

Province of Ontario
Division No.: 9 Toronto
Court No.: 31-3122616
Estate No. : 31-3122616

**IN THE MATTER OF THE BANKRUPTCY OF
A & R ROOFING AND REPAIRS INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S PRELIMINARY REPORT

A & R ROOFING AND REPAIRS INC. (the "Debtor" or the "Bankrupt") made an assignment in bankruptcy on August 30, 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 September 18, 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 is an Ontario corporation, incorporated on March 1, 2013. The Bankrupt corporation was formerly operating a roofing and repair business. The business was formerly located at 427 Rimilton Ave., Toronto, On M6W 2G6. The business has been inactive since December, 2022.

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

Name	Director	Shareholder
Richard A. Cardona Gaviria	Yes	Yes (50%)
Albert Hachfeld	Yes	Yes (50%)

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.

As advised by the officer of the bankrupt corporation, the corporation has faced a significant decline in business activity over the months prior to ceasing operations. Despite efforts to stabilize operations during this period of financial difficulty, the Debtor was unable to manage ongoing costs due to outstanding debts and pending litigation. The persistent financial strain and lack of prospects for business recovery ultimately led the Debtor to file for bankruptcy.

C. Operations

The debtor ceased operations prior to the date of making the assignment in bankruptcy.

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

❖ Books and Records

The officer of the Bankrupt has advised that the Corporate Tax Return has been filed for the reporting period ended February 28, 2022 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

There were no assets with the corporation at the date of bankruptcy except for a 2011 Ford truck having VIN # 1FTVX1EF8BKD77512

This vehicle is non-operational (likely scrap) condition. Pursuant to the bankruptcy, the vehicle was picked up a licensed bailiff for storage and safekeeping as the debtor did not have any insurance for this vehicle.

The bailiff has advised that they have received an offer of \$ 2,200 for this vehicle and the buyer will additionally cover the storage and towing costs of the vehicle. The Trustee will be seeking

instructions from the creditors at the meeting or from the inspectors, if appointed regarding the disposal of said asset.

- **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

Toronto Dominion Bank (“TD”) had initiated an action under Court file # CV 24-00000309-0000 wherein the debtor is one of the defendants. A notice of bankruptcy has been provided to TD and a proof of claim has been filed by TD with the Trustee in this proceeding.

G. Conservatory and Protective Measures

As noted earlier in the report, the vehicle owned by the Debtor has been possessed by the bailiff and the Trustee will be seeking instructions from the creditors at the meeting or from the inspectors, if appointed regarding the disposal of said asset.

H. Provable Claims

The Trustee delivered the Notice of Bankruptcy and the First Meeting of Creditors on August 30, 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, September 17, 2024, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	5	5.00	2	47,972.31
Preferred Creditors	--	--	--	--
Secured Creditors	1	44,535.78	--	--
Total	5	44,540.78	2	47,972.31

I. Secured Creditors

The Trustee has reviewed the PPSA search conducted by the Trustee on August 6, 2024 (file currency August 5, 2024) and there appears to be a charge registered by TD Bank as reflected in the said search.

The Trustee has provided the notice of bankruptcy to the secured creditor however, the proof of claim filed by TD is unsecured.

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

J. Anticipated Realizations and Projected Distributions

The Trustee does not anticipate any realization for any unsecured creditors as there are nominal 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

- Richard Cardona and Albert Hachfeld retained the services of Goldhar Consulting & Tax Services Inc. and both paid professional fees of \$5,000 plus HST each in February, 2024 and later referred the debtor. This was also reported

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 Debtor are available on the Trustee's website at <https://www.Goldhar.ca/corporate-engagements/>.
- On September 10, 2024, a newspaper advertisement was placed 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 17th day of September, 2024

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of
A & R Roofing and Repairs Services Inc., a Bankrupt
And not in personal or corporate capacity

Per: _____

PARNEET SINGH, CIRP, LIT