

District of: Ontario
Division No. 07-Hamilton
Court No. 32-2732557
Estate No. 32-2732557

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF SOUTHERN ONTARIO CREDIT BUREAU INC.

Trustee: MNP Ltd.

SECTION A

Southern Ontario Credit Bureau Inc. ("CBSO" or the "Company") was incorporated in 1990. It operated from its registered office at 1024 Upper Wentworth Street, unit no 4, Hamilton, Ontario. The registered Directors of the Company are Sonja Cuming and Jeanette Sanderson. The Company had 3 employees.

The Company's main business was to conduct PPSA registrations, it also had a commission agreement with TransUnion. The Company has struggled with declining sales year over year. Recently, the loss of a major customer further eroded CBSO's financial position.

CBSO lost a cumulative \$181,000 (approx.) in the prior two fiscal years, and these losses continued in the current year. Due to these ongoing losses the Company fell behind on creditor payments. One of the major creditors, Clearneed Information Systems Inc. ("Clearneed") brought an application to the Court to adjudge CBSO bankrupt. Clearneed, after taking an assignment of the debt and security of TD Bank, was also the first ranking secured creditor of CBSO. On April 19, 2021, Clearneed foreclosed on the assets of CBSO pursuant to subsection 63(4) of the *Personal Property Security Act*. On April 26, 2021 the Court issued an order adjudging CBSO bankrupt and MNP Ltd. was appointed as trustee (the "Trustee").

CLASS I - Stocks of Merchandise

The Company did not own any inventory.

CLASS II - Plant, Machinery and Equipment and Office Equipment

All equipment owned by CBSO was subject to the Clearneed foreclosure proceedings.

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 the books and records of the Company required for the bankruptcy administration.

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 Debtor

None to date

SECTION B

1. Conservatory and Protective Measures

As all assets were foreclosed upon prior to the bankruptcy, effectively winding down the operations of CBSO, there were no conservatory or protective measures to be taken by the Trustee.

2. Carrying on Business

All assets were foreclosed upon prior to the bankruptcy, effectively winding down the operations of CBSO

SECTION C - LEGAL PROCEEDINGS

The Trustee has been made aware of one legal action against the Company relating to a claim of wrongful dismissal. This action is stayed as a result of the bankruptcy.

SECTION D - PROVABLE CLAIMS

	As per Statement of Affairs	Claims Received to Date
Unsecured	\$716,887	\$50,333
Preferred	\$0	\$0
Secured	\$0	\$0
Deemed Trust	\$0	\$0
Total	\$716,887	\$50,333

SECTION E - SECURED CREDITORS

Cleareed is the only registered secured creditor of CBSO.

SECTION F - ANTICIPATED REALIZATION AND PROJECTED DISTRIBUTION

There is no dividend to unsecured creditors expected in the bankruptcy.

SECTION G - REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS

The Trustee has reviewed the bank statements for the 12 months preceding bankruptcy and did not uncover any evidence of reviewable transactions or preference payments.

SECTION H - OTHER MATTERS

The Trustee received a fee guarantee and deposit of \$5,000 from Cleareed.

Dated at London, Ontario this 14th day of May, 2021.

MNP Ltd.
Trustee in Bankruptcy of
Southern Ontario Credit Bureau Inc.

A handwritten signature in black ink, appearing to read 'R. Smith', is written over the company name.

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

Hamilton
Registry #32-2732557

IN THE MATTER OF THE BANKRUPTCY OF
Southern Ontario Credit Bureau Inc.

Carrying on business in town of Hamilton,
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

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