

Province of Ontario
Division No.: 9 Toronto
Court No.: 31-3145318
Estate No. : 31-3145318

**IN THE MATTER OF THE BANKRUPTCY OF
12348632 CANADA INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S PRELIMINARY REPORT

12348632 Canada Inc. (the "Debtor" or the "Bankrupt") made an assignment in bankruptcy on October 25, 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 November 14, 2024 at 11:00 AM 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 September 17, 2020. The Debtor was engaged in providing educational services and was formerly operating from 1061 McNicoll Avenue, 2nd Floor, Toronto. The Debtor ceased operations on April 1, 2022.

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

Name	Director	Shareholder
Kai Ren	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 Covid-19 pandemic posed substantial challenges for the Debtor. As noted by the company's officer, the pandemic lockdown severely impacted operations, particularly because the business primarily relied on international students, who were unable to enter the country. When restrictions were lifted, the school found itself without sufficient students or funding to resume operations. Despite efforts to secure financial support, the debtor was unable to obtain the necessary resources to continue running the school and meet the day to day expenses. The Debtor ceased operations in April 2022 and eventually filed an assignment in bankruptcy.

C. Operations

The debtor ceased operations prior to 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 August 31, 2022 and also advised the HST Return has been filed up to the reporting period ended August 31, 2022.

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

No assets with the Debtor at the date of bankruptcy.

• Cash in the Bank

As per the information provided by the officer of the Debtor, there were approximately \$ 2,642.35 in the Debtor's bank account at the date of bankruptcy. The Trustee has informed the bank of the bankruptcy and has requested that any available funds be transferred to the Trustee for the benefit

of the estate and that no further transactions and withdrawals be permitted from this account. The Trustee has also requested the bank for a recent statement of account. A response from the Bank is awaited.

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

G. Conservatory and Protective Measures

Not applicable, no assets on the date of bankruptcy.

H. Provable Claims

The Trustee delivered the Notice of Bankruptcy and the First Meeting of Creditors on November 14, 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, November 13, 2024, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	6	6.00	-	-
Preferred Creditors	--	--	--	--
Secured Creditors	1	269,906.61	1	321,288.99
Total	7	269,912.61	1	321,288.99

I. Secured Creditors

The Trustee has reviewed the Ontario Personal Property Registry via search conducted by the Trustee on August 31, 2024 (file currency August 30, 2024) and the charge registered by Bank of Montreal is reflected in the said search.

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 or distributions to any creditors.

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

- Documents related to the bankruptcy of Debtor are available on the Trustee's website at <https://www.Goldhar.ca/corporate-engagements/>.
- On November 5, 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 13th day of November, 2024

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of
12348632 Canada Inc. o/a Maple Union Academy, a Bankrupt
And not in personal or corporate capacity

Per: 

PARNEET SINGH, CIRP, LIT