

District of: Ontario  
Division No. 09-Mississauga  
Court No. 32-2863374  
Estate No. 32-2863374

TRUSTEE'S PRELIMINARY REPORT

IN THE MATTER OF THE BANKRUPTCY OF  
THOMAS' FINE FURNITURE INC.

Trustee: MNP Ltd.

SECTION A - Background

Thomas' Fine Furniture Inc. (the "**Company**") was incorporated March 12, 1991. It was an owner managed business that made hand-crafted custom furniture and cabinetry. The Company operated from leased premises at 6790 Kitimat Road, Units 15 – 17, Mississauga, Ontario.

Company sales have been on a decline for the past four years. Management attributes this to changing customer demands away from custom, high-end furniture. Since the outset of the Covid-19 pandemic the Company has also struggled with staff shortages and its workforce was cut in half (from 6 to 3). Finally, the cost of the leased premises doubled in 2022. The Company was no longer able to cash flow operations and was forced to shut down in August, 2022.

The Company made an assignment in bankruptcy on September 8, 2022. MNP Ltd. was appointed as trustee. (the "**Trustee**").

Prior to the Bankruptcy, at the request of the Trustee Syl-Mar Property Management ("**Syl-Mar**") attended the Company Premises to inspect the remaining assets (including showroom inventory and wood-working equipment) and give an opinion on options to liquidate. Syl-Mar advised that given the large size of the majority of assets it would not be cost effective to remove it all for an off-site liquidation. An on-site auction would be the best option for liquidation. Syl-Mar estimated gross proceeds for all assets would be \$25,000 to \$30,000. After the bankruptcy the Trustee negotiated a reduced rent structure with the landlord to the end of October to allow for the onsite liquidation. This liquidation remains subject to the approval of inspectors appointed at today's meeting.

CLASS I - Stocks of merchandise

The Company had inventory of sold wood plus several display units and showroom pieces of furniture that remain in the leased premises for liquidation. The remaining stock has an estimated value of \$12,500.

CLASS II - Plant, machinery, equipment, and office

All Company owned woodworking equipment, including dust collections, air compressors, saws, sanders, shapers, etc. were left at the leased premises. The equipment has an estimated value of \$12,500. One dust collector was sold prior to the bankruptcy and a deposit received. The Trustee is in contact with the purchaser to collect the balance due and arrange for removal.

**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 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 Trustee has attended the leased premises to photograph the assets and change the locks. The Trustee has notified the insurance company of the bankruptcy and requested to be added to the policy as named insured.

**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**

<b>Creditor Class</b>	<b>Per Statement of Affairs</b>	<b>Proven</b>
Deemed Trust	\$nil	\$nil
Secured	\$82,394	\$85,781
Preferred	\$nil	\$nil
Unsecured	\$386,027	\$373,624
<b>Total</b>	<b>\$468,422</b>	<b>\$459,405</b>

Secured creditors

CIBC has registered a general security agreement against all assets of the Company. The bank has filed a secured proof of claim in the amount of \$85,751.

SECTION F - Anticipated realizations and projected distribution

It is expected that all net proceeds from the asset liquidation would be payable to CIBC pursuant to its secured charge, and a significant shortfall will remain on its security. We do not anticipate a distribution to unsecured creditors.

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 Mary-Ann Flynn to cover the fees and disbursements of the bankruptcy in the event asset realizations are insufficient.

Dated at London, Ontario this 28<sup>th</sup> day of September 2022.

MNP Ltd.

Licensed Insolvency Trustee of  
Thomas' Fine Furniture Inc.



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



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IN THE MATTER OF THE BANKRUPTCY OF  
THOMAS' FINE FURNITURE INC.

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

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