

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
OGOPOGO MEATS & SAUSAGES LTD.

ORDINARY ADMINISTRATION

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

BACKGROUND

Ogopogo Meats & Sausages Ltd. (“**OMS**” or the “**Company**”) operated a butcher shop specializing in meats and other grocery items. OMS operated from leased premises in Summerland, British Columbia.

OMS is a provincially registered corporation with its registered office listed as 101 – 123 Martin Street Penticton, BC. A corporate records search performed by MNP Ltd. (“**MNP**”) on July 15, 2022 indicated that Jody Elkind and Thomas Fischer are the Company's directors (the “**Directors**”).

On September 7, 2022 and pursuant to a special resolution made by the Company's shareholders, being TNF Enterprises Ltd. and Smelqmix Investments LP, MNP was appointed to act in the capacity as liquidator for the Company. The Company's operations ceased prior to MNP's appointment as liquidator. All of the Company's assets were sold during the liquidation proceedings. MNP determined that OMS was insolvent and reported the same to the Company's directors.

ASSIGNMENT IN BANKRUPTCY

The Company was not able to satisfy the claims of all its creditors through a liquidation proceeding due to its insolvency and the Company made a voluntary assignment in bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act* effective November 4, 2022. MNP Ltd. was appointed as the Licensed Insolvency Trustee of the Bankrupt Estate (the “**Trustee**”), subject to creditor affirmation at the First Meeting of Creditors.

Notice of the Assignment in Bankruptcy and First Meeting of Creditors was sent to all known creditors on November 7, 2022.

ASSETS

According to the Statement of Affairs filed in the bankruptcy, the Company’s assets include:

Statement of Affairs

Cash in Bank	190,679
Total Assets	<u>190,679</u>

Cash in Bank

The cash in bank reported on the Statement of Affairs represents the net realizations from the Company’s assets during the liquidation proceedings. The cash is held in a trust account dedicated to the Bankruptcy proceedings. The Company has no other assets.

PROVABLE CLAIMS

It is the duty of the Trustee to examine and satisfy itself as to the validity and priority of all claims filed in the Estate. As of the date of this report, four proofs of claim have been filed with the Trustee and represents \$777,797.63 in total creditor claims.

	Statement of Affairs	Filed
Secured creditors	\$215.21	Nil
Preferred creditors	\$26,822.76	\$27,773.39
Unsecured creditors	\$493,231.69	\$750,024.24
Total	<u>\$520,269.66</u>	<u>\$777,797.63</u>

The only significant difference between the claims filed and claims listed on the statement of affairs relates to the claim filed by the Company’s former landlord. The Trustee is in the process of reviewing this claim asserted by this creditor.

SECURED CREDITORS

According to a BC Personal Property Registry search performed on July 15, 2022, The Bank of Nova Scotia had security registrations against a motor vehicle. The motor vehicle was sold prior to the liquidation proceedings. There were no other registered secured claims in the personal property registry and as such the Trustee does not expect there to be any claims from secured creditors.

Canada Revenue Agency (“CRA”)

CRA has a “deemed trust” claim or property claim equal to the amount of payroll deductions withheld from employees’ compensation and not remitted to CRA. This claim comes in priority to the claims of all other creditors. The Directors indicated that as of the date of bankruptcy, the Company was current in terms of its remittances for payroll source deductions. The Trustee reviewed a notice of assessment from CRA and determined that \$215.21 was owing to CRA for unremitted payroll source deductions.

Any debt owing to CRA for unremitted goods and service tax at the date of bankruptcy will rank as a general, unsecured claim.

To date, a proof of claim has not been received from CRA in relation to the unremitted payroll source deductions. The Trustee will engage in correspondence with CRA for the purpose of confirming the deemed trust amounts owing to CRA, if any.

Claims of Wage Earners

Pursuant to Section 81.3(1) of the BIA, claims of employees who are owed wages, vacation pay, and other compensation for services rendered in the six-month period preceding the Date of Bankruptcy are secured, to the extent of \$2,000, by security over the Company’s current assets (cash, accounts receivable and inventory).

The Directors advised that there are no amounts owing to employees for unpaid wages and/or vacation pay, and as such, the Trustee does not expect to receive claims under Section 81.3(1).

PREFERRED CREDITORS

Employees

Employees are afforded a priority for wages and compensation that are not paid by virtue of Section 81 of the BIA. Claims of employees that relate to the period more than six months preceding the date of bankruptcy are general, unsecured claims and will share ratably with the claims of other creditors. As reported, we do not anticipate receiving claims from employees for unpaid compensation.

Landlords

Landlords are afforded a priority for unpaid rent for a period of three months immediately preceding the bankruptcy and accelerated rent for a period not exceeding three months following the bankruptcy if entitled to accelerated rent under the lease. The Trustee has undertaken a review of the Company’s lease agreement and expects that the landlord will file a preferred claim in these proceedings.

UNSECURED CREDITORS

The Statement of Affairs reports total unsecured creditors of \$ 493,231.69. Ultimately the amounts owing to the unsecured creditors will be based on proofs of claim filed by the creditors and admitted by the Trustee.

SALE OF ASSETS

All of the Company's assets were liquidated prior to the bankruptcy proceedings. The Trustee holds \$191,468.87 in its trust account and does not expect any further realizations for the Estate.

OTHER MATTERS

Books and Records

The Trustee is in possession of certain books and records at the date of bankruptcy that were provided by the Company.

Legal Proceedings

The Trustee has not commenced any legal proceedings at the date of this report.

Conservatory and Protective Measures

All of the Company's physical assets were liquidated prior to the bankruptcy and as such the Trustee was not required to take the normal conservatory or protective measures with regards to the safeguarding of the assets.

Preferences, and Transactions at Under Value

The Trustee has undertaken a review the Company's books and records preceding the date of bankruptcy in order to ascertain whether or not any preferential payments and/or reviewable transactions have occurred within the last three months or, where related parties are involved, within the last twelve months. The Trustee's review of certain transactions is ongoing but has not identified any improper transactions thus far.

ESTIMATED REALIZATION

No further realization is expected over and above the funds currently held by the Trustee.

All dividends payable by the Trustee to creditors are subject to a 5% levy payable to the Office of the Superintendent of Bankruptcy.

This concludes the Trustee’s Preliminary Report to Creditors.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of November, 2022.

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
of the Bankrupt Estate of
Ogopogo Meats & Sausages Ltd.
and not in its personal capacity



Seamus Boyle, CPA, CIRP, LIT
Vice President