

DIVISION NO.: 06 – Gatineau
COURT NO.: 550-11-018457-227
ESTATE NO.: 33-165798

FIRST INTERIM REPORT OF THE RECEIVER
Paragraph 246 (2) of the *Bankruptcy and Insolvency Act*

9766049 CANADA INC.

A. BACKGROUND

1. On October 19, MNP Ltd. was appointed as Receiver (“MNP” or the “Receiver”) to the assets of 9766049 Canada Inc. (the “Debtor”), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, by an Order (the “Order”) issued by the Superior Court of Quebec for the District and the Division of Gatineau, (the “Court”). However, the Receiver only received the Order on November 22, 2022. A copy of the Order as well as other documents related to the case can be consulted on our website at: [9766049 Canada Inc | MNP LTD \(mnpdebt.ca\)](https://www.mnpdebt.ca)
2. The Debtor is the owner of two buildings located at 42-44 Laval Street (the “Building 1”) and 36 Laval Street (the “Building 2”) in Gatineau, Québec.
3. The Debtor is the major shareholder of Café les Quatre Jeudis Ltée (the “Café”), tenant at Building 1, and Piz’za-Za Ltée ((the “Pizzeria”), tenant at Building 2. These two businesses are currently in operation.
4. The sole Director of the Debtor is Alex Duhamel, who is also the sole Director of the Pizzeria and the Café.
5. The Debtor was in default of payment towards its lender Equitable Bank (“Equitable”), for an amount of \$2,844,949 as at September 21, 2022.

B. ASSETS

6. In virtue of the Order, the Receiver was authorized to, but not limited to, take possession of the property of the Debtor, including the two buildings, and exercise powers to carry on Debtor’s operations. Since December 2022, the Receiver has been collecting monthly rents from Pizzeria (\$4,585 plus taxes) and Café (\$8,310 plus taxes). However, the month of April has not yet been remitted.

7. Debtor's properties are described as follows (in Canadian dollars):

Building 1 - 42-44 Laval Street Gatineau, QC J8X 3G7	\$1,195,500	(Note 1)
Building 2 - 36 Laval Street Gatineau, QC J8X 3G7	\$818,600	(Note 1)
Movable assets inside buildings	to be determined	

Note 1. Values are based on the municipal evaluations as at February 10, 2023.

8. The Receiver registered its title on the property and renewed the insurance policies of the two buildings.
9. The Receiver sends a representative to visit the site regularly.
10. The Receiver sent several requests and reminders to the Director in order to obtain the books and records and received some of financial information pertaining to the Debtor and the two tenants.

C. CREDITORS

11. The Receiver has not yet instituted a formal claims process. No further information became available since the *Notice and Declaration of the Receiver* prepared on November 30, 2022. The creditors remain the same and are described hereafter:

Secured Creditors

Equitable Bank	2,844,949
Gestion 70 Promenade du Portage Ltée / François Fortier	1,360,000
FGI Holding Inc/Fischer Group Inc.	660,000
	<hr/>
	\$4,864,949

Unsecured Creditors

Agence du revenu du Canada	to be determined
Agence du revenu du Québec	2,272,000
Leblanc Donaldson, lawyers	unknown

12. The following creditors hold security interests published against the property:

- a. An administration charge of \$100,000 on the property which ranks ahead of all other claims.

- b. With respect to conventional hypothecs, the following holders are registered on the index of immovables registry against the Debtor’s properties as of the date of the Receivership.:
- i. Equitable holds a senior ranking conventional hypothec (the “Equitable Hypothec”);
 - ii. Gestion 70 Promenade du Portage Ltée / François Fortier holds a conventional hypothec ranking junior to the Equitable Hypothec (the “Gestion Hypothec”); and
 - iii. FGI Holding Inc/Fischer Group Inc. holds a conventional hypothec ranking junior to the Equitable Hypothec and the Gestion Hypothec.

13. In February 2023, Agence du Revenu du Québec (“ARQ”), issued a third-party seizure for the rents of Pizzeria and Café without any notification to the Receiver. Further to multiple communications between the Receiver, the Receiver’s counsel and the representative of the ARQ and its counsel, the third-party seizure was subsequently withdrawn by the ARQ.

D. SALE PROCESS

14. The Receiver appointed CBRE Ltd. and Groupe Immobilier CCI as exclusive co-real estate brokers (“Brokers”) on behalf of the Receiver to sell the Debtor’s properties. The sale process was launched on March 24, 2023. The total asking price for the two buildings is \$3,100,000.

15. On April 4, 2023, the Receiver circulated the marketing brochures within MNP’s network of partners in Ottawa, Gatineau and throughout Quebec.

16. To date, the Brokers have received some initial inquiries but it is still early in the process.

E. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

17. An interim statement of receipts and disbursements has been produced for the period from October 19, 2022 to March 31, 2023, and is included as **Appendix A**.

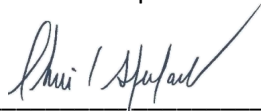
F. ANTICIPATED COMPLETION OF THE RECEIVERSHIP

18. As of the date of this report, the Receiver expects to complete the realization of the Debtors’ assets within the next nine (9) to twelve (12) months.

DATED at Montréal, this 19th day of April 2023.

MNP Ltd

In its capacity as Court appointed Receiver of
9766049 Canada Inc.
And not in its personal or corporate capacity



Sheri L. Aberback, CIRP, CFE, LIT
Senior Vice President

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION NO: 06 - GATINEAU
COURT NO: 550-11-018457-227
FILE NO: 33-165798

IN THE MATTER OF THE RECEIVERSHIP OF
9766049 CANADA INC.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period of October 19, 2022 to March 31, 2023

RECEIPTS	(\$)	(\$)
Miscellaneous:		
Rental Income		51,580.00
Interest allocation		213.02
Taxes:		
GST collected		2,579.00
QST collected		5,145.08
TOTAL RECEIPTS		<u>59,517.10</u>
DISBURSEMENTS		
Paid fees:		
Filing fees paid to Official Receiver	72.82	
Miscellaneous disbursements:		
SAAQ	13.25	13.25
		<u>86.07</u>
	Sub-Total of Disbursements	
		6,523.16
Receiver's Fees		
Taxes:		
GST charged on Receiver's fees	326.16	
QST charged on Receiver's fees	<u>650.68</u>	976.84
TOTAL DISBURSEMENTS		<u>7,586.07</u>
AMOUNT HELD IN TRUST BY THE RECEIVER		<u>51,931.03</u>