

**IN THE MATTER OF THE BANKRUPTCY OF
UNI-DREAM FOOD AND CATERING LTD.**

TRUSTEE'S PRELIMINARY REPORT

BACKGROUND

1. Uni-Dream Food and Catering Ltd. ("Uni-Dream") made an assignment into bankruptcy on September 13, 2022, and MNP Ltd. was named Trustee of the bankrupt estate (the "Trustee").
2. Zhao Li is the sole director and shareholder of Uni-Dream.
3. Uni-Dream operated a restaurant in Saskatoon, Saskatchewan under the name of Aunty Maria's Mennonite Restaurant and was located at #8 – 1724 Quebec Avenue, Saskatoon (the "Restaurant").
4. Mr. Li purchased the Restaurant in January 2020 for \$145,000.00. Various restaurant equipment and furnishings (the "Restaurant Equipment") were included in the purchase price. Mr. Li took possession of the Restaurant in February 2020.
5. The Restaurant premises were leased from Canadiana Developments Ltd (the "Landlord").
6. The onset of the Covid-19 pandemic occurred the month after Mr. Li assumed ownership of the Restaurant. The Restaurant struggled from the beginning and continued to struggle due to the Covid-19 restrictions and staffing issues. As a result, the Restaurant ceased operating on July 8, 2022.

BOOKS AND RECORDS

7. The Trustee has taken possession of the books and records relating to Uni-Dream that were in the possession of Mr. Li as well the records located in the Restaurant. The Trustee has requested any additional books and records from Uni-Dream's accountant, Lin CPA Prof Corp.

CONSERVATORY AND PROTECTIVE MEASURES

8. The Landlord terminated the lease by notice dated August 19, 2022.
9. On September 13, 2022, the Trustee arranged access to the Restaurant with the property manager, ICR Commercial.
10. Given the condition of the Restaurant Equipment, the Trustee contacted McDougall Auctioneers Ltd. ("McDougall") to appraise the Restaurant Equipment and determine if there is sufficient value to warrant the costs associated with the removal and sale.
11. On September 21, 2022, the Trustee arranged for McDougall to remove, insure and store the Restaurant Equipment.
12. McDougall has agreed to store the Restaurant Equipment until the sale of the assets is approved by the creditors.

13. The Trustee has confirmed that McDougall's insurance is adequate to cover the Restaurant Equipment.

ASSET REALIZATION AND PROJECTED DISTRIBUTION

14. The Trustee performed a personal property registry search for the Company. No registrations were found against the Company's assets.
15. McDougall has advised that the Restaurant Equipment could be sold in October 2022, with the creditors' approval.
16. The Trustee has identified the following potential third-party assets:
- Dish Warmer – Asset # 059-20000162 – Serial # VH349
 - Bean Grinder – Asset # 059-20182484 – Serial # 176493RE
 - Bunn Coffee Maker – Asset # 059-20234968 – Serial # CD0003179M
17. These potential third-party assets have been set aside pending receipt of a properly completed Proof of Claim Property form. None have been received to date.

SUMMARY OF CLAIMS

18. Below is a summary of claims from the Company's Statement of Affairs and the summary of claims received as at 12:00 pm on Monday, October 3, 2022:

Description	Per S of A	Claims Filed	
		Quantity	Amount
Secured	\$0		
Preferred	4,858		
Unsecured	225,414	1	\$1,022.17
	<u>\$230,272</u>		

19. Mr. Li has advised that there are no outstanding wages and that all source deductions have been remitted.
20. Once the Trustee has received the employee/payroll information from Lin CPA Prof Corp it will notify the former employees of the bankruptcy and will be requesting that CRA conduct a trust examination of the Company's payroll account.

REVIEW OF TRANSFERS AT UNDERVALUE

21. The Trustee is required to undertake a review for any transactions that occurred prior to the date of bankruptcy that would constitute a transfer at undervalue or a fraudulent preference as defined by subsections 95 and 96 of the *Bankruptcy and Insolvency Act*.
22. The Trustee has not yet completed its review for transfers at undervalue or fraudulent preferences.

OTHER

23. The Trustee is currently holding \$11,000.00 representing funds that were paid to the Trustee by the bankrupt.

24. Further information with respect to these proceedings will be made available on the Trustee's website (<https://mnpdebt.ca/en/corporate/corporate-engagements/uni-dream-food-and-catering-ltd>) as it becomes available.

Dated at Saskatoon, Saskatchewan this 3rd of October, 2022.

MNP Ltd.

In its capacity as Trustee of the Estate of
Uni-Dream Food and Catering Ltd.
and not in its personal capacity

Chelene Riendeau CIRP, LIT
Vice President