



Goldhar & Associates Ltd  
Licensed Insolvency Trustee

Administrative Office  
5045 Orbitor Drive, Building 7, Suite 400  
Mississauga, ON L4W 4Y4  
t 905 766 1300  
f 905 361 0488  
www.shedthedebt.ca

**IN THE MATTER OF THE BANKRUPTCY OF  
PAUL ANTHONY WILKINS  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO  
SUMMARY ADMINISTRATION  
File # 31-2665910**

and

**IN THE MATTER OF THE BANKRUPTCY OF  
PAUL ANTHONY WILKINS PROFESSIONAL CORPORATION  
OF THE CITY OF MARKHAM  
IN THE PROVINCE OF ONTARIO  
File # 31-2665981**

**TRUSTEE'S PRELIMINARY REPORT TO THE FIRST MEETING OF CREDITORS**

**DISCLAIMER:**

*One of the underlying principles of the Bankruptcy and Insolvency Act, is that of creditors' control. The Act provides for a First Meeting of Creditors to discuss the collective interest of the creditors in the administration of the bankrupt's estate.*

*The purpose of the First Meeting of Creditors is to consider the affairs of the bankrupt, affirm the appointment of the Trustee (or substitution of same), appointment of 1-5 inspectors and to give further direction to the Trustee as may be necessary.*

*Readers are cautioned that this report is only to provide creditors information gathered by the Trustee to date, so that their collective interests can be discussed at the First Meeting of Creditors. However, the Trustee has not audited or verified the information provided to it in anyway, unless noted otherwise.*

*The contents of this report should be considered "for general information purposes only" and not definitive.*

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**PAUL ANTHONY WILKINS (PW) filed a (personal) assignment in bankruptcy on August 19, 2020 and his 100% owned corporation - PAUL ANTHONY WILKINS PROFESSIONAL CORPORATION (PAWPC) filed a (corporate) assignment in bankruptcy on August 20, 2020 and Goldhar and Associated Ltd was appointed as Trustee of the Estate of the Bankrupt by the Official Receiver. Kenneth Tessis CPA, CIRP LIT, is the Trustee responsible for the administration of the estate and David Adams CIRP, LIT is assisting in the administration.**

## **BACKGROUND and CAUSES OF INSOLVENCY**

PW provided a very detailed explanation how he and his corporation incurred their financial difficulties (see the four-page document) that was included in the notice to creditors package located after PW's personal (13 page) Statement of Affairs ("Statement of Affairs").

The covering letter sent to all declared and known known creditors of both PW and PAWPC with the Notice of Bankruptcy and the First Meeting of Creditors provided an explanation as to why all the declared and known creditors received a copy of both notices etc.

### **A Matter to Note – PW Lawyers Professional Corporation:**

It seems as though PW owns another corporation, "PW Lawyers Professional Corporation". PW, as per the sworn Statement of Affairs he provided for PAWPC, indicated (see schedule "H") that PW Lawyers was a "trademark" owned by PAWPC.

This appears to be an error and an oversight as it should be noted that PW's and PAWPC's accountant was also unaware of this corporation as it was not shown as a related nor associated company, as required, on PAWPC 's tax return.

When asked about this PW suspects that one of the creditors, Subsumo Media Inc. (who was not listed on the Statement of Affairs, but has subsequently been notified of the bankruptcies) arranged for the trademark "PW Lawyers" may have incorporated this entity to assist in "protecting" the trademark "PW Lawyers".

**Creditors of PW Lawyers Professional Corporation should take note that PW Lawyers Professional Corporation is not in bankruptcy and that there is no stay of proceedings in effect for any matters involving as against that corporation.**

**It seems that the similarity in all the names, and as advised by PW, information on PW's firms website created a lot of confusion, not only by PW himself, but also for all his creditors (many sued this entity) and his own accountants and lawyers (one who sued someone naming "PW Lawyers Professional Corporation" as the plaintiff).**

## **TRUSTEE'S ACTIONS TO DATE**

Upon the Assignment in Bankruptcy, the Trustee send out stays of proceedings to all known parties of legal actions against PW or PAWPC being the following matters;

- i. SC—19-121547  
Plaintiff(s): **1191698 Ontario Inc. o/a Networking Reporting & Meditation**  
and -  
Defendant(s): PW Lawyers and Paul Anthony Wilkins  
Re: Amounts owing for services rendered for court reporting services.

- ii. CV-20-00001816-0000  
Plaintiff(s): **Lifeline Litigation Loans Inc.**  
and -  
Defendants: Paul Anthony Wilkins  
Re: Re Amounts advanced as litigation loans/ funding and also noting that there is also a claim for fraudulent misrepresentation, embezzlement and defalcation while acting in a fiduciary capacity and will survive bankruptcy.
- iii. SC—19-120341  
Plaintiff(s): **MKD International Inc.**  
and -  
PW Lawyers  
Re: Amounts owing for services rendered for security and or investigative.
- iv. SC-19000094670000  
Plaintiff(s): **Kevan Wylie**  
and -  
Defendant(s): Paul Wilkins  
Re: Breach of employment contract re expenses paid etc.
- v. CV-18-599463 Plaintiff(s): **Marina Fonseca**  
and -  
Defendant(s): PW Lawyers Professional Corporation and Paul Anthony Wilkins Professional Corporation  
Re: Employment – wrongful termination etc.
- vi. SC-19-7107  
Plaintiff(s): **Subsumo Media Inc.**  
and -  
Defendant(s): PW Lawyers Professional Corporation and Paul Wilkins  
Re: Amounts owing for services provided.
- vii. CV-20-00643280-0000  
Plaintiff(s): **Easy Legal Finance Inc.**  
and -  
Defendant(s): Danny-Yeongho Choi, PW Lawyers Professional Corporation and Paul Wilkins  
Re: Amounts advanced as litigation loans/ funding and breach of trust  
Easy Legal Finance Inc has requested that the stay be lifted and has requested that the Trustee consent to that.  
The claim is also for beach of trust services and that the claim should survive bankruptcy.

viii. CV—16-564-796

Plaintiff(s): **Srebrolow Lebowitz Spadafora PC (SLS)**

and -

Defendant(s): Paul Anthony Wilkins

Re: judgements obtained and a garnishee, however settled, and it should also be noted, that according to the “fee arrangement” as agreed to by these parties in their settlement agreement, that there is a possibility that SLS could owe PW and or PAWPC funds if the cases that PW introduced and of left with SLS are settled for amounts that generate more fees owing to PW and PAWPC than are owing to SLS by PW and PAWPC.

ix. CV- 17-575209

Plaintiff(s) **Alireza Pazuki Professional Corporation and Alireza Pazuki**

and

Defendant(s): Paul Anthony Wilkins Professional Corporation, Paul Anthony Wilkins aka Paul Wilkins, Sharnidip Khaira aka Sharndip Singh Kharia aka Sunny Kharia

And between

Plaintiff(s) by Counter claim: Paul Anthony Wilkins Professional Corporation, Paul Anthony Wilkins aka Paul Wilkins,

and

Alireza Pazuki Professional Corporation and Alireza Pazuki, and Vishal Deep Sharman

Re: partnership agreements re fees and / or division of files on dissolution of practice.

An offer was made to settle the matter by PW and PAWPC, and PW advises that mainly due to the LSUC revocation order, it was refused.

The notice of the stay of proceedings was only just sent on this matter, as the actual statement of claim was being dealt with as an account receivable and not as an amount owing to a creditor.

x. D30066/19

A FLA matter with PW’s ex-common law spouse Mary Gordon.

Re. There was a costs award re the support issue.

PW also advises that there are about \$35,000 to \$40,000 owing regarding child support and when he realized that Mary Gordon was not listed as creditor, he forwarded the bankruptcy notices to both her and her lawyer.

Further information with respect to these lawsuits will be made available to interested parties upon further request to the Trustee.

In addition to the statutory duties required re assessing the debtor’s situation and other duties up to and including the first meeting of creditors, the Trustee has done, but was not limited to, the following:

1. Conducted a PPSA searches that revealed the following registrations:  
As against PW: None  
As Against PAWPC:
  - i. RBC – holds a GSA covering: Inventory, Equipment, Accounts, Other and includes motor vehicle(s).
  - ii. RBC – holds a master lease agreement covering Equipment and Other.

PW has also provided RBC with a personal guarantee and postponement of claim for their loans etc.

To date RBC has not filed a claim, but it appears that they may have a first charge against any and all assets of PAWPC.

The Trustee not to date obtained an opinion with respect to the validity of the RBC's secured claim.

2. Has been in contact with the accountant for both PW and PAWC who was in in the process of preparing all outstanding tax returns and financial statement, however as he is owed fees he is not prepared to complete them until fees arrangements can be made.

As such, the amounts shown on the Statement of Affairs as owing to CRA were estimated and until all outstanding returns for employees tax deductions (if any), HST/GST, corporate and personal tax returns are filed, the final amounts owing to CRA cannot be determined.

3. Has contacted those collecting on the first 3 matters for PW and for PAWPC re:
  - i. A former employee / associate that took files from PW's law firm and remains responsible to pay some amounts for the files (about 17) "taken", and 2 were catastrophic that should generate very large fees.  
A lawsuit in Superior Court was commenced by PW Lawyers Professional Corporation.  
The lawyer on this matter went off the record for fees not being paid and has indicated that he would not want to continue this action.
  - ii. A former employee / associate that took files from PW's law firm and remains responsible to pay some amounts for the files "taken".  
The client was billed for work done by PW and the former employee / associate has been put on notice.  
It should be noted that this is a client of Kevan Wylie noted at (iv.) in the list of Stay of Proceedings sent out above, who made a claim for reimbursement of employment related expenses paid.  
A paralegal was engaged by PW on this matter.

- iii. A former employee / associate that took files from PW's law firm and remains responsible to pay some amounts for the files "taken".  
The client was billed for work done by PW and the former employee / associate has been put on notice.  
The same paralegal as note in (ii.) above, was engaged by PW on this matter.

And notes these two additional collection matters:

- iv. The Alireza Pazuki Professional Corporation and Alireza Pazuki matter noted above.
- v. There was an agreement with the firm Goodman Elbassiouni who took over 120-150 files and there was an agreement to pay PW for his work done on these files as the files were settled, however Goodman Elbassiouni has not been providing PW with any information about these files.

Finally, there is also:

- vi. The SLS matter noted above that could possibly generate funds for PW and PAWPC,

These 6 matters "collection" will require creditor input for if any amount is payable to PAWPC it may be subject to the RBC security noted above.

4. There were no declared or known assets to take possession of.

## **EVALUATION OF ASSETS and ANTICIPATED REALIZATION**

### Re PW:

Unless recoveries can be made from those that PW claims owe him funds and that the RBC security does not cover, which appear to be the only assets declared or discovered to date, it would appear that there will be no distribution to any class creditors.

### Surplus Income

A bankrupt is required to remit a percentage of their income over a specified amount being earned after bankruptcy for a specified period of time as provided in Directive 11R Re Surplus Income (a complete guide to this topic) and a copy can be found at:

<https://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/br03249.html>

Considering that PW cannot practice law, and as PW advises the Trustee he is also restricted by the LSUC from working for any lawyer and or paralegal, his income possibilities appear to be minimal at best for the next few years, and would not generate income that would require any "Surplus Income" payments. This matter will be revisited closer to any automatic discharge date or court hearing required.

If the appeal of the LSUC decision to revoke PW 's licence to practice law is successful, or PW can obtain employment, then there may be a possibility of some requirement to pay surplus income to the estate, however considering the quantum of claims (expected to be filed) any amount would generate a minimal at best amount of distribution to creditors.

### Re PAWPC

PAWPC owned fixed assets that were left at its premises at 3190 Steeles Avenue East, Suite 301 Markham ON.

We understand that the firm Goodman Elbassiouni, who "took over" some of PW and PAWPC's files also took over the premises and assets at that location.

We also understand that the landlord has not been paid rent for the premises in quite some time.

As noted above, the RBC appears to have a first charge as against any and all assets of PAWPC, and as such unsecured creditors should not expect any realization unless recoveries are greater than RBC's debt

## **REVIEWABLE TRANSACTIONS/PREFERENCE PAYMENTS/SETTLEMENTS**

As noted on the Statement of Affairs and in the explanation how he and his corporation incurred their financial difficulties there were a few transactions with respect to PW and PAWPC divesting files (as required by the LSUC) within 12 months of the bankruptcies, that creditors may want to look into.

The Trustee has received a copy of the trust and general bank transactions from January 1 2019 to about November 1 2019 when the accounts were closed or became basically inactive.

The Trustee and has only done a cursory review of the banking information to date and it would appear that there was not any transactions that would be considered as reviewable or preferential.

**The Trustee will seek further directions from creditors/inspectors on the above matters.**

## **PROOFS OF CLAIM**

The Trustee will report as to the claims filed, with amounts and proxies at the opening of the First Meeting of the Creditors,

## **OTHER MATTERS**

PW has had to store files for those clients who (after he advised them that he was no longer practising) did not request their files be returned or transferred to another lawyer. PW has been advised to contact the LSUC for directions with respect to his ongoing responsibility in this regard.

Goldhar & Associates Ltd. received (in February 2020 ) consulting fees (net of HST) in the amount of \$16,000 for PAWPC, \$1,900 for PW and 1,850 for Pazuki Wilkins LLP with respect to assisting

PW to assess each’s financial situation, including but not limited to assessing their immediate problem needing relief from creditors, their options available, all the pertinent matters as outlined in Directive 6R3 in the “Assessment of an Individual Debtor” as they applied to each of the above, assistance in the preparation of the Statement of Affairs, review of all legal actions on hand, budgeting (for PW) and Surplus Income review, along with all matters noted in section 173(1) and others related to and the Trustee and Court’s considerations at any discharge hearing. The Trustee’s fees at standard rates far exceed the amounts received.

Prior to our involvement with PW and PAWPC, Goldhar & Associates Ltd. had no dealings with them, nor any parties related to them.

The Trustee will also be seeking directions from the creditors/inspectors on the following matters:

- i) Approval of all the Trustee's actions to date including the actions outlined in this Preliminary Report and affirmation of Trustee's appointment;
- ii) Appointment of inspectors
- ii) Appointment of Estate Solicitor if necessary;
- iii) Approval of the independent legal opinion on the validity and enforceability of the secured creditors claim;
- iv) Continue collections actions and funding them
- v) Investigation into the company's books and records for:
  - (a) Preference Payments;
  - (b) Reviewable Transactions;
  - (c) Settlements;
- vi) Acting as agent or receiver for the secured creditors if requested
- vi) Any other matters which may arise at this first meeting;

DATED at Mississauga, Ontario this 14th day of September 2020

**GOLDHAR & ASSOCIATES LTD.**  
*In its capacity as the License Insolvency Trustee of*  
**PAUL ANTHONY WILKINS**  
 and  
**PAUL ANTHONY WILKINS PROFESSIONAL CORPORATION**  
*and not in its personal capacity*

Per:           **“KM TESSIS”**                                  ,  
 Kenneth Tessis CPA, CIRP, LIT