

District of: Ontario  
Division No. 07-Hamilton  
Court No. 35-2912600  
Estate No. 35-2912600

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
METTAMADE INC.

Trustee: MNP Ltd.

SECTION A - Background

Mettamade Inc. ("**Mettamade**" or the "**Company**") was a designer, manufacturer and online retailer of women's sustainable and inclusive clothing. The Company was incorporated in 2019 and struggled to generate positive income and cashflow since that time. The owners, a mother-daughter team, were constantly required to inject cash to fund operations. It was able to maintain online sales during the lockdowns brought on by the Covid-19 pandemic; however, once stores began opening to in-person shopping again Mettamade saw a sharp decline in their online business. Sales fell to historic lows and the owners were not able to inject additional funds. Management made the decision to shut down operations and terminate all employees in August 2022.

Mettamade made an assignment in bankruptcy on February 16, 2023. MNP Ltd. was appointed as Licensed Insolvency Trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

The Company began an inventory liquidation prior to the bankruptcy. A small amount of inventory with a cost value of approximately \$27,000 remained that could not be sold. Management contacted retailers and liquidators to solicit offers to buy this residual inventory en bloc; however, except for one possible deal that ultimately fell through, was unable to find any interest. Management believes this inventory may be saleable slowly, over time and at discount. The Trustee believes there is a risk the cost to store and sell this inventory would exceed potential realizations and, subject to input from creditors or inspectors appointed at today's meeting, intends to abandon any claim to the inventory.

CLASS II - Plant, machinery, equipment, and office

The equipment owned by the Company including a cutting table, three sewing machines, a cutting table, trim cutter, straight knife, and spreader was all sold at fair value prior to the bankruptcy. The proceeds of sale were deposited the Company bank account and have been paid to the Trustee.

CLASS III - Buildings and real estate

The Company did not own real estate.

**CLASS IV - Books and records**

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

**CLASS V - Other assets**

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 Company's operations ceased prior to the bankruptcy. No conservatory or protective measures are necessary.

**2. Carrying on business**

The Company's operations ceased prior to bankruptcy.

**SECTION C - Legal proceedings**

There are no legal proceedings the Trustee is aware of.

**SECTION D - Provable claims**

| <b>Creditor Class</b> | <b>Per Statement of Affairs</b> | <b>Proven</b> |
|-----------------------|---------------------------------|---------------|
| Deemed Trust          | \$nil                           | \$nil         |
| Secured               | \$nil                           | \$nil         |
| Preferred             | \$nil                           | \$nil         |
| Unsecured             | \$60,003                        | \$nil         |
| <b>Total</b>          | <b>\$60,003</b>                 | <b>\$nil</b>  |

**Secured creditors**

There are no registered secured creditors on the *Personal Property Security Act* Registry in Ontario.

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

The Trustee does not anticipate a distribution to creditors in this estate.

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

The Trustee has reviewed the bank statements for the twelve months' preceding bankruptcy and found no evidence of fraudulent preferences or reviewable transactions.

SECTION H - Other matters

The Trustee has received a third-party deposit of \$7,000 from Carol Davies.

Dated at London, Ontario this 7<sup>th</sup> day of March, 2023.

MNP Ltd.  
Licensed Insolvency Trustee of  
Mettamade Inc.



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



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IN THE MATTER OF THE BANKRUPTCY OF  
METTAMADE INC.

Carrying on business in the Town of Dundas  
In the Municipality of Hamilton  
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.  
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