

CANADA
Province of Ontario
Division No.: 09- Toronto
Court No.: 31-2871157
Estate No.: 31-2871157

**TRUSTEE'S PRELIMINARY REPORT TO CREDITORS
ON THE BANKRUPTCY ADMINISTRATION**

**IN THE MATTER OF THE BANKRUPTCY OF
PRINCETON ACADEMY OF CANADA INC.
OF THE CITY OF MARKHAM
IN THE PROVINCE OF ONTARIO**

Section A – Background

On September 30, 2022, Princeton Academy of Canada Inc. (the “**Company**”) executed an assignment in bankruptcy and MNP Ltd. (“**MNP**”) filed that assignment with the Office of the Superintendent of Bankruptcy (the “**OSB**”) on that date. On October 3, 2022, the OSB issued the certificate of appointment naming MNP as the Licensed Insolvency Trustee (“**Trustee**”) of the Company.

The Company was incorporated on January 28, 2013, in the province of Ontario. The Company operated as a private high school in rented premises located at 2800 John Street, Suite 7B, Markham, Ontario (the “**Premises**”).

As a result of the Covid-19 pandemic, related operating restrictions mandated by the Ontario Government and the restriction of visas for foreign students, the Company struggled to meet its ongoing operating expenses during the pandemic. Accordingly, the Company commenced the wind down of its operations at the end of the May 2022 school year.

The Designated Officer of the Company in this bankruptcy administration is Mr. Eric Cheung, the President and sole Director of the Company.

Section B - Evaluation of Assets

According to the Statement of Affairs dated September 30, 2022, the Company reported the value of its assets as \$19.76 for cash in the bank and \$800.00 for furniture. The Company’s assets are subject to a security agreement issued to the Royal Bank of Canada (“**RBC**”).

The Trustee sent a letter to RBC on October 4, 2022, requesting it to freeze the business account and send any remaining funds to the bankruptcy estate.

Section C - Conservatory and Protective Measures

The Trustee has not taken possession of any of the assets subject to the security agreement by RBC.

Section D – Secured Creditors

The following is a summary of the security registrations under the Personal Property Security Act (Ontario) (“PPSA”):

Secured Party	Description of Security
Royal Bank of Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle

According to the PPSA report, all assets of the Company are subject to the security of RBC. The Trustee had not received a proof of claim from RBC. The Trustee has reviewed the form of security issued by the Company to RBC, which appears to indicate that the RBC security is valid and enforceable against the Trustee.

Section E - Provable Claims

Proven claims filed in the estate to date are as follows:

	Per Statement of Affairs	Proven & Filed to October 21, 2022
Secured	\$440,266.43	\$0
Preferred	\$0	\$0
Unsecured	\$193,401.00	\$0
	\$441,086.19	\$0

Section F – Legal Proceedings, Reviewable Transactions & Preference Payments

The Trustee has not commenced any other legal proceedings on behalf of the Estate.

The Trustee has reviewed the Company's financial transactions that occurred within one year of the date of bankruptcy. No unusual transactions were noted.

Section G – Remuneration of Trustee

The Trustee's fees will be based on a time and hourly basis. The Trustee received a retainer from the Eric Cheung in the amount of \$13,560.00 with respect to the basic administration of the bankruptcy.

Section H - Anticipated Realization and Projected Distribution

The Trustee does not anticipate any distribution to unsecured creditors in the bankruptcy.

Dated October 21, 2022.

MNP Ltd.

Licensed Insolvency Trustee

Per:



Deborah Hornbostel CPA, CA, CIRP, LIT, CFE