

District of: Ontario  
Division No. 05-London  
Court No. 35-2992875  
Estate No. 35-2992875

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
VERROSA RETAIL INC.

Trustee: MNP Ltd.

SECTION A - Background

Verrosa Retail Inc. ("**Verrosa**" or the "**Company**") was incorporated in November 2018. The sole director is Arjay Guevarra. The Company operated as an online retailer of household items and electronic goods, selling returned items from Best Buy and Wal-Mart.

Management attributes the Company's financial difficulty to a post-Covid trend away from online shopping which caused a material decline in revenue. The Company was no longer able to finance operations and was forced to liquidate its inventory. The Company ran a liquidation sale through September, and everything left over was sold to an auctioneer.

The Company ceased operations and made an assignment in bankruptcy on Sept 29, 2023. MNP Ltd. was appointed as trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

All inventory was liquidated prior to the bankruptcy.

CLASS II - Plant, machinery, equipment, and office

There was no equipment owned by the Company.

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

None known.

## SECTION D - Provable claims

Creditor Class	Per Statement of Affairs	Proven
Deemed Trust	\$nil	\$nil
Secured	\$nil	\$nil
Preferred	\$nil	\$nil
Unsecured	\$261,192	\$1,915
<b>Total</b>	<b>\$261,192</b>	<b>\$1,915</b>

## Secured Creditors

The Royal Bank of Canada ("RBC") has registered general security against the Company on the *Personal Property Security Act* Registry. RBC has not yet filed a claim in the bankruptcy.

## 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 review the bank statements for the twelve months preceding bankruptcy and did not find any evidence of preferences or reviewable transactions.

## SECTION H - Other matters

The Trustee has received a third-party deposit of \$12,000 from Guevarra to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 19<sup>th</sup> day of October 2023.

MNP Ltd.  
Licensed Insolvency Trustee of  
Verrosa Retail Inc.



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



Division No. 05-London  
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IN THE MATTER OF THE BANKRUPTCY OF  
VERROSA RETAIL INC.

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

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.  
557 Southdale Road East, Suite 201  
London, ON N6E 1A2



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**LICENSED INSOLVENCY TRUSTEES**  
201 – 557 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2  
P: 519-964-2200 F: 519-964-2210 **MNPdebt.ca**