

District of: Ontario
Division No. 05-London
Court No. 35-2889503
Estate No. 35-2889503

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF
SHARE DENT INC.

Trustee: MNP Ltd.

SECTION A - Background

Share Dent Inc. ("**Share Dent**" or the "**Company**") was incorporated June 28, 2002. It operated as a buying group for dental practices. Share Dent helped clients manage their inventory and purchased dental office supplies taking advantage of favourable pricing and supplier bulk discounts. The Company operated from leased premises at #4-1615 North Routledge Park, London, Ontario.

Share Dent struggled with decreased sales since the onset of the Covid-19 Pandemic and associated lockdowns. The Company continued losing customers through 2022 and was unable to replace them. Recently customers requested one day turn around on orders, which the Company could not accommodate. Share Dent Management believes the current turmoil due to staffing shortages in dental office has contributed to its struggles.

The Company was no longer able to cash flow operations and made the decision to shut down in November 2022.

The Company made an assignment in bankruptcy on November 30, 2022. MNP Ltd. was appointed as trustee. (the "**Trustee**").

CLASS I - Stocks of merchandise

The majority of inventory was delivered in the 30-days preceding bankruptcy and was sent back to the supplier by Share Dent. There is a nominal amount of inventory remaining which the Trustee is attempting to sell.

CLASS II - Plant, machinery, equipment, and office

There was a small amount of office furniture at the leased premises. The Trustee contacted local liquidators and was told the furniture would cost more to move than it could be sold for. The furniture has been left at the leased premises.

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

There was approximately \$40,000 cash in the Share Dent bank account. The Trustee requested remittance of these funds from Royal Bank, who advised the cash would be fully offset against a CEBA loan it held.

There is \$11,000 in outstanding accounts receivable from two customers. The Trustee has written to the customers and requested payment of the debt.

There are supplier trade credit outstanding of approximately \$4,000. Normally these would be redeemed as credits against future orders. The Trustee has written the supplier and requested payment of the credit.

The Trustee will file a corporate tax return for 2022 and attempt to carry current year losses back and claim a refund.

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 attended the premises to photograph the assets. Locks were not changed as the Trustee did not take possession of the premises given the uncertain value of the assets. The Trustee wrote to the bank to freeze the account.

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	\$nil	\$nil
Preferred	\$6,670	\$5,085
Unsecured	\$220,368	\$29,358
Total	\$227,038	\$34,443

Secured creditors

The Royal Bank of Canada has registered general security against all assets of Share Dent. Based on the Company records the Trustee believes all debts owing to Royal Bank, with the exception of a CEBA loan, have been paid in full. The security agreement does not attach to the CEBA loan.

We do anticipate CRA will file a deemed trust claim for the final source deduction remittance that is still owing, amounting to approximately \$8,000.

SECTION F - Anticipated realizations and projected distribution

The likelihood of a distribution to unsecured creditors is not yet known. This will depend on the Trustee's ability to realize on the assets, as described above, and CRA's potential deemed trust claim. If there is a distribution it is likely it will be nominal.

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 \$12,000 from Tim Gibson to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 16th day of December 2022.

MNP Ltd.

Licensed Insolvency Trustee of
Share Dent Inc.



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



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SHARE DENT INC.

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

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