

Province of Ontario
Division No.: 7 Hamilton
Court No.: 32-3194409
Estate No. : 32-3194409

**IN THE MATTER OF THE BANKRUPTCY OF
1992789 ONTARIO INC.
OF THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S PRELIMINARY REPORT

1992789 Ontario Inc. (the “**Debtor**” or the “**Bankrupt**”) made an assignment in bankruptcy on March 5, 2025.

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 March 24, 2025 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 incorporated in August 2018 with its registered office located at Crerar Drive, Hamilton, Ontario, the former residence of the director of the corporation. The Debtor was operating a fast-food restaurant business under the franchise of Fit for Life. The business was formerly operating at leased premises located at Jackson Square Mall, 2 King Street West, Unit 15, Hamilton, Ontario.

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

Name	Director	Shareholder
Golam Khandaker	Yes	Yes (100%)

B. Causes of Insolvency

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

The business is located in a shopping mall and primarily relied upon the visitors to the mall for business however, the reduction in mall hours and the reduced footfall has adversely affected the business.

Many of the regular customers, especially office workers, stopped visiting as they transitioned to remote work or reduced their time spent out of the house further affecting the sales.

The closure of a nearby hockey arena, which was a key source of business for the restaurant during the hockey season has also contributed to the struggles of the business.

The business was unable to meet its payment obligations and eventually filed an assignment in bankruptcy.

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

❖ Books and Records

The officer of the Bankrupt Corporation has advised that the Corporate Tax Return has been filed for the reporting period ended December 31, 2024 and also advised the HST Return has been filed up to the reporting period ended December 31, 2024. The officer of the Bankrupt Corporation acknowledges and understand that he may be required to complete the pending tax returns with CRA to the date of bankruptcy.

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.

The notice of bankruptcy has been provided to CRA and CRA has not filed proof of claim to this date.

❖ **Leased Premises and Equipment**

The debtor corporation is party to an active lease agreement with Second Real Properties Limited, pertaining to the premises situated at Jackson Square Mall, 2 King St. W., Hamilton, Ontario L8P 1A1. The operations have ceased on the date of bankruptcy; however, the lease for the premises is current as advised by the officer of bankrupt corporation as there are still assets/equipment located at the premises.

The last payment towards rent for the premises was made in December 2024 and there are arrears for rent. The matter of termination/disclaimer of lease will be discussed at the meeting of creditors and the trustee will be seeking instructions from the creditors or inspectors (if appointed) during the first meeting of creditors.

❖ **Intangible Assets**

The intangible assets listed on the financial statements in the amount of \$100,000 represent the franchise purchase price and is not recoverable.

❖ **Other Assets**

➤ **Equipment, Furniture & Fixtures**

The Debtor had kitchen equipment, furniture and fixtures at the restaurant with an estimated book value of approximately \$ 35,000.

The trustee had engaged the services of Corporate & General Appraisers to provide a liquidation value of the assets. The realizable value of the assets is estimated to be approximately \$ 4,000 and the appraiser did not show any interest in providing an offer for the assets.

Considering the estimated value of the assets and the potential costs for pickup, storage, safekeeping and selling the assets, the Trustee has not taken possession of the assets and the assets are still located at the operating location of the business.

The trustee will seek instructions from the creditors at the first meeting of creditors, or from the inspectors, if appointed for the estate, for the disposal of these assets.

➤ **Funds 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 and that no further transactions and withdrawals be permitted from this account. The Trustee has also requested a recent statement of account to be able to reconcile the final balance.

D. Employees

The Debtor had one employee on the date of bankruptcy who was related to the director/officer of the corporation.. The arrears of wages have been reported on the statement of affairs. The Trustee does not expect the former employee's to be eligible under the Wage Earners Protection Program ("WEPP").

E. Legal Proceedings

The Debtor was not involved in a litigation as a defendant or plaintiff.

F. Conservatory and Protective Measures

As previously noted, the Trustee has not taken possession of the assets.

G. Provable Claims

The Trustee delivered the Notice of Bankruptcy and the First Meeting of Creditors on March 5, 2025, 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, March 21, 2025, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	14	403,183.11	-	-
Preferred Creditors	-	-	--	--
Secured Creditors	1	2,558.02	--	--
Deemed Trust Claim	1	1.00	-	-
Contingent	-	-	-	-
Total	16	403,183.11	-	-

H. Secured Creditors

The Trustee conducted a search of the Ontario Personal Property Registration on February 11, 2025 (file currency February 10, 2025) and Royal Bank of Canada ("RBC") appears to have registered security interest against the Debtor. RBC has been notified about the Debtor's bankruptcy and a secured proof of claim is awaited.

The Trustee is not aware of any deemed trust claim. The landlord may have a preferred claim for arrears of rent.

I. Anticipated Realizations and Projected Distributions

The Trustee does not anticipate any realization or distribution to the unsecured creditors at this time.

J. 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. It is the intention of the Trustee to discuss the scope of such a review if required with the Inspectors, if any appointed for the estate.

K. Other Matters

- Golam Khandaker retained services of Goldhar Consulting & Tax Services Inc. and paid \$10,000.00 inclusive of HST on December 24, 2024 and later referred the debtor. This was also reported by the Trustee on the Estate Information Summary submitted to the Office of the Superintendent in Bankruptcy.
- Documents related to the bankruptcy of Debtor are available on the Trustee's website at <https://www.Goldhar.ca/corporate-engagements/>.
- On March 11, 2025, 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 24th day of March, 2025

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of
1992789 Ontario Inc., a Bankrupt
And not in personal or corporate capacity

Per:  *Panneet Singh*
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