

**TRUSTEE'S REPORT ON PRELIMINARY ADMINISTRATION**

**IN THE MATTER OF THE BANKRUPTCY OF**

**1499520 ALBERTA LTD.**

**BKY 25-2847035**

**HUDSON & COMPANY INSOLVENCY TRUSTEES INC.**

1499520 Alberta Ltd. (hereinafter referred to as the “**Company**” or “**149 AB**”) filed a voluntary assignment into bankruptcy pursuant to Section 49(1) of the *Bankruptcy and Insolvency Act* (“**BIA**”) on July 13, 2022 (“**Date of Bankruptcy**”) with Hudson & Company Insolvency Trustees Inc. appointed as Licensed Insolvency Trustee (“**Trustee**”).

The Company was a used car dealership operating as Edge Automotive Sales & Financing. The Company last operated from leased premises located at 8305 Bowness Road NW, Calgary, Alberta.

**SECTION A** - The Trustee's duties under Section 16(3) of the *Bankruptcy and Insolvency Act*

**Class I** - Stocks and Merchandise:

- The Company’s stock consisted of new/used tires and rims, which were valued on the Statement of Affairs at \$5,000. The Company also owns a 20 foot sea container (the “**Seacan**”), valued at \$6,500, office furniture valued at \$500, and a computer/printer valued at \$500. A large LEF spotlight was listed on the Statement of Affairs with a value of \$1.00, as it installed on the premises and may be considered a tenant improvement and not realizable by the estate. These values were estimated by the director of the Company based on his knowledge of the business.
- The Trustee has conducted an inventory of the Company’s assets at the Date of Bankruptcy, and secured such assets.

**Class II** - Machinery and Equipment:

- The Company did not own any machinery or equipment.

**Class III** - Buildings and Real Estate:

- The company did not own buildings or real estate.

**Class IV** - Books and Records:

- The Trustee took possession of records on July 13, 2022.

**Class V** - Other Assets:

- Accounts Receivables was listed on the Statement of Affairs at \$3,000. This receivable related to a 2005 Volvo S60 that was sold at Regal Auctions just prior to the Date of Bankruptcy. The Trustee sent notice of the bankruptcy to Regal Auctions and has received a cheque in the amount of \$2,940, the net proceeds after commissions/fees.

SECTION B - Conservatory and Protective Measures:

- The Trustee changed the locks on the Seacan on July 13, 2022. The Seacan holds the news/used tires rims and the computer/office equipment.

SECTION C - Legal Proceedings:

- None that the Trustee is aware of at this time.

SECTION D - Provable Claims:

- At the time of preparing this report, there have been no claims received.

SECTION E - Secured Creditors:

- The Trustee reviewed the Company's Personal Property Registry and notes that Automotive Finance Canada Inc. and Nextgear Capital Corporation have each registered General Security Agreements over the assets of the Company. The director disclosed to the Trustee that both Automotive Finance Canada Inc and Nextgear Capital Corporation have been paid in full and no amounts remain outstanding. Both creditors were noted on the Statement of Affairs with debt amounts of \$1.00 each and sent notice of the bankruptcy, but to date no claims have been received from either party.

SECTION F - Anticipated Realization and Projected Distribution:

- See Schedule "A"

SECTION G - Reviewable Transactions and Preference Payments:

- The director of 149 AB disclosed that the Company was indebted to an individual, and just prior to the Date of Bankruptcy, satisfied the loan in full. The Trustee will investigate the nature of the payment(s) determine if the conditions under Section 95 or Section 96 of the BIA are met, and what potential recourses are available.
- The Trustee has reviewed the bank statements provided by the director of the Company and noted that several payments, totalling \$9,600 in 2022, were made to Dean Mantai, the director of 149 AB, in the months preceding the bankruptcy filing. Mr. Mantai advised that the funds were paid to him personally in order to fund personal expenses. Absent receiving instruction from creditors or potential inspectors, the Trustee intends to issue a demand letter to Mr. Mantai for return of the funds as the payments appear to be a transfer at undervalue pursuant to Section 96 of the BIA.

SECTION H - Other Matters:

- None.

DATED at Calgary, Alberta, this 2<sup>nd</sup> day of August, 2022.

**HUDSON & COMPANY INSOLVENCY TRUSTEES INC.**

Per: \_\_\_\_\_

  
Stefan DuChene

**SCHEDULE "A"**

**IN THE MATTER OF THE BANKRUPTCY OF  
1499520 ALBERTA LTD.**

**BKY 25-2847035**

**ESTIMATED REALIZATION**

	<b>As Per Debtors Statement Dated July 13, 2022</b>	<b>Estimated Realization As Per Trustee</b>
Assets		
Pledged	\$ 0.00	\$0.00
Free	<u>15,501.00</u>	<u>6,500.00</u>
Total Assets	<u>15,501.00</u>	<u>6,500.00</u>
Liabilities		
Unsecured	85,040.00	85,040.00
Secured	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>85,040.00</u>	<u>85,040.00</u>
Apparent Deficit	<u>\$69,539.00</u>	<u>78,540.00</u>

**PROJECTED DISTRIBUTION**

Estimated Total Realization	\$6,500.00
Costs of Administration	<u>6,500.00</u>
Estimated amount available for secured creditors	<u>\$0.00</u>