

District of: Ontario
Division No. 05-London
Court No. 35-2419756
Estate No. 35-2419756

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF SIEFKER INC. (hereafter the "Company")

Trustee: MNP Ltd.

SECTION A

Siefker Inc. (the "Company") is a land holding company that owns property located at 750 Talbot Road, Maidstone, Ontario (the "Property"). The Property is occupied by a related party. All associated holding costs, including utilities and taxes are paid by the tenant.

On September 5, 2018 the Company's secured creditor, Libro Credit Union ("Libro") brought an application to adjudge the Company bankrupt. A bankruptcy order was granted by the Court and MNP Ltd. was appointed trustee (the "Trustee").

CLASS I - Stocks of Merchandise

The Company has no inventory.

CLASS II - Plant, Machinery and Equipment and Office Equipment

The Company states it had no machinery or equipment at the time it was ordered bankrupt; however, a recent PPSA search reveals multiple registrations against collateral described as machinery. This collateral and associated registrations are discussed in Section E of this report.

The Trustee has sought and is awaiting clarification from management regarding the status of Company owned machinery and equipment.

CLASS III - Buildings and Real Estate

The Company owns a mixed use 50-acre farm/commercial property at 750 Talbot Road, Maidstone, Ontario.

Libro has a first charge mortgage over the Property.

The Minister of National Revenue ("CRA") has two registered liens against the Property.

CLASS IV - Books and Records

The Trustee has requested certain books and records of the Company required to administer the bankruptcy estate.

CLASS V - Other Assets

There are no other assets to report.

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

There are no known assets beyond the Property. Based on the Libro debt and expected amount owed to CRA the Trustee does not expect there will be any equity in the Property available to the unsecured creditors. Accordingly, no steps have been taken to take safeguard or take possession of the Property.

The Trustee may register its interest in the Property subject to creditor approval and their being sufficient funds to cover associated legal costs.

2. Carrying on Business

The Company had no daily operations.

SECTION C - LEGAL PROCEEDINGS

The Company's principal, Mr. Dale Siefker was also adjudged bankrupt on September 5, 2018. MNP Ltd. was appointed Bankruptcy Trustee of Mr. Siefker's personal estate.

SECTION D - PROVABLE CLAIMS

	As per Statement of Affairs	Claims Received to Date
Unsecured	\$705,176	nil
Preferred	nil	nil
Secured	\$750,000	nil
Deemed trust	nil	nil
Total	\$1,455,176	nil

SECTION E - SECURED CREDITORS

According to a recent PPSA search and Land Title Search, the following creditors have registered security against the Company:

	Secured Assets	Debt (per Company)
Libro Credit Union	General security and Property Mortgage	\$356,908
Kubota Canada	6 specific equipment items	\$nil
Minister of National Revenue (CRA)	General security and lien registered against Property	\$460,493
Ritchie Bros. Auctioneers (Canada) Ltd.	General security	\$126,091
Christopher Siefker	Property Mortgage	\$200,000
	Total	\$1,550,298

No secured proofs of claim or deemed trust claims have been received from creditors as of the date of this report.

SECTION F - ANTICIPATED REALIZATION AND PROJECTED DISTRIBUTION

The Trustee does not anticipate any funds will be available for unsecured creditors.

SECTION G - REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS

The Trustee will review all bank transactions which occurred within 12 months of the date of bankruptcy to identify the existence of reviewable transactions or preference payments.

SECTION H - OTHER MATTERS

The Trustee has engaged the services of Advocates Lawyers LLP (“Advocates”) for the review of the Libro security. Advocates confirmed the Libro security is valid and enforceable as against the Trustee.

Libro has guaranteed the fees and expenses of the Trustee to carry out its statutory obligations under the bankruptcy.

Dated at London, Ontario this 25th day of October, 2018.

MNP Ltd.
Licensed Insolvency Trustee of
Siefker Inc.



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

London
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IN THE MATTER OF THE BANKRUPTCY OF
SIEFKER INC.

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

TRUSTEE'S PRELIMINARY REPORT

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