

District of: Ontario
Division No. 09-Mississauga
Court No. 32-2899903
Estate No. 32-2899903

TRUSTEE'S PRELIMINARY REPORT
IN THE MATTER OF THE BANKRUPTCY OF
2563434 ONTARIO INC.

Trustee: MNP Ltd.

SECTION A - Background

2563434 Ontario Inc. (the “Company”) was incorporated February 27, 2017. It was an owner managed Lettuce Love Café franchise, specializing in gluten free and plant-based meals operating from leased premises at 399 John St., Burlington, Ontario.

The restaurant opened for business in June 2017. The Covid-19 pandemic hit while the Company was still struggling to establish. The resulting lockdowns and economic impact severely impacted the Company’s sales and ability to recruit and retain staff. Management began marketing the location for sale in the Summer of 2022. A purchaser was found who purchased all assets of the business, essentially for the assumption of a \$175,000 secured loan owing to BDC. The sale closed December 15, 2022.

The Company made an assignment in bankruptcy on January 10, 2023. MNP Ltd. was appointed as trustee. (the “Trustee”).

CLASS I - Stocks of merchandise

The Company did not have any inventory.

CLASS II - Plant, machinery, equipment, and office

All restaurant equipment was included in the business sale.

CLASS III - Buildings and real estate

The Company did not own real estate.

CLASS IV - Books and records

The Trustee has taken possession of 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

The Trustee has written Scotiabank requesting the bank be frozen.

2. Carrying on business

The Company's operations ceased prior to bankruptcy.

SECTION C - Legal proceedings

There are no legal proceedings the Trustee is aware of.

SECTION D - Provable claims

	As per Statement of Affairs	Claims Received to Date
Unsecured	\$161,933	Nil
Preferred	Nil	Nil
Secured	Nil	Nil
Deemed trust	Nil	Nil
Total	\$161,933	Nil

SECTION E - Secured creditors

There are no registered secured creditors.

SECTION F - Anticipated realizations and projected distribution

There may be a small distribution from the estate if depending on the funds in the Company bank account. The Trustee continues to pursue this information and a release of the funds from Scotiabank. Any distribution would be nominal, likely less than 10%.

SECTION G - Reviewable transactions and preferential payment

The Trustee has done a review of the bank statements for the last twelve months and found no indication of reviewable transactions or preferential payments.

SECTION H - Other matters

The Trustee has received third-party deposits totaling \$12,000 from the Company directors, Neven Madzarac and Melissa Rivers to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 27th day of January 2023.

MNP Ltd.
Licensed Insolvency Trustee of
2563434 Ontario Inc.



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

Mississauga
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IN THE MATTER OF THE BANKRUPTCY OF
2563434 Ontario Inc.

Carrying on business in the City of Burlington,
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.
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