

District of: Ontario  
Division No. 07-Hamilton  
Court No. 32-3051280  
Estate No. 32-3051280

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
1970674 ONTARIO INC.

Trustee: MNP Ltd.

SECTION A - Background

1970674 Ontario Inc. (the “**Company**”) operated a Whimpy’s fast food restaurant franchise from leased premises at 60 Main Street East, Grimsby, Ontario. The Company was incorporated in May 2017 and Nazbur Rahman is the sole director.

The Company struggled through the lockdowns associated with Covid-19 pandemic. The financial statements reflect a net loss of \$194,000 for the year ended June 30, 2021. The Company fell behind on payments to its secured lender and landlord. In 2021 the Company ceased operations and abandoned the leased premises and all of its contents to the landlord.

The Company made an assignment in bankruptcy on March 4, 2024. MNP Ltd. was appointed as trustee. (the “**Trustee**”).

CLASS I - Stocks of merchandise

There was no inventory owned by the Company.

CLASS II - Plant, machinery, equipment, and office

All equipment owned by the Company was abandoned at the leased premises when the landlord changed the locks.

CLASS III - Buildings and real estate

The Company did not own real estate.

CLASS IV - Books and records

The Trustee has received the books and records required to administer the bankruptcy.

CLASS V - Other assets

None known.

Property of Bankruptcy not divisible amongst creditors by virtue of Section 67(b), of the Bankruptcy and Insolvency Act

None known.

Property placed under the guardianship of the Company

None known.

## SECTION B

1. Conservatory and protective measures

There are no conservatory and protective measures to be taken.

2. Carrying on business

The Company's operations ceased prior to bankruptcy.

## SECTION C - Legal proceedings

None known.

## SECTION D - Provable claims

Creditor Class	Per Statement of Affairs	Proven
Deemed Trust	\$nil	\$nil
Secured	\$nil	\$nil
Preferred	\$nil	\$nil
Unsecured	\$208,596	\$nil
<b>Total</b>	<b>\$208,596</b>	<b>\$nil</b>

## Secured Creditors

Royal Bank has registered a general security against the assets of the Company on the Ontario Personal Property Security Registry.

## SECTION F - Anticipated realizations and projected distribution

There is not expected to be a distribution to unsecured creditors.

## SECTION G - Reviewable transactions and preferential payment

The Trustee has reviewed the bank statements for the twelve months preceding bankruptcy and did not find any evidence of preferences or reviewable transactions.

## SECTION H - Other matters

The Trustee has received a third-party deposit of \$12,000 from Royal Bank to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 25<sup>th</sup> day of March 2024.

MNP Ltd.  
Licensed Insolvency Trustee of  
1970674 Ontario Inc.



Per: Rob Smith CPA, CA, CIRP, LIT  
Senior Vice-President



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IN THE MATTER OF THE BANKRUPTCY OF  
1970674 Ontario Inc.

Carrying on business in the Town of Grimsby  
In the Region of Niagara  
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.  
557 Southdale Road East, Suite 201  
London, ON N6E 1A2



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**LICENSED INSOLVENCY TRUSTEES**  
201 – 557 SOUTHDAL ROAD EAST, LONDON ON N6E 1A2  
P: 519-964-2200 F: 519-964-2210 **MNPdebt.ca**