

District of ON
Division No. 12
Court No. 33- 165628
Estate No. 33-165628

TRUSTEE'S PRELIMINARY REPORT

In the matter of the bankruptcy of
Dowling Metal & Fabrication Inc.
of the City of Ottawa, in the Province of Ontario

Trustee: MNP LTD.

SECTION A

On September 18, 2017, an assignment for the General Benefit of Creditors was by the Court Appointed Receiver, MNP LTD. pursuant to a Court Order granted on September 18, 2017. The assignment was filed with the Official Receiver.

Class I- Stocks of Merchandise

The Company ceased operations prior to the assignment in bankruptcy and all manufacturing locations were taken over by the Court Appointed Receiver.

Class II - Plant, Machinery and Equipment and Office Equipment

The office furniture and fabrication equipment was in possession of the Court Appointed Receiver. These assets were being sold via a public auction. The 4 Company vehicles were in possession of the Court Appointed Receiver.

Class III – Buildings and Real Estate

The Company operated from rented premises located at 30 Binnignton Court, Kingston, Ontario.

Class IV – Books and Records

The director of the Company and the management team removed most of the Company books and records of the Company other than payroll records. The trustee has not been able to obtain the information.

Class V – Other Assets

The accounting records report \$75,000 in various accounts receivable. Collections letters were issued by the Court Appointed Receiver and there will be no realization for the file.

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

None

Property Placed Under the Guardianship of the Debtor

None

SECTION B

1. Conservatory and Protective Measures

The assets of the Company are in possession of the Court Appointed Receiver.

2. Carrying on Business

The Company had ceased active operations on July 7, 2017. The trustee did not operate the business.

SECTION C – Legal Proceedings

The trustee is not aware of any legal proceedings that will carry on post bankruptcy.

SECTION D – Provable Claims

The trustee has received several provable claims as reported in the claims register presented.

SECTION E – Secured Creditors

The trustee has received 1 secured claim as at the date of this report. A receiver was appointed on July 7, 2017.

SECTION F – Anticipated Realization and Projected Distribution

There will be no realization for secured creditors.

SECTION G – Reviewable Transactions and Preference Payments

The trustee is reviewing transactions completed with a related party Cuznal Industries and representatives of the management team.

SECTION H – Other Matters

There are no other matters to report

Dated at Ottawa, October 10, 2017



Chairperson – John Haralovich LIT, MNP LTD.

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ESTIMATED REALIZATION AND PROJECTED DISTRIBUTION

	As Per Debtor's Sworn Statement dated <u>September 18, 2017</u>	Estimated Realization as per <u>Trustee</u>
<u>Assets</u>		
Pledged	.\$334,000.00	\$305,000.00
Free	<u>Nil</u>	<u>.00</u>
Total Assets	<u>305,000.00</u>	<u>305,000.00</u>
<u>Liabilities</u>		
Unsecured	872,322.89	872,322.89
Secured	305,000.00	305,000.00
Preferred	0.00	0.00
Total Liabilities	<u>1,177,322.89</u>	<u>1,177,322.89</u>
Apparent Deficit	<u>.00</u>	<u>.00</u>
<u>Projected Distribution</u>		
Estimated Total Realization		\$00.00
Less: To Secured Creditors – Deemed trust claim (from pledged assets)	\$00.00	
Cost of Administration	\$5,000.00	
Third party guarantee	-5,000.00	
Preferred Claims		<u>\$00.00</u>
Estimated Amount Available For Unsecured Creditors:		\$.00
Dividend Percentage		0.0%


Trustee