

District of: Ontario  
Division No. 07-Hamilton  
Court No. 32-2995623  
Estate No. 32-2995623

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
NUTRITIONAL EXERCISE & WELLNESS INC.

Trustee: MNP Ltd.

SECTION A - Background

Nutritional Exercise and Wellness Inc. ("Nutritional" or the "**Company**") was incorporated in August 2020. The sole director is Robert Morgan. The Company operated a gym and training centre from leased premises at 360 Lewis Road, Stoney Creek, Ontario.

Nutritional struggled with low sales since incorporation. The Company was unable to pay its operating costs and mounting liabilities and fell behind on its rent. In September 2023 Nutritional owed its landlord three months rent, which it could not pay. It made the decision to shut down operations and engaged an auctioneer, Syl-Mar Management ("Syl-Mar"), to auction its equipment. On October 3, 2023 the landlord initiated distress proceedings and retained a bailiff to change the locks to the leased premises.

On October 10, 2023 Nutritional made an assignment in bankruptcy. MNP Ltd. was appointed as trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

There was no inventory owned by the Company.

CLASS II - Plant, machinery, equipment, and office

Prior to the bankruptcy Nutritional retained Syl-Mar to auction its equipment. Syl-Mar had already prepared and tagged the equipment for sale at the time of the Landlord distress. The auction was set for October 25, 2023. The Trustee gained access to the leased premises to allow Syl-Mar to carry out this auction. The Trustee is waiting for final confirmation of the sale proceeds from Syl-Mar.

CLASS III - Buildings and real estate

The Company did not own real estate.

CLASS IV - Books and records

The Trustee has received the books and records required to administer the bankruptcy.

CLASS V - Other assets

None known.

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

As the locks were changed by the bailiff just prior to the bankruptcy so the Trustee did not change them again. Only the landlord and Syl-Mar have keys to the leased premises. The Trustee checks the premises regularly.

2. Carrying on business

The Company's operations ceased prior to bankruptcy.

SECTION C - Legal proceedings

None known.

SECTION D - Provable claims

Creditor Class	Per Statement of Affairs	Proven
Deemed Trust	\$nil	\$nil
Secured	\$nil	\$nil
Preferred	\$nil	\$nil
Unsecured	\$111,874	\$nil
<b>Total</b>	<b>\$111,874</b>	<b>\$nil</b>

**Secured Creditors**

There are no registrations by secured creditors on the Ontario *Personal Property Security Act* registry.

SECTION F - Anticipated realizations and projected distribution

Any distribution in the estate will depend in asset realizations are sufficient to cover occupation rent, trustee fees, and other costs of the bankruptcy. If there is a distribution it will be nominal.

SECTION G - Reviewable transactions and preferential payment

The Trustee has reviewed the bank statements for the twelve months preceding bankruptcy and did not find any evidence of preferences or reviewable transactions.

SECTION H - Other matters

The Trustee has received a third-party deposit of \$15,000 from Robert Morgan to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 26<sup>th</sup> day of October 2023.

MNP Ltd.

Licensed Insolvency Trustee of

Nutritional Exercise & Wellness Inc.



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



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IN THE MATTER OF THE BANKRUPTCY OF  
NUTRITIONAL EXERCISE & WELLNESS INC.

Carrying on business in the Town of Grimsby,  
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.  
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