Province of Ontario
Division No.: 32 - Hamilton
Court / Estate No.: 32-2884500

IN THE MATTER OF THE BANKRUPTCY OF
ACCENT SPECIALTY FOODS INC C.O.B ERNIES MEAT MARKET.,
OF THE REGIONAL MUNICIPALITY OF HALTON,
IN THE PROVINCE OF ONTARIO

MINUTES OF THE FIRST MEETING OF CREDITORS HELD ON December 5, 2022

The first meeting of creditors for the above-named debtor was held on December 5, 2022 Via Zoom through link https://us06web.zoom.us/j/85824925772?pwd=UXV6a0VJbjE2Y1duM0o1ekFzeEJqQT09 Meeting ID: 858 2492 5772 ; Passcode: 585778

Trustee opened the Zoom Call and welcomed the participants.

The meeting was Chaired by Richard Goldhar, CIRP, LIT and the meeting was started at around 12.02 PM. Parneet Singh from the Trustee's office volunteered to act as Secretary for the meeting.

1. Participants Present for the Meeting

Name	Representing	Presence
Richard Goldhar	Trustee and Chairperson	In Person
Parneet Singh	Trustee's staff and Secretary to the meeting	In Person
Richard Suitor	Director and Officer of the Debtor	In Person

2. Parneet Singh from the Trustee's office completed the roll call for all participants present for the meeting.

3. The Chairperson outlined his authority under Section 105.1 of the Bankruptcy and Insolvency Act (BIA):

   "The official receiver or his nominee shall be the Chairperson at the first meeting of the creditors and shall decide any questions or disputes arising at the meeting and from any such decision and creditor may appeal to the court".

4. **Documents Tabled**

   The Trustee tabled the following documents for the meeting

   i) The Assignment
   ii) The sworn Statement of Affairs of the debtor
   iii) The Estate Information Summary
   iv) The Official Receiver's Certificate of Appointment
   v) Notice of Bankruptcy in Local Paper
   vi) Trustee's Preliminary Report

vii) The Affidavit of the mailing of the Notice regarding calling the First Meeting of Creditors and notice to the officer/director of the corporation and notice of bankruptcy in the local paper.

viii) Claims Register

5. Quorum

The Chair declared that no quorum could be established as there were no creditors with filed claim were present at the meeting in person or by proxy.

6. As a result of no quorum, the Chair concluded that Trustee's appointment was deemed to be confirmed as per Section 106(2)(a) of the *Bankruptcy and Insolvency Act*.

7. The Trustee then presented its preliminary report and briefly discussed its understanding of the reasons for bankruptcy and advised that there were no available assets in the Estate.

8. The Chair asked Mr Suitor if he had any questions relating to the Trustees Preliminary Report on its administration to which Mr Suitor inquired about the process going forward which was responded to by the Trustee.

9. The preliminary report of Trustee is annexed to these minutes as "Appendix A".

10. The Trustee advised that all information related to the administration of the estate can be accessed through the Trustee's corporate website using the link: https://www.shedthedebt.ca/corporate-engagements/

11. ADJOURNMENT OR CLOSING OF MEETING

As there was no quorum, the chair adjourned the meeting without setting a date. Meeting was adjourned at 12.10 PM

Dated : December 5, 2022

Parneet Singh *Richard Goldhar*

Parneet Singh, Secretary **Richard Goldhar, Chairperson**

Attachments :

- Appendix A – Trustee's Preliminary Report
- Appendix B – Claims Register

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TRUSTEE'S PRELIMINARY REPORT

ACCENT SPECIALTY FOODS INC C.O.B ERNIES MEAT MARKET. (the "Debtor" or the "Company" or the "bankrupt corporation") filed an assignment in bankruptcy on November 15, 2022 and Goldhar & Associates Ltd **("Trustee")** was appointed as Trustee of the Estate of the Bankrupt by the Office of Superintendent of Bankruptcy, subject to affirmation by the creditors in the first meeting of creditors.

The First meeting of creditors has been scheduled to be held on December 5, 2022 at 12.00 PM Via Zoom through link
https://us06web.zoom.us/j/85824925772?pwd=UXV6a0VJbjE2Y1duM0o1ekFzeEJqQT09
Meeting ID: 858 2492 5772 ; Passcode: 585778

The Trustee in this report provides its findings regarding the affairs of the bankrupt corporation and will assist the creditors and the inspectors, if appointed, on providing directions to the Trustee on certain matters, and voting on any matters required.

To vote at the creditors meeting or to participate in any dividend distributions, creditors must submit to the Trustee a properly completed proof of claim, together with a statement of account attached thereto as Schedule "A" (collectively referred to as the "Claim")

Creditors are encouraged to attend the creditors meeting. Creditors can also appoint a person to represent them at the creditors' meeting by submitting a properly completed proxy form with the proof of claim form. All corporations must name a proxy.

Filing your claim is sufficient notice to us of any disagreement you may have with respect to the amount reported due to you in the initial documents of statement of affairs. The completed claim can be delivered to the Trustee's office by mail, courier, facsimile, electronic mail, or in person.

- **Disclaimer**

The information in this report is provided to assist the creditors in evaluating the affairs of the bankrupt corporation. The Trustee has not been able to verify the statement of affairs provided by the officer of bankrupt corporation and has relied on the information provided by the management. The information provided herein, is neither reviewed nor audited and the Trustee is not expressing an opinion with respect to the validity, accuracy or the reliability of the information contained herein.

A. Background

The company was incorporated in November 2006 with its registered office at 304 Silvana Crescent, Burlington, ON, L7L 2W1. The business was operating from a leased premises located at Unit # 13, 14 and part of 15, 1450 Headon Rd, Burlington, ON, L7M 3Z5 where it carried on the operations as a retail meat shop.

The details of ownership, directors, and officers, of the bankrupt corporation, is noted below:

Name	Shareholding	Director	Designation
Richard Suitor	55%	Yes	President / Officer of the Bankrupt Corporation
Terry Sawford	45%	Yes	Officer

As advised by the officer of the bankrupt corporation, the business operated on a low capacity and was facing difficulties since the beginning of pandemic. The operations were ceased around September 2021 after the premises locked by the landlord over the arrears of rent.

B. CAUSES OF INSOLVENCY

The cause of bankruptcy, as advised by the president of bankrupt corporation are noted below and has not been verified by the Trustee for validity or accuracy.

As advised by the officer of bankrupt corporation, the business was a single aisle small retail ,eat shop and with the onset of pandemic and the restrictions that followed to control the spread of pandemic, the business suffered a major setback. The continued restrictions and the added competition from other retailers offering delivery services to the customers significantly affected the business and resulted in the business getting behind on almost everything, including rent.

On September 2, 2021, the landlord locked the premises and posted a distraint notice on the board for an arrear of over $69,000.00. Given the extended period of restrictions and the uncertainty that prevailed around that time, the business could not recover from the setback and was not able to pay the arrears of rent and ultimately ceased operations.

C. Operations -

As advised by the officer of bankrupt corporation, the debtor ceased all operations around September 2021.

D. The Trustee's Duties under Section 16(3) of the Bankruptcy Act :

- **Leased Premises and Equipment**

As noted above, the Debtor was operating on leased premises located at Unit # 13, 14 and part of 15, 1450 Headon Rd, Burlington, ON, L7M 3Z5. As advised by the officer of bankrupt corporation, the premises and the assets, including, equipment, utensils, chattels, fixtures, etc, were abandoned in September 2021 when the operations ceased.

- **Books and Records**

The trustee has been advised by the officer of bankrupt corporation that the books and records are not available and any financial record, data, books or records, bank statements, cancelled cheques, etc as sought by the Trustee could not be provided at this time. Most of the records were lost while closing the business. The officer of the debtor corporation, however, provided the trustee with draft financial statements , compiled the former bookkeeper (not audited or reviewed) as of October 31, 2021 and the trustee has relied on the same to review the assets and liabilities listed on the debtors sworn statement of affairs.

No Corporate Tax Returns or HST have been filed by the business after 2017 and there are no books or records available to complete them at this time. The copies of past returns could not be made available to the trustee at this time.

- **Receivables**

The draft financial statement as on October 31, 2021 lists receivables in the amount of $ 32,321.35. The officer of bankrupt corporation has advised that these are old receivables with no potential for recovery.

- **Other Assets**

The Summary of assets, as per the draft financial statements compiled by the management (not reviewed or audited) as at September 23, 2022 is listed below:

Description	**Net Book Value as per draft financial statements as on October 31, 2021**	**Estimated Realizable Value**
Inventory (Refer Note 1 below)	12,000.00	Nil
Equipment (Refer Note 2 below)	25,774.97	Nil
Goodwill (Refer Note 3 below)	125,000.00	Nil
Leasehold Improvements (Refer Note 3 below)	85,000.00	Nil
HST Refund (Refer Note 4 below)	33,000.00	Nil
Total	**$ 280,774.97**	**Nil**

Note 1 : Inventory
The inventory was mostly raw meat which was in store at the time of close of operations over an year ago and the considering the nature of inventory, it is not expected to have any value at this time.

Note 2 : Equipment
The equipment was lost at the time of close of business operations and was abandoned. The officer of bankrupt corporation is not aware if it was sold by the landlord after the Notice of distraint or not. The trustee has already sent the notice of bankruptcy to the landlord.

Note 3 : Goodwill and Leasehold Improvements
As advised by the officer of bankrupt corporation, these book values are mostly being carried forward from the time of purchase of business in 2006 and was not amortized or written off over the subsequent years. These assets are not expected to have any realizable value at this time since the business has already been closed for over a year.

Note 4 : HST Refund
The officer of bankrupt corporation has advised that any potential HST refund is likely to be set off against the arrears of unremitted source deduction which is likely to exceed the value of potential refund. The trustee will however reach out to CRA to confirm the understanding.

As advised by the officer of bankrupt corporation, there are no assets available with the debtor as on the date of bankruptcy.

E. Employees

The Trustee has been advised that there were seven employees at the time of closure of business and there are unpaid wages for the employees. The employees have been notified about the bankruptcy, however, considering that the pending wages are for a period which is more than six months older than the date of bankruptcy, the Trustee does not expect to be administering any claims under the Wage Earners Protection Program.

F. Legal Proceedings

As per the information provided by the officer of the bankrupt corporation, there are no ongoing litigations wherein the bankrupt corporation is involved as a Plaintiff or a Defendant.

G. Conservatory and Protective Measures

As already noted earlier, the debtor had ceased operations over an year ago and that the assets were abandoned after they were distrained by the landlord, the trustee has not taken any protective measures. The trustee has notified the landlord regarding the bankruptcy and will be requesting an update from the landlord regarding the assets distrained by the landlord last year.

H. Provable Claims

The Trustee sent out the Notice of Bankruptcy and the First Meeting of Creditors on November 21, 2022, to all known creditors of the bankrupt through email, facsimile or ordinary prepaid mail.

The claims of creditors as per the debtor's sworn Statement of Affairs ("**SOA**") and the claims filed as at 5.00 pm, December 2, 2022 are summarized below:

Creditors Group	**Statement of Affairs ($ / #)**	**Claim as Filed ($ / #)**
Unsecured Creditors	152,053.83 (57)	Nil (-)
Preferred Creditors	1.00 (1)	--
Secured Creditors	Nil (-)	Nil (-)
Total	**152,054.83**	**--**

- The Trustee expects that there may be a preferred or trust claim from CRA regarding unremitted source deductions, however, no preferred claim has been received by the Trustee at this moment.

I. Secured Creditor

The Trustee has reviewed the PPSA Registration via search conducted on December 2, 2022 (file currency upto December 1, 2022) and there are no charges reflected in the said search.

The trustee has not received any secured proof of claim at this moment. As there are no assets in the estate, the trustee does not envisage any distribution to any creditors.

The officer of the bankrupt corporation has advised the Trustee that some of the creditors are personally guaranteed by him.

J. Anticipated Realizations and Projected Distributions

As noted earlier, there are no assets in the estate and the trustee does not envisage any distribution.

K. Appraisal

As noted earlier in the report, there are no assets available with the debtor to be appraised.

L. Reviewable Transactions and Preference Payments

There are no books and records available for the Trustee to conduct a review to determine the extent, if any, of any preferences or transactions undervalue. Also, there are no funds in the estate to cover the costs associated to a detailed investigation and the creditors are advised that as per sec 38 of the BIA, the creditors may obtain an order from the court authorizing them to take over the proceeding in their own name and their own expense and risk.

M. Other Matters

- The trustee had no prior relationship with the debtor corporation or its director/officer before this assignment.

- Elevation Realty Inc. had retained the services of Goldhar Consulting and Tax Services inc. and paid a professional fee of $ 16,200 (plus HST) on September 16, 2021 and subsequently referred the debtor to the trustee. This was also reported by the Trustee on the Estate Information Summary submitted to the Official Receiver at the time of initial filing.

- Documents related to the bankruptcy of Choice Catering Inc. are available on the Trustee's website at https://www.shedthedebt.ca/corporate-engagements/

- The officer of the bankrupt company has not been examined by the Official Receiver as per Section 161 of the BIA. However, the Trustee, creditors or inspectors may request one to be conducted, if required.

- The Trustee, at the first meeting of Creditors, will seek instructions/directions from the creditors or inspectors (if appointed) on the following matters:

a. Appointment of Inspectors, if any
b. Appointment of Estate Solicitor, if necessary
c. Approval of Trustee's actions, as listed on the preliminary report
d. Any other matter, as discussed during the meeting.

- On November 15, 2022, a newspaper advertisement was placed in the Financial Post section of National Post newspaper, informing creditors about the bankruptcy and the date and time of the meeting of creditors.

Dated at the City of Mississauga in the Province of Ontario, this 2nd day of December 2022

Goldhar & Associates Ltd – Licensed Insolvency Trustee
Trustee of the estate of Accent Specialty Foods Inc., c.o.b Ernies Meat Market, a bankrupt and not in personal or corporate capacity

Richard Goldhar

Per: Richard Goldhar, CIRP, LIT

Goldhar & Associates Ltd.

Claims Register

In the Matter of the Bankruptcy of
Accent Specialty Foods Inc c.o.b Ernies Meat Market
on the Regional Municipality of Halton, in the Province of Ontario

Insolvency Date: 15-Nov-2022
Estate Number: 32-2884500

Creditor Name		*Proof of Claim?*	*Claim Status*	*Rank / Class*	*SOA Amount*	*Amount Filed*	*Admitted for Dividend*
Preferred creditors							
1.	Anna Soberg	No	Not proved	A	1.00		
2.	Brock Leuschner	No	Not proved	A	1.00		
3.	CRA - Toronto North Tax Services Office 833185960RP0001	No	Not proved	A	10,027.50		
4.	David Russell	No	Not proved	A	1.00		
5.	Kai Cayenne	No	Not proved	A	1.00		
6.	Robert A Suitor	No	Not proved	A	1.00		
7.	Stephen Mounsey	No	Not proved	A	1.00		
	Total : Preferred creditors				10,033.50		
Unsecured creditors							
1.	A.P.I. Alarms Inc. Attn: Rachel Garr 99010009-0261	No	Not proved		471.92		
2.	Abell Pest Control	No	Not proved		207.20		
3.	Alsco uniforms 016141	No	Not proved		261.75		
4.	American Express c/o FCT Default Solutions Attn: Insolvency Department 379060193323000	No	Not proved		45.00		
5.	Anna Soberg	No	Not proved		291.20		
6.	Bell Canada F-88 - Business Attn: Insolvency Department 536573934 / 905 635 9335 (235)	No	Not proved		1.00		
7.	Bri-tax Accounting Services Attn: Brigitte Reinhard Accountant	No	Not proved		1.00		
8.	Brock Leuschner	No	Not proved		233.43		
9.	Burlington Hydro Inc. Attn: Steven Cardinali 125443-0025924	No	Not proved		966.26		
10.	Burlington Hydro Inc. Attn: Steven Cardinali 125443-0025925	No	Not proved		1,938.44		
11.	CAFO 91-30-202396-2	No	Not proved		696.35		
12.	Canam Meats	No	Not proved		4,779.42		
13.	Cargill	No	Not proved		4,923.00		
14.	Cogeco Bankruptcies c/o FCT Default Solutions 50005070144	No	Not proved		580.74		

Insolvency Date: 15-Nov-2022
Estate Number: 32-2884500

	Creditor Name	*Proof of Claim?*	*Claim Status*	*Rank / Class*	*SOA Amount*	*Amount Filed*	*Admitted for Dividend*
15.	Cogeco Bankruptcies c/o FCT Default Solutions 50018895453	No	Not proved		519.59		
16.	Country Meat Packing 423	No	Not proved		241.39		
17.	Country Style Sauce	No	Not proved		1.00		
18.	CRA - GST/HST - Shawinigan-Sud Attn: Quebec Insolvency Intake Centre 833185960RT0001	No	Not proved		1.00		
19.	CRA - Tax - Ontario 833185960RC0001	No	Not proved		1.00		
20.	CRA - Toronto North Tax Services Office 833185960RP0001	No	Not proved		1.00		
21.	David Russell	No	Not proved		547.56		
22.	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department 910039697134	No	Not proved		1.00		
23.	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department 910039697866	No	Not proved		458.91		
24.	Gay Lea Foods Co-operative Ltd 606075	No	Not proved		300.00		
25.	Harvey White sales	No	Not proved		1.00		
26.	Highland Packers C1186	No	Not proved		2,037.00		
27.	JJ Derma Meats Erni01	No	Not proved		1.00		
28.	Kai Cayenne	No	Not proved		148.20		
29.	Lorenz Foods	No	Not proved		322.09		
30.	Malabar Super Spice	No	Not proved		1.00		
31.	MetCredit.com 211242539	No	Not proved		1.00		
32.	MetCredit.com 213063177	No	Not proved		1.00		
33.	Morton Wholesale Ltd. Attn: Credit Department 947838	No	Not proved		3,080.08		
34.	Nella Cutlery - Hamilton Attn: Rina or Stefano Nella 19365	No	Not proved		200.46		
35.	Paper Price group	No	Not proved		1.00		
36.	Piersanti Law c/o Playacor (landlord) Counsel for Landlord	No	Not proved		1.00		
37.	Playacor Headon Investments Inc. Attn: Fabiana Marzano Landlord	No	Not proved		71,272.26		
38.	Poultry Hut	No	Not proved		1,161.72		
39.	Robert A Suitor	No	Not proved		898.56		
40.	Roseland Produce	No	Not proved		1.00		
41.	Sandra Smith	No	Not proved		27,183.46		

Insolvency Date: 15-Nov-2022
Estate Number: 32-2884500

	Creditor Name	*Proof of Claim?*	*Claim Status*	*Rank / Class*	*SOA Amount*	*Amount Filed*	*Admitted for Dividend*
42.	Sanimax C064787	No	Not proved		423.86		
43.	Southern Pride Poultry	No	Not proved		1.00		
44.	Stephen Mounsey	No	Not proved		163.02		
45.	TD Canada Trust C/O FCT Default Solutions 452070******2810	No	Not proved		1,017.74		
46.	TD Canada Trust C/O FCT Default Solutions 7525-5210383	No	Not proved		10,246.04		
47.	TD Canada Trust Visa C/O FCT Default Solutions 4520-7090-0260-2828	No	Not proved		1.00		
48.	Terry Sawford - Shareholder Loan	No	Not proved		4,300.00		
49.	The Poultry Hut	No	Not proved		1,161.72		
50.	Tree of life	No	Not proved		1.00		
51.	Workplace Safety and Insurance Board Attn: Eric Kupka 3693206	No	Not proved		923.96		
		Total :	Unsecured creditors		142,020.33		
				Grand Total:	152,053.83		