

**IN THE MATTER OF THE BANKRUPTCY OF
2737524 ONTARIO INC. cob ESTRADA AUTOMOTIVE.,
OF THE REGIONAL MUNICIPALITY OF YORK,
IN THE PROVINCE OF ONTARIO**

MINUTES OF THE FIRST MEETING OF CREDITORS HELD ON July 12, 2022

The first meeting of creditors for the above-named debtor was held via ZOOM through meeting link

<https://us06web.zoom.us/j/81949695578?pwd=Nm9LVGVmTVhYZ0J4NERQSHZkcHlrUT09> using Meeting ID: 819 4969 5578.

The meeting was Chaired by Mr. Murray Ferron, Official Receiver, on July 12, 2022 at 1.00 PM. Parneet Singh from the Trustee's office volunteered to act as Secretary for the meeting.

Trustee opened the Zoom Call and welcomed the participants.

1. Participants Present for the Meeting

Name	Representing	Presence
Murray Ferron	Official Receiver and the Chairperson	Zoom Video Conference
Richard Goldhar	Trustee	In Person
Parneet Singh	Trustee's Staff and Secretary to the meeting	In Person
Allen Wong	Officer of Bankrupt Corporation	Zoom Video Conference

2. 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".

And as noted on the Certificate of Appointment tabled the Official Receiver chaired the meeting.

3. 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.

4. The meeting was called to order at 1.00 PM

5. 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

6. AFFIRMATION OF THE TRUSTEE

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. Trustee's Preliminary Report

The Trustee inquired of the chair if there were any questions about the Trustee's Preliminary report.

Mr Ferron advised that the preliminary report is also being reviewed by the Debtor Compliance Unit at the Office of Superintendent of Bankruptcy and that the officer of debtor corporation may be required to attend for an examination under oath regarding the bankruptcy of debtor corporation and the officer of debtor corporation will be notified separately about scheduling the said examination.

There were no other questions raised at this time and the Trustee's Preliminary Report is annexed to these minutes as "Appendix A".

8. DIRECTIONS TO THE TRUSTEE

No directions or instructions were provided to the Trustee at this time.

9. OTHER MATTERS

- 9.1. The trustee advised that no claim has been filed by any of the creditors at this time.
- 9.2. The Official Receiver has not set a Bond ((under Section 16 (1), (2)) and deemed it is not required for this estate.
- 9.3. As discussed in the meeting, the Trustee had no relation with the Bankrupt, or the Officer or Director prior to this engagement.

Allan Chun Tiu Wong and S Y Kam had retained the services of Goldhar Consulting and Tax Services Inc. for professional services, for which they had paid a fee of \$12,500 plus HST, on February 10, 2022.

Disclosure in this regard was made by the Trustee on the Estate Information Summary Form by the Trustee with the office of Official Receiver.

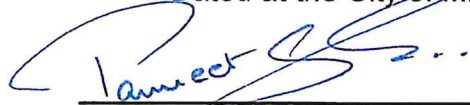
- 9.4. The Trustee advised that all information related to the administration of the estate has been uploaded to the Trustee's corporate website and can be accessed using the link: <https://www.shedthedebt.ca/corporate-engagements/>

10. ADJOURNMENT OF MEETING

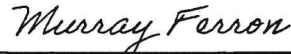
As there was no further business, the Chairperson declared the meeting closed

Meeting closed at 1.05 PM in the afternoon.

Dated at the City of Mississauga, this 13th day of July 2022



Parneet Singh
Secretary



Murray Ferron
Chairperson

Attachments :

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

IN THE MATTER OF THE BANKRUPTCY OF
2737524 ONTARIO INC. cob ESTRADA AUTOMOTIVE.,
OF THE REGIONAL MUNICIPALITY OF YORK,
IN THE PROVINCE OF ONTARIO

TRUSTEE'S PRELIMINARY REPORT

2737524 ONTARIO INC. cob ESTRADA AUTOMOTIVE (the "Debtor" or the "Company" or the "bankrupt corporation") filed an assignment in bankruptcy on June 27, 2022 and Goldhar & Associates Ltd ("Trustee") 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 July 12, 2022 at 1.00 PM Via Zoom through link <https://us06web.zoom.us/j/81949695578?pwd=Nm9LVGVmTVhYZ0J4NERQSHZkcHlrUT09> using Meeting ID: 819 4969 5578.

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 January 2020 as 2737524 Ontario Inc with its registered office at 35 Treverton Drive, Toronto, ON, M1K 3S5.

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

Name	Shareholding	Director	Designation
Allan Chu You Wong	40%	Yes	President
Bruno Che Ho Yung	40%	Yes	Vice President
Tak Fai Leung	20%	Yes	Secretary / Treasurer

The company commenced operations for providing detailing and other automotive modification services, like polishing, buffing, scratch repair and paint removal, at leased premises formerly located at 2750, 14th Avenue, Unit # G6, Markham, ON, L3R 0B6. The operations were ceased around November 2021 for reasons noted below and the lease for former premises was terminated effective March 15, 2022.

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, the business was started to provide detailing and auto modification services to clients and by the time business was started, the initial wave of pandemic started around March 2020, bringing operations to a grinding halt. This was followed by multiple waves of the pandemic and extended periods of restriction resulting in significantly less travel or use of cars by a large segment of population.

The business had considerably less clients than envisaged and the business continued to operate for a few months without much improvement in business as the covid related restrictions continued to be in place for longer than expected. The debtor continued to service the debts and meet other operating costs but with no visibility for a revival, the debtor eventually ceased operations and filed for bankruptcy.

C. Operations -

As advised by the officer of bankrupt corporation, the debtor ceased all operations in November 2021.

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 2750, 14th Avenue, Unit # G6, Markham, ON, L3R 0B6. The lease for the premises was terminated effective from March

15, 2022 and a mutual release was agreed upon between the debtor and the landlord. The Trustee has been advised that there are no amounts outstanding to the landlord.

As advised by the officer of bankrupt corporation, the asset with the business was largely the leasehold improvements which were affixed to the leased premises and not saleable.

The Trustee has been advised that there was a receiver appointed by the secured creditor, Bank of Montreal and that all available assets have since been sold and liquidated for \$15,000.00 by the receiver, through bill of sale dated May 11, 2022.

➤ **Books and Records**

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. It has also been advised that the debtor has pending corporate tax returns and HST returns for 2021 and part of the year 2022, upto the date of bankruptcy. The Trustee is not in possession of any books or records although, the Trustee has requested for access to the same.

➤ **Receivables**

The Trustee has been advised by President of the bankrupt corporation that there are no receivables.

➤ **Other Assets**

As per the information available, the debtor had below noted assets:

Description	Original Cost	Estimated Realizable Value
Leasehold Improvements (Refer Note 1 below)	288,037.00	0.00
Laptops, TV's, Monitors (Refer Note 1 below)	17,515.00	0.00
Equipment (Refer Note 1 below)	109,610.00	0.00
Furniture and Fixture (Refer Note 1 below)	27,120.00	0.00
HST Recoverable (Refer Note 2 below)	1.00	1.00
Total	\$ 442,283.00	

Note 1 : As noted above, all available assets have been sold by the receiver, appointed by the secured creditor, for \$15,000.

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

Note 2 : The debtor has advised that there is a potential HST refund of around \$51,000 pending with CRA. However, the Trustee understands that there are pending tax returns and that neither the corporate tax return nor the HST return for 2021 and partial year 2022 (upto the date of

bankruptcy) have been filed by the debtor. As such the potential refund or the amount can not be ascertained at this moment. The Trustee will be coordinating with CRA to seek further clarity on this in due course. The trustee will report to the creditors or inspectors, if appointed to seek instructions in this regard.

E. Employees

The Trustee has been advised that there were no employees in the corporation at the time of closure of operations or during the six months preceding the bankruptcy date. The Trustee does not expect to be administering any claims under the Wage Earners Protection Program.

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

Not applicable, no assets or premises requiring any conservative or protective measures from the Trustee.

H. Provable Claims

The Trustee sent out the Notice of Bankruptcy and the First Meeting of Creditors on June 28 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 12.00 pm, June 8, 2022 are summarized below:

Creditors Group	Statement of Affairs (\$ / #)	Claim as Filed (\$ / #)
Unsecured Creditors	7.00 (7)	-- (--)
Preferred Creditors	--	--
Secured Creditors (Note 1)	320,085.15 (1)	-- (--)
Total	320,092.15	--

Note 1 : Considering that there are no assets as on the bankruptcy date, the Trustee notes that any secured claim Bank of Montreal may have, is likely to rank as fully unsecured.

- The Trustee is not aware of any preferred or trust claims at this moment.

I. Secured Creditor

Bank of Montreal had financed some \$350,000 to the debtor in December 2020.

The Trustee has reviewed the PPSA Registration via search conducted on April 11, 2022 (file currency upto April 10, 2022) and the charge registered by Bank of Montreal is reflected in the said search.

The secured creditor is yet to file a proof of claim with the Trustee and the Trustee, at this time, is not making any comment as to the validity of security or the potential secured claim of Bank of Montreal.

The officer of the bankrupt corporation has advised the Trustee that 25% of the indebtedness to Bank of Montreal is personally guaranteed by Mr Wong.

J. Anticipated Realizations and Projected Distributions

The Trustee, currently, does not expect any realization or distribution from the estate to any creditors. As reported above, there may be a potential HST refund which will be reviewed by the Trustee and reported to creditors in due course.

K. Appraisal

As noted above, the secured creditor had appointed a receiver to realize all available assets which have been sold by the receiver for \$15,000.

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

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. 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

- Allan Chun Tiu Wong and S Y Kam had retained the services of Goldhar Consulting and Tax Services Inc. for professional services, for which they had paid a fee of \$12,500 plus HST, on February 10, 2022.
- Documents related to the bankruptcy of 2737524 Ontario Inc. (cob Estrada Automotive) 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 June 30, 2022, a newspaper advertisement was placed in 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 8th day of July 2022

Goldhar & Associates Ltd – Licensed Insolvency Trustee
Trustee of the estate of 2737524 Ontario Inc. (cob Estrada Automotive), a bankrupt
And not in personal or corporate capacity



Per: Richard Goldhar, CIRP, LIT

Goldhar & Associates Ltd.

Claims Register

Appendix B

In the Matter of the Bankruptcy of
2737524 Ontario Inc. OA Estrada Automotive
in the Regional Municipality of York, in the Province of Ontario

Insolvency Date: 27-Jun-2022

Estate Number: 31-2842327

<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>
Secured creditors						
1. BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com 2559 6999-708	No	Not proved			1.00	
Total : Secured creditors					1.00	
Unsecured creditors						
1. BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com 2559 6999-708	No	Not proved			320,084.15	
2. Catherine Consentino Lawyer	No	Not proved			1.00	
3. CRA - GST/HST - Shawinigan-Sud Attn: Quebec Insolvency Intake Centre 751097734RT0001	No	Not proved			1.00	
4. CRA - Toronto North Tax Services Office 751097734RC0001	No	Not proved			1.00	
5. Lipman Zener and Waxman LLP Attn: Allan L. Lipman Counsel for BMO	No	Not proved			1.00	
6. Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry 751097734	No	Not proved			1.00	
7. MSI Spergel Inc. Receiver for Debtor Corporation	No	Not proved			1.00	
8. Workplace Safety and Insurance Board Attn: Eric Kupka	No	Not proved			1.00	
Total : Unsecured creditors					320,091.15	
Grand Total:					320,092.15	