

District of: Ontario  
Division No. 05-London  
Court No. 35-2979996  
Estate No. 35-2979996

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
TRANSONIC SCISENSE INC.

Trustee: MNP Ltd.

SECTION A - Background

Transonic Scisense Inc. ("**Transonic**" or the "**Company**") was incorporated July 1, 2011. The Company specialized in the design and manufacture of medical and research measurement equipment. The Company operated from leased office/lab space at 3397 White Oak Road in London, Ontario.

Transonic was owned and managed by its parent and sister companies from Ithaca New York, Measurement Innovations Corporation ("**Measurement**") and Transonic Systems Inc. ("**Ithaca**") respectively. The Company had been losing money for several years since it was purchased. Measurement and Ithaca were required to inject in excess of \$2.2 million to fund these ongoing losses. In addition, Ithaca had significant Accounts Receivable due from the Company that were not collected. Not included in the monetary support, Ithaca was responsible for all Finance/Marketing/I.T. functions for the duration of ownership. It was thought that moving these overheads to Ithaca would help the Company in the better line results. Unfortunately, all of this support and attempts at stabilization were not successful, to the point that Ithaca was starting to struggle financially.

Ithaca met with two competitors about the possibility of purchasing all or part of the operations of Transonic. There was no interest. In order to maintain continuity of supply of certain key product lines, the intellectual property and certain inventory and equipment was given to a competitor at no cost.

The Company made an assignment in bankruptcy on August 28, 2023. MNP Ltd. was appointed as trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

There was no inventory remaining at the time of bankruptcy.

CLASS II - Plant, machinery, equipment, and office

There is equipment at the leased premises, consisting of microscopes, proofing ovens, work benches, office furniture, etc. The Trustee attempted to meet a liquidator at the leased premises to determine if the value of the equipment if sold at auction could cover the occupancy and selling costs. The landlord did not allow access to the leased premises. The landlord is entitled to three months accelerated rent under the lease, which entitles him to a preferred claim in

the bankruptcy. The monthly rent including CAM fees is approximately \$6,000. As there are no known secured creditors in this bankruptcy the landlord would be entitled to the proceeds of the equipment after trustee fees and costs. The Trustee does not believe the assets would have value close to \$18,000 after fees and costs to liquidate, and as such recommends abandoning the remaining equipment to the landlord.

**CLASS III - Buildings and real estate**

The Company did not own real estate.

**CLASS IV - Books and records**

The Trustee has received the books and records required to administer the bankruptcy.

**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 Company

None known.

**SECTION B**

**1. Conservatory and protective measures**

There are no conservatory or protective measures to be taken.

**2. Carrying on business**

The Company's operations ceased prior to bankruptcy.

**SECTION C - Legal proceedings**

There are no legal proceedings the Trustee is aware of.

**SECTION D - Provable claims**

<b>Creditor Class</b>	<b>Per Statement of Affairs</b>	<b>Proven</b>
Deemed Trust	\$nil	\$nil
Secured	\$nil	\$nil
Preferred	\$nil	\$nil
Unsecured	\$2,343,875	\$44,629
<b>Total</b>	<b>\$2,343,875</b>	<b>\$44,629</b>

**Secured creditors**

There are no known secured creditors.

SECTION F - Anticipated realizations and projected distribution

The Trustee does not anticipate there will be a distribution in this bankruptcy estate.

SECTION G - Reviewable transactions and preferential payment

The Trustee has done a review of the bank statements for the last twelve months and found no indication of reviewable transactions or preferential payments.

SECTION H - Other matters

The Trustee has initiated the claims process under the *Wage Earner Protection Program* for unpaid wages, vacation and termination pay owing to employees.

The Trustee has received a third-party deposit of \$17,000 from Ithaca to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 14<sup>th</sup> day of September 2023.

MNP Ltd.

Licensed Insolvency Trustee of  
Transonic Scisense Inc.



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



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TRANSONIC SCISENSE INC.

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

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