

District of: Ontario  
Division No. 06-Windsor  
Court No. 35-3073843  
Estate No. 35-3073843

## TRUSTEE'S PRELIMINARY REPORT

### IN THE MATTER OF THE BANKRUPTCY OF STEALTH METAL RECYCLING AND PROCESSING INC.

**Trustee: MNP LTD.**

#### SECTION A

Stealth Metal Recycling and Processing Inc. (“the Company”) was incorporated in 2018 in the province of Ontario. Charlene Kelvin and Scott Kelvin are the registered officers of the Company. The company specialized in recycling and processing various types of metals. They collected scrap metal from various sources, such as industrial manufacturers, construction sites, and individuals, and then process it to extract reusable materials. The Company was an operating company only. All assets, including real estate, used in the Company’s operations were owned by a related holding company.

Several years ago a Receiver was appointed over the Company by the Court. Ultimately the Company was able to refinance its secured lender and the Receiver was discharged. However, during the Receiver’s operating period significant HST arrears were accrued. Arrears of HST and source deductions increased after the receivership due to ongoing cash constraints experienced by the Company. As of December 2023 the Company owed CRA approximately \$383,000 in HST and \$269,000 in source deductions. As it was unable to reach a settlement with CRA management made the decision to cease operations. In April, 2024 CRA issued a Requirement to Pay Notice to all customers of the Company, garnishing all of its accounts receivable.

The Company made an assignment in bankruptcy on April 29<sup>th</sup> 2024 and MNP Ltd. was appointed Licensed Insolvency Trustee (the “Trustee”).

#### **CLASS I - Stocks of Merchandise**

There is no inventory to report.

#### **CLASS II - Plant, Machinery and Equipment and Office Equipment**

The Company is not in possession of any equipment. As stated previously all equipment used by the Company was owned by a related holding company.

#### **CLASS III - Buildings and Real Estate**

The Company did not own real estate.

#### **CLASS IV - Books and Records**

The Trustee is in possession of the Company books and records required to administer the bankruptcy.

#### **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**

There are no conservatory and protective measures to be taken by the Trustee.

#### **2. Carrying on Business**

The Company's operations ceased prior to the bankruptcy.

### **SECTION C - LEGAL PROCEEDINGS**

There are no known legal proceedings and legal counsel has not been retained by the Trustee.

### **SECTION D - PROVABLE CLAIMS**

	<b>As per Statement of Affairs</b>	<b>Claims Received to Date</b>
Unsecured	\$ 926,007	\$ 155,656
Preferred	\$nil	\$nil
Secured	\$nil	\$nil
Deemed trust	\$nil	\$nil
<b>Total</b>	\$ 926,007	\$155,656

### **SECTION E - SECURED CREDITORS**

The following creditors have registered security against the Company's assets:

- Digitech Finance Inc.
- Tatro Horizons Limited
- Sheaves Capital

The Trustee understands that Canada Revenue Agency may have a deemed trust claim for unpaid source deductions of approximately \$300,000. CRA has not yet filed a proof of claim.

**SECTION F - ANTICIPATED REALIZATION AND PROJECTED DISTRIBUTION**

The Trustee does not anticipate a distribution in this estate.

**SECTION G - REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS**

The Trustee is reviewing the bank activity for the twelve months preceding bankruptcy. This review is ongoing.

**SECTION H - OTHER MATTERS**

The Trustee received a deposit of \$12,000 from Charlene Kelvin to cover the fees and costs of the bankruptcy.

Dated at London, Ontario this 17<sup>th</sup> of May, 2024.

MNP Ltd.  
Trustee in Bankruptcy of  
Stealth Metal Recycling and Processing Inc.



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

Division No: 06-Windsor  
Registry # 35-3073843

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IN THE MATTER OF THE BANKRUPTCY OF  
STEALTH METAL RECYCLING AND PROCESSING  
INC.

Carrying on business in the Municipality of Wallaceburg,  
in the Province of Ontario

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TRUSTEE'S PRELIMINARY REPORT

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