

Province of Nova Scotia
Division No.: 03 Sydney
Court No.: 46102
Estate No. : 51-3217592

**IN THE MATTER OF THE BANKRUPTCY OF
F. MACK AUTO SALES LIMITED
OF THE CITY OF SYDNEY
IN THE PROVINCE OF NOVA SCOTIA**

TRUSTEE'S PRELIMINARY REPORT

F. Mack Auto Sales Limited (the “Debtor” or the “Bankrupt”) made an assignment in bankruptcy on April 30, 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 May 16, 2025 at 10:30 AM at the Trustee's office located at 465 George Street, Unit B 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 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 corporation formerly operated an auto sales and repairs business under the name F. Mack Auto Sales Limited. The business was located at 18 Loyola Crescent, Sydney, Nova Scotia, a property owned by the Director. The Director/President of the debtor corporation passed away on June 29, 2023.

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

Name	Director	Shareholder
The Estate of the Late John Fergus MacKinnon	No	Yes (100%)

B. Causes of Insolvency

The cause of bankruptcy as advised by Mr. Kyle MacKinnon, the executor of the estate of The Late John Fergus MacKinnon is noted below and has not been verified by the Trustee for validity or accuracy.

The corporation filed for bankruptcy following the unexpected passing of its Director/President on June 29, 2023. As the key decision-maker of the company's operations, his absence significantly disrupted business continuity. Without a clear succession plan in place, the corporation faced difficulties managing its financial obligations, maintaining client relationships and executing strategic decisions. The executor ultimately led to the decision to seek bankruptcy protection.

C. Operations

There were no operations on the date of bankruptcy.

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

❖ Leased Premises and Equipment

There are no leased premises, asset or equipment at the date of bankruptcy

❖ Books and Records

The executor of the estate has advised that the corporate income tax return has been filed for the reporting period ended December 31, 2021, and also advised the HST Return has been filed up to the reporting period ended December 31, 2021.

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 executor has indicated they will extend the necessary support and co-operation 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

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

❖ Bank Account

Debtor's bank account was closed prior to the bankruptcy.

E. Employees

As advised by the executor, the Corporation, had 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 are no active litigation matters wherein Bankrupt is involved as a defendant or plaintiff.

G. Conservatory and Protective Measures

There were no assets on the date of bankruptcy.

H. Provable Claims

The Trustee delivered the Notice of Bankruptcy and the First Meeting of Creditors on May 16, 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, May 14, 2025, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	8	39,598.63	4	35,902.64
Preferred Creditors	--	--	--	--
Secured Creditors	3	2.00	--	--
Total	9	39,600.63		

I. Secured Creditors

The Nova Scotia Personal Property Search was conducted by the Trustee on April 15, 2025, and the report indicates that there appears to be three registered security interest against the debtor corporation. The first charge is registered by Royal Bank of Canada, the second charge is registered by Automotive Finance Canada Inc. and the third charge is registered by Vault Credit Corporation. All secured creditors have been provided with the notice of Bankruptcy, however the Trustee has not received any secured claim to date.

The Trustee is not aware of any deemed trust of 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 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

- Kyle MacKinnon provided a deposit in the amount of \$11,500 (inclusive of HST) on April 11, 2024, and the funds are held in the Trustee's third-party trust account. These are not 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 May 6, 2024, a newspaper advertisement was placed in The Chronicle Herald newspaper, informing creditors of the bankruptcy of the Debtor, and advising of the date and time of the first meeting of creditors.

Dated at the City of Sydney in the Province of Nova Scotia, this 15th day of May, 2025

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of
F. Mack Auto Sales Limited, a Bankrupt
And not in personal or corporate capacity



Leonard Shaw

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Per: Leonard Shaw, CIRP, LIT