

Province of Ontario
Division No.: 09
Court / Estate No.: 31-3021943

**IN THE MATTER OF THE BANKRUPTCY OF
LEASH & PAWS INC.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

Leash and Paws Inc. (“Debtor” or the “Bankrupt”) made an assignment in bankruptcy on the 15th day of December 2023.

Goldhar & Associates Ltd has been appointed by the office of Superintendent of Bankruptcy as the trustee of the estate of the bankrupt subject to affirmation by the creditors in the first meeting of creditors.

The first meeting of creditors of the bankrupt will be held on the 3rd day of January 2024 at 11:00 AM at 1220 Eglinton Avenue West, Toronto, ON or Via zoom:
<https://us06web.zoom.us/j/82173827312?pwd=AxzBUjapDCAUab06NsvC1WNb6AB2og.1>
Meeting ID: 821 7382 7312

The statement of affairs, enclosed with the creditors package, provides details on the current financial position of the Debtor, and lists out the assets and liabilities owned by the Debtor.

The trustee in this report provides its findings regarding the affairs of the Bankrupt Debtor and seeks instructions from the creditors or inspectors, if appointed, on certain matters.

To be eligible to vote at the meeting or subsequently 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”).

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 attached documents. The completed Claim can be delivered to the Trustee’s office by mail, courier, facsimile, electronic mail, or in person.

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.

- **Limitation**

The information in this report is provided to assist the creditors in evaluating the affairs of the bankrupt corporation. The Trustee has relied on the recent draft financial statements (not audited or reviewed), compiled by the management of the bankrupt corporation and the discussion with management.

The draft financial statements are as provided by the bankrupt and is neither reviewed nor audited and the Trustee is not expressing an opinion with respect to the validity, accuracy, or the reliability if the information contained herein.

Please note that any creditor/stakeholder relying on the information contained herein should do so at their sole discretion.

A. Background

The debtor was incorporated on September 1st, 2014, under the Federal Business Corporation Act to carry on the business of a Dog Walking and Pet Care Service.

The present management bought the debtor through a share purchase agreement in July 2019 for \$170,000. The shares of debtor are fully owned by Double Dash Ventures Inc., a related entity, related through common management.

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

Name	Shareholding	Director	Designation
Double-Dash Holdings	100%	NA	NA
Johnathan Lok-Yin Li	--	Yes	President / Officer of the Bankrupt Corporation
Adrain Shun-Hay Lai	--	Yes	Officer

B. Causes of Insolvency

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

The debtor operated a Dog Walking and Pet Care Service with the debtor’s registered office located at 307-701 King St West Toronto, ON M4V 2W7.

The business was hit by the Covid Pandemic after only a few months into the operation. During the covid restrictions, many of the debtor’s clients were working remotely and were able to take care of their pets and did not need the services for dog walking or pet care.

Post covid, the debtor experienced a significant increase in costs towards debt servicing without much increase in the revenue. The debtor to continue to incur the costs for a while but with no visibility for a revival of business, the debtor ceased operations in September 2023 and eventually made an assignment into bankruptcy.

C. Operations -

As advised by the officer of bankrupt corporation, the debtor ceased operation effective September 16th, 2023, and there are no active operations as on date of bankruptcy.

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

❖ Leased Premises and Equipment

The debtor did not have any leased premises or equipment at the date of bankruptcy.

❖ Owned Assets, Stocks/Inventory

As per the draft financials provided by the officer of the debtor for the reporting period ended on December 2022, the debtor had the below noted assets:

(Amount in CAD)

Particulars	Book Value as on Dec 31, 2022	Expected Realizable Value
Cash (Refer Note 1 below)	472.39	1.00
Inventory	Nil	Nil
Receivables (Refer Note 2 below)	148,381.47	1.00
Franchise Fee	Nil	Nil
Intangible Assets	Nil	Nil
Equipment	Nil	
Total	148,853.86	1.00

Note 1 : Cash

As per the recent bank statement made available by the officer of the debtor, there were nominal funds available in the bank account. The trustee has notified the bank regarding the bankruptcy and has requested the bank to remit to the estate, any funds available in the bank account, but the trustee does not expect much funds as the balance is likely to have been used for the continued costs up to the date of bankruptcy.

Note 2 : Receivables, Work in Progress Other Assets

There were long term receivables of \$ 40,157 reported on the debtor's corporate tax return for the reporting period ended on December 31, 2022, it is advised that it was reported in error and that the amount does not reflect the receivables.

There were certain receivables reported on the debtor's corporate tax return for the reporting period ended on December 31, 2022 as set out below. There is no recoverable value for the receivables.

Receivable from	Relation	Amount	Description
Clean That	Related through common management	\$ 50,332.83	loan reflects due from a related corporation known as "Clean That", related through common management, and is primarily to reconcile the wage expenses with the T4 returns filed for each company, resulting in a shift of

Receivable from	Relation	Amount	Description
			<p>wages expenses from the debtor company along with the corresponding advance.</p> <p>The debtor's accountant has advised that the rectification will take time and will involve, amongst other things, preparation and filing of amended corporate tax returns and T4 returns for both companies.</p>
Double Dash Ventures ("DDV")	Holding Co.	\$ 57,891.64	<p>DDV took out a loan from BDC to purchase the shares of debtor corporation. The loan is in the name of DDV, its purpose was to hold a DDV investment.</p> <p>The debtor corporation directly paid the monthly loan payments on behalf of DDV and these loan payments were reallocated to the intercompany advance account within debtor corporation. There are no funds recoverable from DDV.</p>

❖ **Books and Records**

The officer of the bankrupt corporation has provided the trustee with draft financial statements reporting period ended as of December 31st, 2022. The corporate tax return has been filed upto the reporting period ended on December 2022. No corporate tax is expected to be payable as per the return filed by the debtor.

The HST return has been filed upto the reporting period ended on December 2022. The Notice of assessment for GST/HST as per the last statement from April 12, 2023, provided from the debtor reflects a balance of \$552.29.

The Statement of account for source deductions dated August 21, 2023, reflects a balance of \$1,059.98. The officer of debtor has advised that the arrears for source deduction and HST have been paid and there is no arrear as on the date of bankruptcy. The Trustee has notified CRA about the bankruptcy.

The books and records, including the accounting and bookkeeping backup for past years copies of tax returns for the HST and the source deduction accounts, as sought by the trustee has not been provided by the debtor at this time however, the officer of bankrupt corporation has advised that he will be extending necessary support and cooperation to the Trustee for providing access

to books and records of the corporation, as required and/or assisting in completing any pending tax returns, or assisting with providing any information as may be required by the CRA or other creditor.

E. Employees

As advised by the officer of bankrupt corporation, the debtor had 1 employee part time at the close of the business. The trustee will be working with the former employee to assist them to access the Wage Earner Protection Program and as advised to the officer of bankrupt.

F. Legal Proceedings

As advised by the officer of bankrupt corporation, the debtor is not involved in any litigation as a defendant or a plaintiff.

G. Conservatory and Protective Measures

Not applicable, the Debtor has no assets on the date of bankruptcy.

H. Provable Claims

The Trustee sent out the Notice of Bankruptcy and the First Meeting of Creditors on December 19th, 2023, to all known creditors of Leash and Paws Inc., through email, fax or regular mail, as per the details provided by the debtor.

The claims of creditors as per the debtor’s sworn Statement of Affairs (“SOA”), and the claims received by the Trustee as of 5:00 PM, January 2, 2024 are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	6	60,005.00	--	0.00
Preferred Creditors	--	--	--	--
Secured Creditors	1	92,964.18	--	0.00
Total	7	152,969.18	--	0.00

The trustee is not aware of any preferred or trust claims at this time.

I. Secured Creditors

Toronto-Dominion Bank (“TD”) had financed \$92,963.18 to the debtor through the HASCAP (Highly Affected Sectors Credit Available Program). TD Bank has not filed a secured proof of claim to this date.

The trustee has reviewed the PPSA Registration via search conducted on November 26th, 2023, and the charge registered by the Toronto-Dominion Bank is reflected in the said search.

As advised by the debtor, the officer of the debtor have personally guaranteed some of the debt from TD.

J. Appraisal

Not applicable

K. Anticipated Realizations and Projected Distributions

The trustee, currently, does not expect any realization or distribution from the estate to the unsecured creditors.

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 at undervalue. Also, there are no funds in the estate to cover the costs associated to a detailed investigation and the creditors are advised that 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.
- Johnathan Lok-Yin Li had retained the services of Goldhar Consulting and Tax Services Inc. for consulting work and paid professional fee of \$11,500 plus HST on June 19, 2023 and later referred the debtor corporation 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 Leash and Paws Inc. are available on the Trustee's website at <https://www.Goldhar.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 December 20th, 2023, 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 Toronto in the Province of Ontario, this 3rd day of January 2024

Goldhar & Associates Ltd – Licensed Insolvency Trustee

Trustee of the estate of Leash and Paws Inc, a Bankrupt Debtor

and not in personal or corporate capacity



Per: Richard Goldhar, CIRP, LIT

Goldhar & Associates Ltd.

Claims Register

In the Matter of the Bankruptcy of
Leash & Paws Inc.
of the City of Toronto,
in the Province of Ontario

Insolvency Date: 15-Dec-2023

Estate Number: 31-3021943

<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. TD Canada Trust C/O FCT Default Solutions 1104 9319223-01	No	Not proved		1.00		
Total : Secured creditors				1.00		
Unsecured creditors						
1. CRA - Tax - Ontario 83607 7586 RP/RC0001	No	Not proved		1.00		
2. CRA - Tax - Ontario 836077586 RT0001	No	Not proved		1.00		
3. Elaine Cooper Employee	No	Not proved		1.00		
4. Ministry of Finance - Collections Branch, Non Tax Revenue Collections Unit Attn: Asta Alberry	No	Not proved		1.00		
5. TD Canada Trust C/O FCT Default Solutions 1104 9319223-01	No	Not proved		92,963.18		
6. TD Canada Trust C/O FCT Default Solutions 8144 7319223-01	Yes	Admitted		60,000.00	60,000.00	60,000.00
7. Workplace Safety and Insurance Board Attn: Eric Kupka	No	Not proved		1.00		
Total : Unsecured creditors				152,968.18	60,000.00	60,000.00
Grand Total:				152,969.18	60,000.00	60,000.00