

District of: Ontario
Division No. 05 - London
Court No. 32-2658587
Estate No. 32-2658587

TRUSTEE'S PRELIMINARY REPORT
IN THE MATTER OF THE BANKRUPTCY OF
PERRAS MECHANICAL SERVICES LTD.

Trustee: MNP Ltd.

SECTION A

Perras Mechanical Services Ltd. ("Perras" or the "Company") was a heating and air conditioning contractor specializing in the service and installation of hot water heater systems throughout Southwestern Ontario. The Company operated from leased premises at 585 Oak Road, Brantford, Ontario. The owner and sole registered director is Mr. Richard Courtemanche ("Courtemanche").

The Company has not been profitable for several years. In FY18, FY19 and FY20 the Company incurred losses of \$410 thousand, \$560 thousand and \$160 thousand respectively. In February 2020 the Company was unable to secure critical operating capital which ultimately forced management to close the business.

The Company sold its assets comprised of inventory and equipment to a non-arms length party in February 2020. Nominal sale proceeds of approximately \$20,000 were used to fund ordinary wind down costs.

On July 16, 2020 the Company made an assignment in bankruptcy and MNP Ltd. was appointed bankruptcy trustee (the "Trustee").

CLASS I - Stocks of Merchandise

There was no inventory on hand at the date of bankruptcy.

CLASS II - Plant, Machinery and Equipment and Office Equipment

As previously stated, nominal equipment and inventory was sold in February through April 2020.

CLASS III - Buildings and Real Estate

There are no buildings or real estate owned by the Company.

CLASS IV - Books and Records

The Trustee is in possession of certain books and records of the Company. The majority of books and records remain in Courtemanche's possession. Courtemanche has undertaken to provide any Perras' book or record in his possession to the Trustee upon written request.

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 Debtor

None to date.

SECTION B

1. Conservatory and Protective Measures

None to be taken.

2. Carrying on Business

The Company ceased operations prior to the bankruptcy.

SECTION C - LEGAL PROCEEDINGS

In May 2020, the Company's largest customer, Enercare Home Services (formerly Direct Energy and hereafter referred to as "Enercare"), a residential energy equipment and service provider, initiated an action against Perras claiming damages in excess of \$2 million for breach of confidence ("Enercare Action"). Through its action, Enercare claims Perras and Courtemanche (along with other named defendants), allowed confidential information to be shared with a commonly controlled entity that used the information to acquire Enercare customers.

The Trustee is reviewing the Enercare Action and has sought managements clarity regarding potential counterclaims. At this time there is no property to realize for the benefit of creditors; therefore, the Trustee's options to deal with the action are limited and Enercare will be permitted to make a claim against Perras' estate.

SECTION D - PROVABLE CLAIMS

	As per Statement of Affairs	Claims Received to Date
Unsecured	\$235,745	\$0
Preferred	\$0	\$0
Secured	\$0	\$0
Deemed Trust	\$0	\$0
Total	\$235,745	\$0

SECTION E - SECURED CREDITORS

The Trustee conducted a Personal Property Security Act ("PPSA") search to confirm the following registrations against Perras: The Estate of Robert Cowan, Jim Peplinski Leasing Inc., and B2B Marketing Inc. As mentioned earlier in this report, the Company has no assets. Accordingly, the Trustee has categorized the PPSA registrants as ordinary unsecured creditors.

SECTION F - ANTICIPATED REALIZATION AND PROJECTED DISTRIBUTION

The Trustee expects there will no distribution to unsecured creditors.

SECTION G - REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS

The Trustee is undertaking a review the bank statements for 12 months preceding bankruptcy.

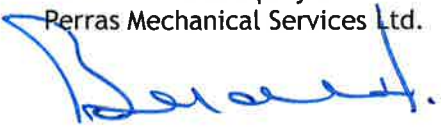
The Trustee is investigating the sale of assets to 2741827 Ontario Inc., an entity managed by Courtemanche operating as Perras Home Comfort (a trade name used previously by Perras). The Trustee has requested information from Courtemanche to support the valuation of disposed assets and an accounting of the sale proceeds.

SECTION H - OTHER MATTERS

The Trustee received a retainer of \$9,040 from Richard Courtemanche.

Dated at London, Ontario this 4th day of August, 2020.

MNP Ltd.
Trustee in Bankruptcy of
Perras Mechanical Services Ltd.



Per: Brendan T. Hinton CIRP, LIT
Vice-President

London
Registry #32-2658587

IN THE MATTER OF THE BANKRUPTCY OF
PERRAS MECHANICAL SERVICES LTD.

Carrying on business in the City of Brantford,
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

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