

District of Ontario  
Division No. 09 - Toronto  
Court No.: 32- 2661070  
Estate No.: 32- 2661070

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY OF  
2328703 ONTARIO INC.  
o/a BETTER LIVING GENERAL CONTRACTORS  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

TRUSTEE'S PRELIMINARY REPORT

Trustee: Goldhar & Associates Ltd.

The following information is provided to assist evaluating the Company's affairs. Please note, we have not audited or reviewed the Company's books and records and, as a result, we are not able to express an opinion concerning the accuracy of the information contained herein. The following information originated from the Company's books and records that were made available to us, as well as from our discussions with the principals of the Company.

SECTION A - BACKGROUND

2328703 Ontario Inc. o/a Better Living General Contractors ("232" or the "Company") filed an assignment into bankruptcy on the 29<sup>TH</sup> day of July 2020 and Goldhar & Associates Ltd. was appointed Trustee of the estate.

The Company was incorporated on May 18, 2012 and operated under the name Better Living General Contractors providing general contractor services to residential and various other project types in the GTA area. 232 was located at operated at 3025 Credit Woodlands, Suite 345, Mississauga, ON L5C 2V3. The Company ceased operations in June of 2019.

The Company had approximately 0 employees in the last 12 months prior to the date of bankruptcy. The last employees were terminated by management in June of 2019.

The Company's sole shareholder and director is:

- Minh Vuong Le

Our preliminary review indicates, and as advised by the principal, the Company's financial difficulties and eventual assignment into bankruptcy resulted from the following events:

The Company began to experience solvency issues as a result of cost overruns on multiple projects of which they were the general contractors. As a result of cost overruns on the Company's projects, significant liabilities were incurred which resulted in obligations not being met as they generally became due.

In 2019, as result of the financial burdens incurred from unprofitable projects, the owners of the Company decided to lay off their employees and cease operations.

After multiple discussions with its account and other professionals it was decided that the Company could not recovery from its position and ultimately decided to assign itself into bankruptcy.

## SECTION B - ASSETS

The assets, as listed on the Company's Statement of Affairs ("SOA"), are as follows:

### (a) Vehicles - \$32,667

The vehicles listed on the Company's SOA are the fleet vehicles the Company used to operate. There are three vehicles owned by the Company detailed below:

- Toyota - Highland 2006 (ERV - \$3,552)
- Ford - Van 2009 (ERV - \$8,600)
- Dodge - Caravan 2016 (ERV -\$1,008)

The Trustee has made arrangements to have bailiff take possession of the vehicles of the Company and they are currently being stored at 61 McCormack Street, York, Ontario in a secured facility until direction can be taken from the unsecured creditors or Trustee releases its interest in the asset to the secured creditors.

It is the Trustee's intention to immediately liquidate the unencumbered assets at an upcoming auction located at the bailiffs secured facility. The Trustee anticipates a small recovery to the estate resulting from the sale of the unencumbered vehicles after the payment of associated sales costs. In addition, the Trustee will be requested proof of the the secured claim of Toronto Dominion Bank who holds a secured claim against the 2016 Dodge Caravan in order to determine if the Trustee has an interest in the asset.

### (b) Loan Receivable - \$35,001

The loan receivable listed on the Company's SOA relates to amounts due from the sole shareholder. The Trustee has investigated the nature of the amounts due and understands they relate to a long-term receivable due from Mr. Le resulting from draws made by him from the Company over several years taken in lieu of salary. . The Trustee has inquired with Mr. Le about the amount due to the Company and explained the Trustee has an obligation to attempt to recover the receivable. Mr. Le has explained to the Trustee as a result of the failure of the Company he does not have the financial means to repay the amounts and intends on filing personal insolvency proceedings himself. The Trustee will continue to monitor the financial circumstances of Mr. Le but does not anticipate a significant recovery on the amounts due.

### SECTION C - SECURED CREDITORS

The Trustee has conducted a PPSA search of the Company and confirmed the following registered security interests:

- TD Bank - Purchase Money Security Interest in the 2016 Dodge Caravan (VIN #).

In addition, Canada Revenue Agency ("CRA") maintains a priority position for its deemed trust claim (being monies withheld from employees' wages for income tax, Employment Insurance Premiums and Canada Pension Plan premiums but not remitted.) Proven deemed trust claims take a priority over some or all secured claims. At this time, the Trustee does not know the quantum of CRA's deemed trust claim, if any, and has requested CRA conduct an audit to establish any trust claims.

### SECTION D - CONSERVATIVE AND PROTECTIVE MEASURES

(a) Conservatory and protective measures

As noted earlier, the Trustee took possession of the vehicles of the Company and have them currently secured at a facility in York, Ontario.

(b) Books and records

The Trustee has taken possession of all available books and records of the Company.

(c) Carrying on business

The company ceased operating in June of 2020.

### SECTION E - LEGAL PROCEEDINGS

There are no known legal proceedings filed by or against the Company.

No legal proceedings have been commenced by or against the Trustee or against the estate.

SECTION F - PROVABLE CLAIMS

The following is a list of claims filed in relation to 232:

	<i>As Declared</i> <i>Amount \$</i>	<i>As filed and admitted</i> <i>Amount \$</i>
<i>Secured</i>	-	-
<i>Unsecured</i>	188,655.64	-
<i>Preferred</i>	9,973.00	-
<b>Total</b>	<b>\$ 198,628.64</b>	<b>\$ -</b>

The Trustee holds 0 proxy(ies)

SECTION H - ANTICIPATED REALIZATION AND PROJECTED DISTRIBUTION

Upon the Trustee's initial investigations of the assets of the Company the Trustee has determined there is a small amount of equity in the vehicles that will likely be available to the creditors. However, due to the significant impact of Covid-19 on the Canadian economy, potentially poor sales results, and other unforeseen issues of the Trustee, the Trustee is uncertain what final recovery may be available.

In addition, the Trustee still is investigating the potential for additional CRA deemed trust claims prior to being able to determine any amounts available to the unsecured creditors.

SECTION I - TRANSFER AT UNDERVALUE

The Trustee will be seeking the directions of the creditors pursuant to section 38 of the BIA as the Trustee has no funds to investigate transfers at undervalue or fraudulent preferences. Attached to this preliminary report are the details of section 38 for reference.

In addition, the Trustee has taken possession of bank statements for the prior 12 months leading to the bankruptcy; however, has only performed a cursory review of the bank statements and will seek instructions from the creditors in regards to completing a more detailed investigation of the Company's bank statements.

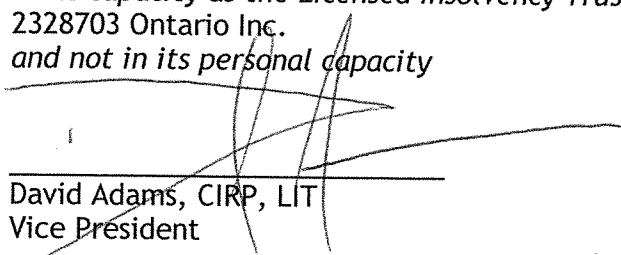
SECTION J - OTHER MATERIAL MATTERS NOT COVERED ABOVE

Goldhar & Associates Ltd. received payments in 2019 from a related party of the Company. These amounts are in relation to consulting work with the Company prior to its insolvency and for carrying out the Trustee's basic administration; which includes: meeting with the debtor, analyzing its financial position, preparing all documentation, explaining duties of the officer of the bankruptcy corporation and co-operation with the Trustee, filing the bankruptcy, arranging the first meeting of creditors and subsequent meetings, advising the Companies on their obligations under the WEPP, preparation of the final statement of receipts and disbursements, application for discharge and all basic work required up until and including the attendance at the first meeting of creditors.

The Trustee reminds the creditors that it does not have funds to review transfers at undervalue or fraudulent preferences and seeks advise from creditors pursuant to section 38, if required.

Dated at Mississauga, Ontario this 17<sup>th</sup> day of August 2020.

Goldhar & Associates Ltd.  
*In its capacity as the Licensed Insolvency Trustee of  
2328703 Ontario Inc.  
and not in its personal capacity*

  
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David Adams, CIRP, LIT  
Vice President

**Proceeding by creditor when trustee refuses to act**

• **38.** (1) Where a creditor requests the trustee to take any proceeding that in his opinion would be for the benefit of the estate of a bankrupt and the trustee refuses or neglects to take the proceeding, the creditor may obtain from the court an order authorizing him to take the proceeding in his own name and at his own expense and risk, on notice being given the other creditors of the contemplated proceeding, and on such other terms and conditions as the court may direct.

• **Marginal note:Transfer to creditor**

(2) On an order under subsection (1) being made, the trustee shall assign and transfer to the creditor all his right, title and interest in the chose in action or subject-matter of the proceeding, including any document in support thereof.

• **Marginal note:Benefits belong to creditor**

(3) Any benefit derived from a proceeding taken pursuant to subsection (1), to the extent of his claim and the costs, belongs exclusively to the creditor instituting the proceeding, and the surplus, if any, belongs to the estate.

• **Marginal note:Trustee may institute proceeding**

(4) Where, before an order is made under subsection (1), the trustee, with the permission of the inspectors, signifies to the court his readiness to institute the proceeding for the benefit of the creditors, the order shall fix the time within which he shall do so, and in that case the benefit derived from the proceeding, if instituted within the time so fixed, belongs to the estate.

[end]