

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF GATINEAU

SUPERIOR COURT  
(Commercial Division)

DIVISION NO.: 06 – Gatineau  
COURT NO.: 550-11-018457-227  
ESTATE NO.: 33-165798

IN THE MATTER OF THE RECEIVERSHIP OF:

9766049 CANADA INC.

DEBTOR

- And -

MNP LTD.

RECEIVER

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SECOND INTERIM REPORT OF THE RECEIVER  
Paragraph 246 (2) of the *Bankruptcy and Insolvency Act*

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**A. BACKGROUND**

1. On October 19, MNP Ltd. was appointed as Receiver (“**MNP**” or the “**Receiver**”) to the assets of 9766049 Canada Inc. (the “**Debtor**”), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, by an Order (the “**Order**”) issued by the Superior Court of Quebec for the District and the Division of Gatineau, (the “**Court**”). However, the Receiver only received the Order on November 22, 2022. A copy of the Order as well as other documents related to the case can be consulted on our website at: [9766049 Canada Inc | MNP LTD \(mnpdebt.ca\)](https://www.mnpdebt.ca)
2. The Debtor is the owner of two buildings located at 42-44 Laval Street (the “**Building 1**”) and 36 Laval Street (the “**Building 2**”) in Gatineau, Québec.
3. The Debtor is the major shareholder of Café les Quatre Jeudis Ltée (the “**Café**”), tenant at Building 1, and Piz’za-Za Ltée (the “**Pizzeria**”), tenant at Building 2. These two businesses are currently in operation.
4. The sole Director of the Debtor is Alex Duhamel, who is also the sole Director of the Pizzeria and the Café.
5. The Debtor, as of September 21, 2022 was in default of its payments towards its lender, Equitable Bank (“**Equitable**”), for an amount of \$2,844,949.
6. The Receiver issued its First Interim Report of the Receiver on its administration to the creditors and the Superintendent of Bankruptcy on April 19, 2023, the copy of which is available on the website.
7. The purpose of the second report is to update the creditors as to what has transpired since the Receiver’s last report.

**B. ASSETS**

8. In virtue of the Order, the Receiver was authorized to, but not limited to, take possession of the property of the Debtor, including the two buildings, and exercise powers to carry on Debtor’s operations. Since December 2022, the Receiver has been collecting monthly rents from Pizzeria and Café.
9. Debtor’s properties are described as follows:

Building Address	Municipal evaluations Feb. 10, 2023 (in CAD \$)
1 Building 1 - 42-44 Laval Street, Gatineau, QC J8X 3G	1,195,500
2 Building 2 - 36 Laval Street, Gatineau, QC J8X 3G7	818,600
	<u><u>2,014,100</u></u>

10. The Receiver registered its title on the property and renewed the insurance policies of the two buildings.
11. The Receiver sends a representative to visit the site regularly.
12. The Receiver sent several requests and reminders to the director in order to obtain the books and records of the Debtor. The Receiver received some of the books and records of the Debtor for period ending May 30, 2018, and for the two tenants for the period ending September 30, 2019. The Receiver was further informed that the accounting has not been done for the Debtor since May 2018.

#### LIABILITIES

13. The Receiver has not yet instituted a formal claims process. No further information has become available since the **Notice and Declaration of the Receiver** prepared on November 30, 2022, with the exception of CRA and Leclerc Automobiles International Inc’s claims. The other creditors remain the same and are described below:

Creditors	Amount due
<b>Secured Creditors</b>	
Equitable Bank	\$ 3,062,497
Gestion 70 Promenade du Portage Ltée / François	1,360,000
FGI Holding Inc/Fischer Group Inc.	660,000
	<u>5,082,497</u>
<b>Unsecured Creditors</b>	
Agence du revenu du Canada ("ARC")	23,913
Agence du revenu du Québec	2,272,000
Leclerc Automobiles International Inc.	181,623
Leblanc Donaldson, lawyers	unknown

14. The following creditors hold security interests published against the property:
  - a. An administration charge of \$100,000 on the property which ranks ahead of all other claims.
  - b. With respect to conventional hypothecs, the following holders are registered on the index of immovables registry against the Debtor’s properties as of the date of the Receivership.:
    - i. Equitable holds a senior ranking conventional hypothec (the “Equitable Hypothec”);
    - ii. Gestion 70 Promenade du Portage Ltée / François Fortier holds a conventional hypothec ranking junior to the Equitable Hypothec (the “Gestion Hypothec”); and

iii. FGI Holding Inc/Fischer Group Inc. holds a conventional hypothec ranking junior to the Equitable Hypothec and the Gestion Hypothec.

15. The Receiver obtained a legal opinion confirming the validity and enforceability of Equitable Bank’s security.
16. In February 2023, Agence du Revenu du Québec (“ARQ”), issued a third-party seizure for the rents of Pizzeria and Café without any notification to the Receiver. Further to multiple communications between the Receiver, the Receiver’s counsel and the representative of the ARQ and its counsel, the third-party seizure was subsequently withdrawn by the ARQ.

#### **SALE SOLICITATION PROCESS**

17. The Receiver appointed CBRE Ltd. and Groupe Immobilier CCI as exclusive co-real estate brokers (“**Brokers**”) on behalf of the Receiver to sell the Debtor’s properties. The sale process was launched on March 24, 2023. The total asking price for the two buildings was \$3,100,000.
18. The Marketing plan and Data Room include, among other things, the elements described below:
  - i. E-mails sent to approximately 1,499 contacts and to approximately 539 sales representatives. As well, an e-mail campaign was forwarded to the CBRE Ottawa office for additional exposure. This included 27 commercial real estate agents.
  - ii. On CBRE’s and CCI Groupe’s social media the properties were posted and promoted on LinkedIn & Facebook page with over 13,720 industry contacts.
  - iii. It was further disclosed that some major renovation work, which will need to take into consideration the patrimonial aspect of the building, will be needed in the near future.
19. On April 4, 2023, the Receiver circulated the marketing brochures within MNP’s network of partners in Ottawa, Gatineau and throughout the rest of Quebec.
20. Two formal inquiries were received by the Brokers as a result of the marketing program. Each inquiry asked for more information but there was no further interest.
21. On June 21, 2023, the marketing brochure was updated with summer photos of the properties and the email campaign was relaunched, this time without an asking price. No additional inquiries were made.
22. On August 1, 2023, the Receiver received a Promise to Purchase (“**Promise**”) for the two properties as well as the shares of Pizzeria and Café.
23. After a period of negotiations, the Receiver and Purchaser signed the Promise on September 6, 2023, whereby the deed of sale shall be executed before the notary on November 1, 2023.
24. The Promise and the Order appointing a Receiver is subject to obtaining a Vesting Order from the Court.
25. On October 18, 2023, the Receiver presented its motion to approve the sales of the properties. The Court took the matter under advisement and will communicate with our counsel before November 1, 2023.

#### **C. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

26. An interim statement of receipts and disbursements has been produced for the period from October 19, 2022 to October 19, 2023, and is included as **Appendix A**.

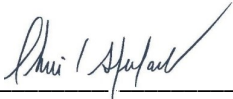
**D. ANTICIPATED COMPLETION OF THE RECEIVERSHIP**

27. As of the date of this report, the Receiver expects to complete the realization of the Receivership within the next three (3) to six (6) months.

DATED at Montréal, this 19<sup>th</sup> day of October 2023.

**MNP Ltd**

In its capacity as Court appointed Receiver of  
9766049 Canada Inc.  
And not in its personal or corporate capacity



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Sheri L. Aberback, CIRP, CFE, LIT  
Senior Vice President

# **Appendix A**

CANADA  
 PROVINCE OF QUEBEC  
 DISTRICT OF QUEBEC  
 DIVISION NO: 06 - GATINEAU  
 COURT NO: 550-11-018457-227  
 FILE NO: 33-165798

SUPERIOR COURT  
 Commercial Division

IN THE MATTER OF THE RECEIVERSHIP OF  
 9766049 CANADA INC.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 for the period of October 19, 2022 to October 19, 2023

RECEIPTS	(\$)	(\$)
Cash in bank		115.05
Rental Income		128,950.00
Interest allocation		1,478.76
<b>Taxes:</b>		
GST collected		6,447.50
QST collected		12,862.70
Refund of RTI		990.83
<b>TOTAL RECEIPTS</b>		<u><u>150,844.84</u></u>
<b>DISBURSEMENTS</b>		
<b>Paid fees:</b>		
Filing fees paid to Official Receiver	<u>72.82</u>	72.82
<b>Notice of Statement of the Receiver:</b>		
To 7 creditors	10.50	
Postage of the Notice of Statement of the Receiver	<u>6.30</u>	16.80
<b>Stock Taking and Possession</b>		489.25
<b>Miscellaneous disbursements:</b>		
Receiver's disbursements	1,113.14	
Professional fees	512.00	
Bank charges	0.15	
SAAQ	<u>13.35</u>	1,638.64
	<b>Sub-Total of Disbursements</b>	<u>2,217.51</u>
<b>Receiver's Fees</b>		84,656.91
<b>Legal fees/disbursements</b>		15,576.20
<b>Taxes:</b>		
GST charged on Receiver's fees	4,266.19	
QST charged on Receiver's fees	<u>8,511.02</u>	12,777.21
GST on legal fees	776.92	
QST on legal fees	<u>1,549.93</u>	2,326.85
GST paid on disbursements exclusive of fees	60.11	
QST paid on disbursements exclusive of fees	<u>119.92</u>	180.03
<b>Reimbursement of excise taxes :</b>		
GST remitted	4,125.96	
QST remitted	<u>8,231.26</u>	12,357.22
<b>TOTAL DISBURSEMENTS</b>		<u><u>130,091.93</u></u>
<b>AMOUNT HELD IN TRUST BY THE RECEIVER</b>		<u><u>20,752.91</u></u>