

District of: Ontario  
Division No. 08-Waterloo  
Court No. 35-2861640  
Estate No. 35-2861640

## TRUSTEE'S PRELIMINARY REPORT

### IN THE MATTER OF THE BANKRUPTCY OF CATHY'S CORNER CAFÉ, DELI & SWEETS INC.

Trustee: MNP Ltd.

#### SECTION A - Background

Cathy's Corner Café, Deli & Sweets Inc. (the "Company") was incorporated February 12, 2019. It was an owner managed restaurant café operating from leased premises at 50 Queen Street North, Kitchener, Ontario.

The Company operated on the ground floor of a large office building. The business occupants and their employees were the main restaurant clientele. The normal (pre-Covid) building capacity was 650 people. After the imposed lockdowns resulting from the Covid-19 pandemic, resulting with many people switching to work from home, the majority of the office building was vacant. The Company remained open until June 17, 2022, struggling with significantly reduced revenue and relying on government Covid relief programs. At that time the occupancy of the office building had been reduced to 32. Ultimately management made the decision the business was no longer viable and ceased operations.

The Company made an assignment in bankruptcy on September 1, 2022. 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

The majority of the restaurant equipment was liquidated prior to the insolvency and the proceeds deposited to the Company bank account. A nominal amount of equipment remained listed on Kijiji at the date of bankruptcy but is assumed to be non-sellable with no value.

#### 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

The Company had cash on hand of \$5,839.27 at the date of bankruptcy.

**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 business was shut down prior to bankruptcy. The Trustee has taken no conservatory or protective measures.

#### **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	\$61,839.67	Nil
Preferred	Nil	Nil
Secured	\$29,160.73	Nil
Deemed trust	\$4,088.70	Nil
<b>Total</b>	<b>\$100,928.37</b>	<b>Nil</b>

### SECTION E - Secured creditors

Alpine Specialty Chemicals Ltd. registered a secured charge over a leased dishwasher that was sold prior to the bankruptcy.

Royal Bank of Canada has registered general security against the Company. The bank has not yet filed a proof of claim.

### SECTION F - Anticipated realizations and projected distribution

There is no distribution expected in this estate.

**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 a third-party deposit of \$4,160.73 from Steve Friend to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 19<sup>th</sup> day of September 2022.

MNP Ltd.  
Licensed Insolvency Trustee of  
Cathy's Corner Café, Deli & Sweets Inc.



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

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IN THE MATTER OF THE BANKRUPTCY OF  
CATHY'S CORNER CAFÉ, DELI & SWEETS INC.

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

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