

District of: Ontario
Division No. 05-London
Court No. 35-3069089
Estate No. 35-3069089

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF 2646590 ONTARIO INC.

Trustee: MNP Ltd.

SECTION A – Background

2646590 Ontario Inc. (the “**Company**”) operated a Fionn MacCool’s franchised restaurant from leased premises in Guelph, Ontario. Sean Mangan was the sole director. The Company fell behind on rent during the lockdowns brought on by the COVID-19 pandemic. In 2023 it was attempting to negotiate settlement of the rent arrears. At the same time the brand was sold to a new franchisor. Unfortunately, neither the Company, nor the new franchisor was successful in their negotiations. In fact, the landlord increased the rent from \$27,000 to \$41,000 per month. The Company also fell behind on HST and Source Deductions owing to CRA, accumulating arrears of approximately \$200,000. The Company could not generate sufficient sales to justify the increased rent amount so in June 2023 made the decision to shut down. The Company made an assignment in bankruptcy on April 17th, 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

There was no equipment owned by the Company.

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

There are no other assets the Trustee is aware of.

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 were no conservatory measures to be taken.

2. Carrying on business
The Company's operations ceased operating June 2023, 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	\$45,078.21	\$nil
Total	\$45,078.21	\$nil

Secured Creditors

There are no Secured Creditors the Trustee is aware of.

SECTION F - Anticipated realizations and projected distribution
The Trustee does not anticipate a distribution in this estate.

SECTION G - Reviewable transactions and preferential payment
The Trustee has reviewed the bank statements for the twelve months preceding bankruptcy and found no evidence of preference payments or reviewable transactions.

SECTION H - Other matters
The Trustee received a deposit of \$12,000 from Sean Mangan to cover the fees and costs of the bankruptcy.

Dated at London, Ontario this 5th of May 2024.

MNP Ltd.
Licensed Insolvency Trustee of
2646590 Ontario Inc.



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

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IN THE MATTER OF THE BANKRUPTCY OF
2646590 ONTARIO INC.

Carrying on business in the City of Cambridge
In the Municipality of Waterloo
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.
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