</u>
Operating and admin expenses	(39,218)	(45,566)
Provision for Income taxes	(11,945)	(10,788)
Net income for the year	<u>82,966</u>	<u>78,598</u>
Deficit from the beginning of year	(11,777)	(41,811)
Dividends paid	(113,000)	(113,000)
Net Income (loss)	<u>(41,811)</u>	<u>(76,213)</u>

The Company had a net loss of \$76,213 for the fiscal year ended November 30, 2018. No financial statements were prepared for fiscals 2019, 2020, 2021, 2022, or 2023.

Table 2 summarizes the balance sheet for the fiscal year ending November 30, 2018. These financial statements were compiled by an independent, external accountant and are the most current financial statement on file.

Table 2

	Year Ended Nov. 30, 2017	Year Ended Nov. 30, 2018
Assets		
Cash and cash equivalent	14,623	68
Accounts receivable	-	6,248
	14,623	6,316
Property and Equipment	7,560	6,048
	7,560	6,048
	22,183	12,364
Liabilities and Shareholders' Deficiency		
Accounts payable	12,677	23,618
Income taxes payable	21,344	32,132
Due to Meridian Longhorns	-	31,400
Due to shareholders	29,873	1,327
	63,894	88,477
Share capital	100	100
Shareholder's equity (deficit)	(41,811)	(76,213)
	22,183	12,364

CONSERVATORY AND PROTECTIVE MEASURES

We understand the Company operated from a home office and had no assets at the date of bankruptcy. We understand the Company sold small equipment and tools prior to the bankruptcy at market rates.

The Trustee understands the Company substantially reduced operations in 2019 and officially ceased all business activities in September 2023. The Company had no employees in recent years and there are no outstanding salaries, wages, vacation pay, or severance amounts owed to employees.

The Trustee sent correspondence to TD Canada Trust ("TD") requesting the Company's bank accounts be frozen and any funds remaining be forwarded to the Trustee. TD has confirmed the account is frozen and had a NIL balance as at the date of bankruptcy.

BOOKS AND RECORDS

The Trustee has taken possession of certain books and records of the Company, including financial statements and bank statements.

The Trustee is in the process of obtaining access to the tax records of the Company through the authorized representative process of the CRA.

SECURED CREDITORS

The Trustee has reviewed the Company's books and records and the Personal Property Registry and confirms there are no secured creditors.

The Company's books and records indicate all amounts owing to CRA for source deductions have been paid in full. Any amounts owing to CRA related to unpaid source deductions may constitute a deemed trust claim with priority over all other secured claims. CRA has not filed a proof of claim as of the date of this report.

UNSECURED CREDITORS

Based on the Company's books and records, the Trustee is aware of 2 unsecured creditors owed approximately \$62,000. Table 3 outlines the major unsecured creditors.

Creditor	Table 3 Estimated Claim
Canada Revenue Agency	62,000
WCB - Alberta	1

IDENTIFICATION AND VALUATION OF ASSETS

As at the date of bankruptcy, the Company had a nil balance in its deposit account held at TD and no other assets. Based on discussions with management and a review of the books and records, the Company has no assets available for realization by the Trustee. Accordingly, we estimate there will be no recovery to the unsecured creditors.

LEGAL ACTIONS

The Trustee is not aware of any additional ongoing litigation against or by the Company.

REVIEW OF RECORDS & CONDUCT OF THE DEBTOR

The Trustee is in the process of reviewing the books and records of the Company that were made available, including bank statements for the period of December 1, 2022, to October 6, 2023, when the bank account was closed, and externally compiled financial statements to November 30, 2018. The Trustee will seek instructions from the Inspector, or creditors of the estate, in the event transactions are identified that could be regarded as preference payments or transfers undervalue in accordance with the *Bankruptcy and Insolvency Act* the

CONCLUSION

The Trustee estimates there will be no recovery to the unsecured creditors.

MNP Ltd.

Licensed Insolvency Trustee of Meridian Siding Solutions Inc.

Per: _____



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