

Province of Ontario
Division No.: 9-Toronto
Court No.: 31-3108897
Estate No. : 31-3108897

**IN THE MATTER OF THE BANKRUPTCY OF
CM CHA CHA CHA LTD.
OF THE CITY OF RICHMOND HILL,
IN THE PROVINCE OF ONTARIO**

Minutes of First Meeting of Creditors

The first meeting of creditors for the above-named debtor was held on the 15th day of August, 2024 at 1:00 PM at the Trustee's office located at 1220 Eglinton Avenue West, Toronto, ON and Via Zoom.

The meeting was Chaired by Parneet Singh.

1. Participants Present for the Meeting:

Name	Representing	Presence
Parneet Singh	Trustee and Chair for the meeting	Zoom Video Conference
Hien Van Tran	Director of Debtor Corporation	Zoom Video Conference

2. The Chairperson 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 any creditor may appeal to the court".

4. The Chairperson tabled the following documents:

- i) The Assignment
- ii) The sworn Statement of Affairs of the debtor
- iii) The Official Receiver's Certificate of Appointment
- iv) Notice of Bankruptcy in Local Paper
- v) Trustee's Preliminary Report (Attached as Appendix "A")
- vi) 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.

5. The Chair declared that no quorum could be established as there were no unsecured creditors present either in person or by proxy at the meeting.

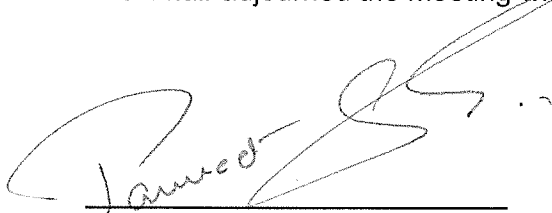
6. As a result of no quorum, the Chair declared that pursuant to section 106(2) of the BIA:

- a) The appointment of the Trustee is deemed to be confirmed; and

b) The meeting is adjourned *sine die*

7. **ADJOURNMENT OR CLOSING OF MEETING**

The Chair adjourned the meeting without setting a date at 1:15 PM.

A handwritten signature in black ink, appearing to read "Parneet Singh", is written over a horizontal line. The signature is stylized and cursive.

Parneet Singh, Chairman

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TRUSTEE'S PRELIMINARY REPORT

CM Cha Cha Cha Ltd. (the “Debtor” or the “Bankrupt”) made an assignment in bankruptcy on July 26, 2024.

Goldhar & Associates Ltd. (the “Trustee”) 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 at the first meeting of creditors.

The first meeting of creditors will be held on August 15, 2024 at 1:00 PM at the Trustee's office located at 1220 Eglinton Avenue West, Toronto, Ontario and Via Zoom

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

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

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”). 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. The Trustee has relied on the recent draft financial statements, compiled by the management of the Bankrupt and the discussion with management. The financial information is as provided by the Bankrupt and is neither reviewed nor audited and the Trustee does not express an opinion with respect to the validity, accuracy or the reliability of 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 formerly operating a dance studio and a fitness business from leased premises located at 120 Newkirk Road., Unit 2 & 3, Richmond Hill, Ontario. The business has been inactive since March, 2024 and the lease was terminated at the time operations ceased.

The details of the officer/director and shareholder of the corporation are set out below :

Name	Director	Shareholder
Hien Van Tran	Yes	Yes (100%)

B. Causes of Insolvency

The cause of bankruptcy as advised by the president of the Bankrupt is noted below and has not been verified by the Trustee for validity or accuracy.

The business was severely affected at the onset of the Covid pandemic due to the restrictions imposed to control the spread of the disease. There was a significant reduction in the number of clients during Covid and the Debtor's business has not recovered from the. There are nominal clients and the limited revenue is not sufficient to support the operating costs.

The Debtor continued to operate the business hoping for a turnaround which did not materialize. With no possibility for the revival of business going forward, the Debtor eventually filed an assignment in bankruptcy.

C. Operations

The debtor ceased operations in March 2024.

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

❖ Leased Premises and Equipment

The Debtor was formerly operating from leased premises located at 120 Newkirk Rd., Unit 2&3, Richmond Hill, Ontario. The lease was terminated and the premises were vacated at the time operations ceased.

❖ Books and Records

The officer of the Bankrupt has advised that the Corporate Tax Return has been filed for the reporting period ended December 31, 2023 and also advised the HST Return has been filed up to the reporting period ended December 31, 2023

The Trustee, at this time, does not have in its possession the entire accounting and bookkeeping backup for prior years, including cancelled cheques, or copies of past returns filed, as sought by

the Trustee. However, the officers of the Bankrupt have indicated they will extend the necessary support and cooperation to the Trustee in providing access to available 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.

❖ **Assets**

The financial statements provided by the Debtor (unaudited, not reviewed) for the reporting period ended December 2023 reflected fixed assets with a net book value of \$ 7,487.99. The Debtor has advised that the only available asset at the date of bankruptcy is an old speaker and an amplifier which the debtor expects to be worth approximately \$500.

Considering the nature and potential realizable value of the asset, the Trustee believes that the cost of possession, storage, safekeeping, etc will far exceed any expected realization and in view of the same, the Trustee has not taken possession of the assets.

The Trustee, at the first meeting of creditors, will be seeking approval from the creditors, or the inspectors, if appointed, regarding the disposal of the assets.

- **Bank Account**

The bank account for the corporation had previously been closed and the corporation did not have any bank account at the date of bankruptcy.

E. Employees

As advised by the officer of the Corporation, there were no employees within six months prior to the date of bankruptcy. The Trustee does not expect to be administering Wage Earners Protection Program (“WEPP”).

F. Legal Proceedings

There are no active litigation matters wherein the Bankrupt is involved as a defendant or plaintiff.

G. Conservatory and Protective Measures

There were no assets at the date of bankruptcy.

H. Provable Claims

The Trustee delivered the Notice of Bankruptcy and the First Meeting of Creditors on July 26, 2024, to all known creditors of the Bankrupt, 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, August 14, 2024, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	5	250,976.13	1	25,704.42
Preferred Creditors	--	--	--	--
Secured Creditors	-	--	1	10,358.88
Total	5	250,976.13	2	36,063.30

Note : The Trustee is not aware of any preferred or deemed trust claim at this time.

I. Secured Creditors

The Trustee has reviewed the PPSA Registration via search conducted on July 12, 2024 (file currency July 11, 2024) and the charge registered by Royal Bank of Canada ("RBC") is reflected in the said search.

The Trustee has provided the notice of bankruptcy to the secured creditor and has received a secured proof of claim from RBC. The said proof of claim has not been reviewed for its validity at this time as there are no assets in the estate.

J. Anticipated Realizations and Projected Distributions

The Trustee does not anticipate any realization for any unsecured creditors as there are no assets in the estate.

K. 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 with 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.

L. Other Matters

- Monica Tran had previously engaged the services of Goldhar Consulting and Tax Services Inc. and paid a professional fee in the amount of \$15,000 (inclusive of HST) on March 4, 2024 and later referred the Debtor. This was also reported by the Trustee on the Estate Information Summary form submitted to the Official Receiver at the time of the initial filing.
- Documents related to the bankruptcy of Debtor are available on the Trustee's website at <https://www.Goldhar.ca/corporate-engagements/>.

- On August 2, 2024, a newspaper advertisement was published in the Financial Post newspaper, informing creditors of the bankruptcy of the Bankrupt, and advising of the date and time of the first meeting of creditors.

Dated at the City of Toronto in the Province of Ontario, this 14th day of August, 2024

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Solely in its capacity as the Trustee of the estate of
CM Cha Cha Cha Ltd., a Bankrupt
and not in personal or corporate capacity

A handwritten signature in black ink, appearing to read "Parneet Singh", with a large, stylized flourish extending from the end of the name.

Per: Parneet Singh, CIRP, LIT

Goldhar & Associates Ltd.

Claims Register

In the Matter of the Bankruptcy of
CM CHA CHA CHA LTD.
of the City of Richmond Hill,
in the Province of Ontario

Insolvency Date: 26-Jul-2024

Estate Number: 31-3108897

<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. RBC Royal Bank c/o BankruptcyHighway.com Attn: Razel Bowen 43564997-001	Yes	Admitted		1.00	10,358.88	
Total : Secured creditors				1.00	10,358.88	
Unsecured creditors						
1. RBC Royal Bank c/o BankruptcyHighway.com Attn: Razel Bowen 43564997-001	Yes	Admitted		8,500.00		
2. RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Razel Bowen 4514055200254659	Yes	Admitted		26,821.50	25,704.42	25,704.42
Total : Unsecured creditors				35,321.50	25,704.42	25,704.42
Grand Total:				35,322.50	36,063.30	25,704.42