

CANADA  
Province of Ontario  
Division No.: 09- Toronto  
Court No: 31-3152694  
Estate No: 31-3152694

## TRUSTEE'S PRELIMINARY REPORT

### IN THE MATTER OF THE BANKRUPTCY OF NORDIC THERMAL INTERNATIONAL LTD. IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

Licensed Insolvency Trustee (“**Trustee**”): MNP Ltd.

*The information contained in this Preliminary Report has been prepared from the available books and records of the Company (as such term is later defined) and discussions with the Management. These books and records have not been reviewed or otherwise audited by the Trustee and, consequently, the Trustee expresses no opinion whatsoever with respect to the validity, the exactness or the reliability of the information taken from those records contained herein.*

#### SECTION A – BACKGROUND AND CAUSES OF FINANCIAL DIFFICULTIES

Nordic Thermal International Ltd. (“**Nordic**” or the “**Company**”) began operations in May 2015. Jeffrey Canavor (“**JC**”) was the sole director and officer of the Company. JC died on October 17, 2018, and the Company ceased operations on or before his death.

On February 18, 2020, the Bank of Montreal Trust Company (“**BMO Trust Company**”) was appointed as the Estate Trustee During Litigation (“**ETDL**”) for the Estate of JC, the deceased.

The BMO Trust Company in its capacity as the ETDL of JC’s estate, at a meeting held on November 12, 2024, resolved as the sole shareholder of the Company to have Nordic make an assignment in bankruptcy.

On November 12, 2024, Nordic filed an assignment in bankruptcy, which was accepted by the Office of the Superintendent of Bankruptcy and became effective on November 13, 2024 (“**Date of Bankruptcy**”). MNP Ltd. was appointed as the Licensed Insolvency Trustee of the bankrupt estate subject to affirmation by the creditors at the First Meeting of Creditors (“**FMOC**”) to be held on December 17, 2024. Due to the Canada Post strike that commenced on November 15, 2024, the FMOC is being held thirty-four (34) days following the Date of Bankruptcy and not the standard twenty-one (21) days as set out under the *Bankruptcy and Insolvency Act* (the “**BIA**”), following the granting by the Office of Superintendent of Bankruptcy of an extension of the date for holding the meeting pursuant to Subsection 102(1.1) of the BIA.

Gregory Woolston, a Senior Trust Officer at BMO Trust Company was authorized to execute on behalf of the BMO Trust Company, in its capacity as the ETDL of JC’s estate, all of the documents associated with the Company’s bankruptcy filing.

On November 20, 2024, the Notice to Creditors advising of the bankruptcy and the FMOC, a list of creditors and a proof of claim form, along with a proxy, was sent by fax and/or email to those known creditors of the Company based on the information in the available records of the Company. Pursuant to subsection 102(4) of the BIA the Notice of Bankruptcy was published in the National Post newspaper on November 20, 2024.

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The various public documents related to the Company and its bankruptcy proceedings are posted at the Trustee’s case website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/canavor-group-of-companies>.

**SECTION B – PRIORITY CLAIMS, SECURITY INTERESTS AND PRELIMINARY EVALUATION OF ASSETS**

*Priority Claims*

The Trustee has sent the notice to the Canada Revenue Agency (“**CRA**”). However, no claim has been received as of the date of this Report. The Trustee has yet to verify the deemed trust portion, if any.

*Security Interests*

An Ontario *Personal Property Security Act* registry search conducted on August 19, 2024 (the “**PPSA Search**”) identified no secured creditors related to Nordic.

*Preliminary Evaluation of Assets*

No assets were reported on the sworn Statement of Affairs (“**SOA**”). The Trustee has been advised by the BMO Trust Company that on its appointment as ETDL in 2020, there were no assets of the Company found or identified, despite inquiries of family members of the deceased and attendance at the Company’s last known address.

**SECTION C – BOOKS AND RECORDS**

The Trustee is in possession and control of available books and records of the Company which are necessary for the administration of these proceedings.

**SECTION D – CONSERVATORY AND PROTECTIVE MEASURES**

Not applicable.

**SECTION E – PROVABLE CLAIMS**

The claims of creditors as per the SOA and the proof of claims filed as of 5:00 p.m. on December 16, 2024, are summarized below:

<b>Particulars</b>	<b>SOA</b>	<b>Claims as Filed</b>
Secured	Nil	Nil
Unsecured	\$50,537.59	Nil
Preferred	Nil	Nil
<b>Total</b>	<b>\$50,537.59</b>	<b>Nil</b>

**Unsecured creditors:** This includes an amount of \$49,407.59 owed to The Bank of Nova Scotia pursuant to a judgment obtained against the Company in April 2019.

## **SECTION F- LEGAL PROCEEDINGS, TRANSFERS AT UNDER-VALUE AND PREFERENCE PAYMENTS**

### *Legal Proceedings*

To date, the Trustee has not commenced any legal proceedings. As at the time this Report was issued, the Trustee did not need to retain independent legal counsel.

### *Transfers at Under-Value and Preference Payments*

Since the Company ceased operations (on or before October 17, 2018) more than six (6) years before the Date of Bankruptcy, there would be no transfers at under-value or preference transactions that could be attacked or voided by the Trustee under the BIA<sup>1,2</sup>.

## **SECTION G - ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION**

The Trustee anticipates no distributions to the Company's unsecured creditors.

## **SECTION H – OTHER MATTERS**

### *Fee Indemnity Agreement*

Prior to the filing of the bankruptcy, MNP entered into a fee indemnity agreement with the BMO Trust Company to cover the Trustee's professional fees and disbursements associated with the administration of the bankruptcy. In the Agreement, MNP agreed to cap its professional fees at \$10,000.00, exclusive of HST and out-of-pocket costs.

Dated in Toronto, Ontario, this 17<sup>th</sup> day of December 2024.

### **MNP LTD.**

Licensed Insolvency Trustee of the  
Estate of Nordic Thermal International Ltd., a Bankrupt  
and not in its personal or corporate capacity  
Per:



Akhil Kapoor, CFA, CIRP, LIT  
Manager

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<sup>1</sup> A transfer at undervalue is void as against a trustee if it occurred within one (1) year of the initial bankruptcy event for a party dealing at arm's length with the Company and five (5) years of the initial bankruptcy event for a party not dealing at arm's length pursuant S. 96 of the BIA.

<sup>2</sup> A preference transaction with a creditor is void as against a trustee if it occurred within three (3) months of the initial bankruptcy event for a creditor dealing at arm's length with the Company and twelve (12) months of the initial bankruptcy event for a creditor not dealing at arm's length pursuant S. 95 of the BIA