

Province of Ontario
Division No.: 9 Toronto
Court No.: 31-3157657
Estate No. : 31-3157657

**IN THE MATTER OF THE BANKRUPTCY OF
CHAMPAGNE CAPITAL ADVISORY INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S PRELIMINARY REPORT

Champagne Capital Advisory Inc. (the “Debtor” or the “Bankrupt”) made an assignment in bankruptcy on November 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 December 12, 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 April 1, 2020. The Bankrupt corporation was engaged in providing consulting and advisory services. The registered address of the corporation was a suite at 39 Queens Quay East, Toronto, Ont. M5E 0A5, which was the former residence of the officer of the Bankrupt. The business formerly operated from a suite at 23 Brant Street, Unit 412, Toronto Ont. M5V 2L5 which is the current primary residence of the officer of the Bankrupt. The business ceased operations in August 2024.

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

Name	Director	Shareholder
Andra Enescu	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.

Champagne Capital Advisory Inc.'s financial difficulties stem from a series of personal and business challenges. These include the struggles faced by the officer while running a private cannabis company during the COVID-19 pandemic, the financial strain from a lease obligation after a partner lost their income, and a downturn in client flow and economic conditions within Canada's capital markets.

Efforts to stabilize the business, including consulting roles and a position at a fintech startup, were hindered by operational difficulties, mounting liabilities, and unfulfilled compensation promises. The cumulative impact of these factors, along with unresolved financial obligations, has led to the decision to file for insolvency.

C. Operations

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

D. 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 the HST Returns have 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.

E. Assets

- **Cash in the Bank**

The Trustee has informed the bank of the bankruptcy and has requested that all funds available, if any, 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 copy of the recent statement of the account. A response from the bank is awaited.

- **Book Debts**

The Debtor had advanced \$97,083 from company's funds to officer of the debtor corporation. There is no expected recovery of this amount as the debtor has initiated personal insolvency proceedings and filed a Notice of Intention to make a Proposal.

- **Other Assets**

The Debtor did not have any other assets at the date of bankruptcy.

F. Employees

As advised by the officer of the Corporation, there were no employees within six months prior to the date of bankruptcy. The officer of the Corporation has advised that there are no arrears to the employees for wages, vacation or termination pay. The Trustee does not expect to be administering Wage Earners Protection Program ("WEPP").

G. Legal Proceedings

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

H. Conservatory and Protective Measures

As noted earlier in the report, the Debtor did not have any assets at the date of bankruptcy and no conservatory or protective measures were required.

I. Provable Claims

The Trustee delivered the Notice of Bankruptcy and the First Meeting of Creditors on December 12, 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, December 11, 2024, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	4	62,375.63	-	-
Preferred Creditors	--	--	--	--

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Secured Creditors	--	-	--	--
Deemed Trust Claim	--	--	-	-
Total	4	62,375.63	-	-

J. Secured Creditors

The Trustee conducted a search of the Ontario Personal Property registry on November 18, 2024 (file currency November 17, 2024) and there appears to be no registered security charges.

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

K. Anticipated Realizations and Projected Distributions

The Trustee does not anticipate any realization or distribution for any 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 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.

M. Other Matters

- Documents related to the bankruptcy of Debtor are available on the Trustee’s website at <https://www.Goldhar.ca/corporate-engagements/>.
- On December 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.
- The Trustee has been provided with a third-party deposit in the amount of \$11,300.00 by Ms. Andra Enescu to cover the trustee’s professional fee in the administration of the estate. The funds are not estate funds and are maintained in the trustee’s third-party trust account. This has also been reported on the Estate Information Summary submitted to the Official Receiver at the time of initial filing.

Dated at the City of Toronto in the Province of Ontario, this 11th day of December, 2024

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of
Champagne Capital Advisory Inc., a Bankrupt
And not in personal or corporate capacity

Per:  *Parneet Singh*
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