

Province of Ontario
Division No.: 09 Toronto
Court No.: 31-3206639
Estate No. : 31-3206639

**IN THE MATTER OF THE BANKRUPTCY OF
THE KANDY KRAZED COMPANY INC.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S PRELIMINARY REPORT

The Kandy Krazed Company Inc. (the “Debtor” or the “Bankrupt”) made an assignment in bankruptcy on April 2, 2025.

Goldhar & Associates Ltd. (the “Trustee”) has been appointed by the Office of Superintendent of Bankruptcy (“OSB”) 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 April 22, 2025, at 1:00 PM at the Trustee’s office located at 1220 Eglinton Avenue West, Toronto, Ont. 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 Bankrupt was incorporated on June 25, 2021. The Bankrupt was formerly operating a retail candy store. The company's registered office is located at 426 Eglinton Avenue West, Toronto, Ontario where it formerly operated from.

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

Name	Director	Shareholder
Steven Daniel Davidson	Yes	Yes (50%)
Shayna Joey Vogel	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.

The company encountered major financial difficulties following the separation of its two directors, who were previously married and had managed the business together. After one director left, the remaining one lacked the experience to effectively run the company, leading to poor financial management and growing debt. Struggling to meet obligations, including lease payments, the company was eventually locked out of its premises, which brought operations to a halt. These issues ultimately led to insolvency, leaving the business unable to continue.

With no hopes for a revival of the business, the Debtor eventually made an assignment in bankruptcy.

C. Operations

As advised by the officer of the Bankrupt, the corporation 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

❖ Leased Premises and Assets

As advised by the officer of the Bankrupt, there is no active lease agreement in place. The lease for the premises at 426 Eglinton Avenue West, Toronto, Ontario was terminated due to non-payment, with arrears reflected in the statement of affairs. Upon termination of access, the lessor retained possession of all assets remaining on the premises.

❖ 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, 2024 and also advised the HST Return has been filed up to the reporting period ended June 30, 2024.

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 Bankrupt does not have any assets at the date of bankruptcy.

❖ **Bank Account**

The Debtor is unable to access the bank account of the corporation but was able to provide bank statements leading up to December 2024. The officer of the Debtor corporation advised the account is in arrears. A letter to the bank was sent on April 2, 2025 by regular mail.

E. Employees

According to the officer of the Debtor, there are no employees, and the company has not had any employees for the past six months, except for the director. 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 April 2, 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, April 21, 2025, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	24	325,449.00	2	8,079.56
Preferred Creditors	--	--	--	--
Secured Creditors	-	--	--	--
Total	24	325,449.00	2	8,079.56

I. Secured Creditors

The Trustee conducted a search of the Ontario Personal Property Registration on December 3, 2024 (file currency up to December 2, 2024) and there appears to be no registered security interest.

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

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. 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.

L. Other Matters

- Howard Davidson, a person related to the officer of the Bankrupt, consulted with Goldhar Consulting and Tax Services Inc. and paid a fee of \$11,300 (inclusive of HST) on December 16, 2024. Since these fees were paid more than sixty days prior to the date of bankruptcy, pursuant to OSB Directive 15, the payment does not form part of the estate funds.

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 April 4, 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 21st day of April, 2025

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of The Kandy Krazed Company Inc.
And not in personal or corporate capacity


SFXJB4REDLKZ4CTB

Per: Joel Kideckel, CIRP, LIT