

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2823062
Estate No. 32-2823062

TRUSTEE'S PRELIMINARY REPORT
IN THE MATTER OF THE BANKRUPTCY OF
Tri- S Industries Ltd.

Trustee: MNP Ltd.

SECTION A

Tri-S Industries (“Tri-S” or the “Company”) manufactured, installed, and serviced custom gates and partitions for retail store fronts, building perimeter doors, internal doors and traffic openings. The Company operated from leased premises at 3190 Ridgeway Dr Unit#6, Mississauga, ON. The Company was incorporated in January 1999. The registered Directors of the Company are Kenneth Graham, Mark Soubry and Moira Graham.

The Company has not been profitable for several years due to increased competition across the country. The Covid related lockdowns resulted in further sales decline and financial hardship as traditional customers had to shut their stores. Ultimately management opted to cease operations and Tri-S made an assignment in bankruptcy on April 20, 2022 and MNP Ltd. was appointed as trustee. (the “Trustee”)

CLASS I - Stocks of merchandise

There is parts inventory in the leased premises which management estimates may be worth approximately \$4,000. This inventory is specialized to the industry. MNP contacted twelve industry competitors to solicit interest in purchasing the inventory; however, only one creditor was interested in a very small portion. Any inventory that could be sold has been removed by Syl-Mar Asset Management (“Syl-Mar”) to be liquidated at auction. The remaining aluminum and steel inventory will be sold for scrap value.

CLASS II - Plant, machinery, equipment, and office

Shop tools and equipment, office equipment and furniture and a vehicle with potential realizable value have been picked up by Syl-Mar to be liquidated at auction.

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 book value of accounts receivable at the date of bankruptcy was \$50,300. Approximately 48% were greater than 90 days outstanding. Management estimates \$30,000 of the accounts receivable are collectible. To date the trustee has collected \$17,200 (including payments deposited directly to the TD operating line account).

There is also a receivable of \$283,400 owing from a related company, Harmony Awnings & Shutters (“Harmony”). We understand Harmony has minimal assets and secured debt in excess of \$300,000. The Trustee does not expect to realize anything on the debt due from Harmony.

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 had all realizable assets removed by Syl-Mar for safekeeping until they can be sold.

2. Carrying on business

The Company’s operations were shut down as a result of the 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	\$338,874.60	\$128,509.60
Preferred	Nil	Nil
Secured	\$52,151.00	\$52,151.00
Deemed trust	Nil	Nil
Total	\$391,025.60	\$180,660.60

SECTION E - Secured creditors

Toronto- Dominion Bank (“TD”) has registered general security against the Company. The bank has not yet filed a secured proof of claim of \$52,151. TD has approved the Trustee’s plan to sell realizable assets at auction and scrap the residual steel and aluminum inventory.

SECTION F - Anticipated realizations and projected distribution

The trustee does not expect realizations after fees and costs of the bankruptcy will exceed the secured debt, and as such does not anticipate there will be a distribution to unsecured creditors.

SECTION G - Reviewable transactions and preferential payment

The Trustee has reviewed the bank statements for the twelve months preceding bankruptcy and has found no evidence of reviewable transactions or preference payments.

SECTION H - Other matters

The Trustee has received a deposit of \$15,000 from Ken Graham and Mark Soubry to cover the fees and disbursements of the bankruptcy.

Dated at London, Ontario this 11th day of May 2022.

MNP Ltd.
Licensed Insolvency Trustee of
Tri-S Industries Ltd.



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

Mississauga
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IN THE MATTER OF THE BANKRUPTCY OF
Tri-S Industries Ltd.

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

TRUSTEE'S PRELIMINARY REPORT

MNP Ltd.
1002 - 148 Fullarton Street
London, ON N6A 5P3