

District of: Ontario
Division No. 05-London
Court No. 35-2894159
Estate No. 35-2894159

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF CRANE WISE INC.

Trustee: MNP Ltd.

SECTION A - Background

Crane Wise Inc. ("**Crane Wise**" or the "**Company**") was incorporated December 23, 2019. Corey Palmer is the sole director. The Company offered crane inspection and repair services, operating from owned premises in London, Ontario.

The Company's financial challenges began in late 2021 when it lost a major customer that represented approximately 70% of its business. The challenges were made worse due to high costs of financing on two different mortgages received over the owned real estate. The Company had a first mortgage in place of approximately \$812,500 and received a second mortgage (from the same lender), of approximately \$400,000 to fund construction of a new steel shed. The terms on both mortgages required prepayment of one year's worth of principal, interest and fee payments. It was the Company's intention to complete the construction and refinance both mortgages with a Schedule A bank at the expiry of the one year term. However, the construction was delayed by the builder and was not completed on expiry of the mortgage. Crane Wise was not able to refinance the mortgage, and the mortgagee demanded immediate payment of both mortgages. Crane Wise was not able to pay.

In late Summer 2022 Crane Wise made the decision to cease operations and terminated all employees.

The Company made an assignment in bankruptcy on December 15, 2022. MNP Ltd. was appointed as trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

There was no inventory at the date of bankruptcy.

CLASS II - Plant, machinery, equipment, and office

The Company owned an office trailer. The trustee has made arrangements with Gardner Auctions to remove and liquidate the trailer, subject to approval of inspectors appointed at today's meeting. The hydro running to the trailer must be disconnected by London Hydro prior to moving it. The Trustee has requested disconnection from London Hydro and is awaiting a response to same.

CLASS III - Buildings and real estate

The Company owns the real property at 11 Charterhouse Crescent in London Ontario. This property was listed for sale at \$600,000 prior to the bankruptcy. There are mortgages registered by 2757043 Ontario Inc.

against the property in excess of \$1.2 million. The Mortgagee has not yet filed a claim in the bankruptcy. The Trustee does not expect there is any equity available to the bankruptcy estate in this property.

CLASS IV - Books and records

The Trustee has taken possession of 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

The business was shut down prior to the bankruptcy. No conservatory and protective measures were necessary.

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

Creditor Class	Per Statement of Affairs	Proven
Deemed Trust	\$nil	\$nil
Secured	\$1,216,000	\$nil
Preferred	\$nil	\$nil
Unsecured	\$47,898	\$nil
Total	\$1,263,898	\$nil

Secured creditors

There are no security registrations on the Ontario Personal Properties Security Registry.

As noted previously 2757043 Ontario Inc. has registered two charges amounting to approximately \$1.2 million against the real property owned by Crane Wise.

SECTION E - Anticipated realizations and projected distribution

The likelihood of a distribution to unsecured creditors is not yet known. This will depend on realizations on the trailer, net of costs to disconnect, move and sell. If there is a distribution it is expected to be nominal.

SECTION F - 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 G - Other matters

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

Dated at London, Ontario this 3rd day of January 2023.

MNP Ltd.

Licensed Insolvency Trustee of
Crane Wise Inc.



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

Division No. 05-London
Court No. 35-2894159
Estate No. 35-2894159

IN THE MATTER OF THE BANKRUPTCY OF
CRANE WISE INC.

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

TRUSTEE'S PRELIMINARY REPORT

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