

**IN THE MATTER OF THE BANKRUPTCY OF
2051095 ONTARIO INC. O/A PIZZA WORKZ
OF THE CITY OF OTTAWA,
IN THE PROVINCE OF ONTARIO**

MINUTES OF THE FIRST MEETING OF CREDITORS HELD ON May 18, 2022

The first meeting of creditors for the above-named debtor was held on May 18, 2022, at 11.00 AM Via Zoom through link

<https://us06web.zoom.us/j/89834235262?pwd=M3R6OG9hcENsVWFkdko3aFZvQUhFZz09> using Meeting ID: 898 3423 5262.

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 11.03 AM. 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	In Person
Adeel Ur Rehman	Director and Officer of the Debtor	Zoom

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 notification to the officer/director of the corporation and notice of bankruptcy in the local paper.
- viii) Claims Register

5. Quorum

The Chair declared 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. Mr Singh then presented the Trustee's 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 Rehman if he had any questions relating to the Trustees Preliminary Report on its administration. Mr Rehman stated that he did not have any questions on the Trustees Preliminary Report at this time.
- 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 has been uploaded to the Trustee's corporate website and can be accessed using the link: <https://www.shedthedebt.ca/corporate-engagements/>

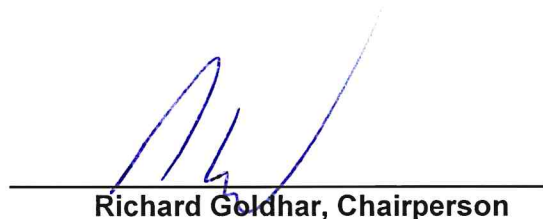
11. ADJOURNMENT OR CLOSING OF MEETING

As there was no quorum, the chair adjourned the meeting without setting a date. Meeting was adjourned at 11.18 AM

Dated : May 24, 2022



Parneet Singh, Secretary



Richard Goldhar, Chairperson

Attachments :

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

Province of Ontario
Division No.: 12-Ottawa
Court / Estate No. : 33-2826067

**IN THE MATTER OF THE BANKRUPTCY OF
2051095 ONTARIO INC. O/A PIZZA WORKZ
OF THE CITY OF OTTAWA,
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S PRELIMINARY REPORT

2051095 Ontario Inc. (operating as Pizza Workz) (the "Debtor" or the "Company" or the "bankrupt corporation") filed an assignment in bankruptcy on April 29, 2022 and Goldhar & Associates Ltd was appointed as Trustee of the Estate of the Bankrupt by the Office of Superintendent of Bankruptcy.

The First meeting of creditors has been scheduled to be held on May 18, 2022 at 11.00 AM Via Zoom through link <https://us06web.zoom.us/j/89834235262?pwd=M3R6OG9hcENsWVFKdko3aFZvQUhFZz09> using Meeting ID: 898 3423 5262.

The Trustee in this report provides its findings regarding the affairs of the bankrupt corporation and will assist the creditors 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 Debtors affairs. All stakeholders are requested to note that the information contained in this Preliminary Report has been prepared from the available books and records of the company and discussion with the Management. We have not reviewed or otherwise audited the information provided by the Debtor and consequently, we are 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 July 2004 as 2051095 Ontario Inc.

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

Name	Shareholding	Director	Designation
Adeel Ur Rehman	80%	Yes	President
Abubakar Ramzan	20%	Yes	Secretary

The company commenced operations in June 2018 by opening a local Pizza store formerly operating at leased premises located at 4 - 461 Donald B Munro Dr, Carp, Ontario, K0A 1L0.

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 President of the bankrupt corporation, he had originally invested about \$40,000 at the start of business for his 80% share but was not involved in the day-to-day operations of the store as he lived at a distance of about 200 kms from the store. He relied on his partner (the minor shareholder) who invested about \$10,000 at the start of business for his 20% share, to operate and manage the store. The minor shareholder was also an employee.

It was sometime around September/October 2020 when the president of the bankrupt corporation was contacted by the CRA regarding unpaid HST from the business and was advised that the amount due is around \$45,000. It was then that the president of the bankrupt corporation started to enquire into the affairs of the business. He could not get much support from the other employees as they appeared to be loyal to the other partner. Replacing all existing employees was difficult due to Covid and the fact that the store was in a small town with limited connectivity.

There was some additional financing raised by the president of bankrupt corporation around October 2020, through Scotia Bank and the proceeds were used to mainly settle the CRA debt and meet other business expenses but the issues around operating and managing the store continued to affect the overall business.

While the pandemic continued, and the issues largely unresolved, the minor shareholder left the country around January 2021 and attempted to manage the business remotely while still controlling the receipts and payments through business account to which he had access. Also, it has been alleged that there was a lack of transparency in payouts and that the minor shareholder and some employees, who worked closely with the minor shareholder, were paid beyond their share of wages which pushed the business deeper into debt.

In order to settle all issues, the president of bankrupt corporation attempted to sell the business and while working on the transaction, he was made aware of certain other debts which were not earlier disclosed, including an almost three-month arrear of rent on the lease.

With all the issues, the sale of business contemplated for around \$36,000 could not materialize as the debts considerably exceeded the potential sale price and with no possibility to revive the business, the president of bankrupt corporation ceased operations on January 29, 2022, and abandoned the assets, including, furniture, fixtures, kitchen equipment and utensils, etc at the premises.

As advised by the president of bankrupt corporation, the kitchen equipment and utensils were all old articles, and the distress sales value was likely less than the arrears on the lease.

As sworn on the Statement of Affairs, there are no assets or equipment's available with the bankrupt corporation as on the bankruptcy date.

C. Operations -

The debtor ceased all operations on January 29, 2022.

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

➤ Leased Premises and Equipment (including owned assets or inventory)

As noted above, the Debtor was operating on leased premises located at 4 - 461 Donald B Munro Dr, Carp, Ontario, K0A 1L0 and the premises along with all assets, equipment were abandoned by the debtor after the closure of business in January 2022.

➤ Books and Records

The books and records of the corporation were not audited or reviewed. The corporate tax return for the year ended June 2020, filed by the debtor indicate that there is no corporate tax payable.

The president of bankrupt corporation has advised the Trustee that the books and records have not been written up or updated and could not be provided at this time and no corporate tax returns have been filed after June 2020.

➤ Receivables

The trustee has been advised by president of bankrupt corporation that there are no receivables.

➤ Other Assets

The Summary of assets, noted on the last available Corporate Tax Return for the period ended June 30, 2020, is listed below:

Description	Value as per corporate tax return for the period ending on June 30, 2020
Cash (Refer Note 1 below)	36,823.00
Goodwill (Refer Note 2 below)	45,224.00
Security / Tender deposit	3,500.00
Total	\$ 85,547.00

Note 1: Cash

As advised by the president of bankrupt corporation, the return is almost two year old and the money was used in the operations over a period of time and that there is no money in the bank accounts at the date of bankruptcy.

Note 2: Goodwill

The business has ceased operations and there is no value estimated to be realized for the value of goodwill represented on the books.

Note 3: Security

As advised, this was the advance rent given to the landlord, however given the arrears of lease at the time of closure of business, there is no expected recovery for this.

E. Employees

The trustee has been advised that there were three employees in the corporation at the time of closure of operations in January 2022. One of the employees was the minor shareholder (also a Director) in the business. As advised by the president of bankrupt corporation, he had stopped attending the business around January 2021 and was only remotely managing but his services were never formally terminated. The minor shareholder being a related person and a director, is not eligible under WEPP. The trustee will be administering claims of the other two employees under the Wage Earners Protection Program.

It may also be noted that the President of bankrupt corporation has alleged certain operational and financial mismanagement and that some of the employees were paid in excess of their agreed wages. The said allegations have not been verified by the Trustee and as there are no funds in the estate for an investigation.

F. Legal Proceedings

As per the records available with the Trustee and the information provided by one of officer of the Debtor, there are no ongoing litigations wherein the bankrupt corporation is involved as a Plaintiff or a Defendant.

G. Conservatory and Protective Measures

The debtor has no assets on the bankruptcy date.

H. Provable Claims

The Trustee sent out the Notice of Bankruptcy and the First Meeting of Creditors on, May 2 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, May 17, 2022 are summarized below:

Creditors Group	Statement of Affairs (\$ / #)	Claim as Filed (\$ / #)
Unsecured Creditors	103,227.95 (20)	2,295.65 (2)
Preferred Creditors	--	--
Secured Creditors	-- (-)	-- (-)
Total	103,227.95	2,295.65

- The trustee is not aware of any preferred or trust claims at this moment.
- Please note that the trustee has not determined the admissibility of the above noted claims at this time.

I. Secured Creditor

The trustee is not aware of any secured creditors at this moment.

J. Anticipated Realizations and Projected Distributions

The trustee, at this time, does not expect any realization or distribution from the estate to any class of creditors.

K. Appraisal

There are no assets available with the bankrupt corporation as on the bankruptcy date to require an appraisal.

L. Reviewable Transactions and Preference Payments

The Trustee has not conducted a detailed review of the books and records of the company to determine the extent, if any, of any preferences or transactions undervalue.

It may be noted that the President of bankrupt corporation has alleged certain operational and financial mismanagement and that the minor shareholder had paid some of the employees in excess of their agreed wages. However, 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. The way forward in this regard to be discussed at the first meeting of creditors.

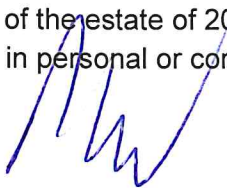
M. Other Matters

- A related party of the President of the bankrupt corporation had retained the services of an associated firm of the trustee, Goldhar Consulting and Tax Solutions Inc. for professional services for which she had paid a fee of \$11,582.50 plus HST, on January 28, 2022.

- Documents related to the bankruptcy of 2051095 Ontario Inc.(O/A Pizza Workz) 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. Trustee's actions, as listed on the preliminary report
 - d. Any other matter, as discussed during the meeting.
- On May 6, 2022, a newspaper advertisement was placed in Financial 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 17th day of May 2022

Goldhar & Associates Ltd – Licensed Insolvency Trustee
Trustee of the estate of 2051095 Ontario Inc.(O/A Pizza Workz), a bankrupt
And not in personal or corporate capacity



Per: Richard Goldhar, CIRP, LIT

Goldhar & Associates Ltd.

Claims Register

In the Matter of the Bankruptcy of
2051095 Ontario Inc OA Pizza Workz
of the City of Ottawa, in the Province of Ontario

Insolvency Date: 29-Apr-2022

Estate Number: 33-2826067

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
Unsecured creditors						
1. Abubakar Ramzan Shareholder, Officer, Director	No	Not proved		1.00		
2. Adeel Rehman Shareholder Loan	No	Not proved		17,000.00		
3. Bell Canada F-88 - Business Attn: Insolvency Department *****555***	No	Not proved		524.04		
4. CFIB 1200288	No	Not proved		25.00		
5. Chase Paymentech Solutions 1741384	No	Not proved		70.18		
6. CRA - GST/HST - Shawinigan-Sud Attn: Quebec Insolvency Intake Centre 855572749RT0001	No	Not proved		12,454.44		
7. CRA - Tax - Ontario 855572749RP0001	No	Not proved		1.00		
8. CRA - Toronto North Tax Services Office 855572749RC0001	No	Not proved		1.00		
9. E.Z HVAC	No	Not proved		1.00		
10. Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department 910029799630	Yes	Admitted		1,036.13	1,036.13	1,036.13
11. fire-alert Ottawa Valley invoice # 894379	No	Not proved		266.68		
12. George Saade	No	Not proved		1.00		
13. Gulam Madari, Accountant	No	Not proved		1.00		
14. Hydro One Networks Inc. Attn: Wendy Emery 200234159758	Yes	Admitted		1,259.52	1,259.52	1,259.52
15. Olliek Foods	No	Not proved		20,162.14		
16. Quattrocchi foods	No	Not proved		250.00		
17. Reliance Home Comfort (formerly morEnergy Savings) Attn: Legal Department *****4954520	No	Not proved		37.82		
18. Scotia Dealer Advantage c/o BankruptcyHighway Attn: Joanne Fenech 018116164421537	No	Not proved		50,000.00		
19. Wes Zcharuk Insurance Group Inc Attn: Jennifer Steiger	No	Not proved		135.00		
20. Workplace Safety and Insurance Board Attn: Eric Kupka	No	Not proved		1.00		
Total : Unsecured creditors				103,227.95	2,295.65	2,295.65
Grand Total:				103,227.95	2,295.65	2,295.65

