

Province of Nova Scotia
Division No.: 03- Sydney
Court No.: 45530
Estate No.: 51-2974044

**IN THE MATTER OF THE BANKRUPTCY OF
JAMES RYAN ELECTRIC LTD
OF THE MUNICIPALITY OF INVERNESS,
IN THE PROVINCE OF NOVA SCOTIA**

MINUTES OF THE FIRST MEETING OF CREDITORS HELD ON August 30, 2023

The First meeting of creditors was held on August 30, 2023 at 12:00 PM (Atlantic Time) at the Trustee's office located at 465 George Street, Unit B, Sydney, NS, B1P 1K5 and Via Zoom using link

<https://us06web.zoom.us/j/84149375239?pwd=SVg1MnIBTk1Y05UR0cyNnBncnQvZz09>

Meeting ID: 841 4937 5239, Passcode: 304848

Trustee opened the Zoom Call and welcomed the participants.

The meeting was Chaired by Leonard Shaw, CIRP, LIT and the meeting was started at around 12.02 PM. Parneet Singh from the Trustee's office volunteered to act as Secretary for the meeting.

1. Participants Present for the Meeting

Name	Representing	Presence
Leonard Shaw	Trustee and Chairperson	Over Zoom Video Conference
Richard Goldhar	Trustee	Over Zoom Video Conference
Parneet Singh	Trustee's staff and Secretary to the meeting	Over Zoom Video Conference
Ashish Jain	Trustee's staff	Over Zoom Video Conference
James Ryan	Director and Officer of the Debtor	Over Zoom Video Conference
Matthew Boudreau	Harris and Roome Supply	Over Zoom Audio Conference

2. Parneet Singh from the Trustee's office completed the roll call for all participants present for the meeting.

3. The Chairperson outlined his authority under Section 105.1 of the Bankruptcy and Insolvency Act (BIA):

"The official receiver or his nominee shall be the Chairperson at the first meeting of the creditors and shall decide any questions or disputes arising at the meeting and from any such decision and creditor may appeal to the court".

4. Documents Tabled

The Trustee tabled the following documents for the meeting

i) The Assignment

- ii) The Statement of Affairs of the debtor
- iii) The Estate Information Summary
- iv) The Official Receiver's Certificate of Appointment
- v) Notice of Bankruptcy in Local Paper
- vi) Trustee's Preliminary Report
- vii) The Affidavit of the mailing of the Notice regarding calling the First Meeting of Creditors and notice to the officer/director of the corporation and notice of bankruptcy in the local paper.
- viii) Claims Register noting that 3 claims were filed

5. Quorum

The Chair declared that as there was at least one creditor present or represented by proxy that there was quorum, and that the meeting having been properly called, was competent to carry on business.

- 6. The meeting was then called to order at 12.06 PM (Atlantic Time).
- 7. The Chairperson then reviewed Section 102.5 of the BIA which outlined the purpose of this meeting which is to do the following:
 - i) consider the affairs of bankrupt;
 - ii) affirm the appointment of the Trustee or substitute another in place thereof;
 - iii) appoint inspectors, and;
 - iv) give such directions to the Trustee as the creditors may see fit with reference to the administration of the estate.

8. AFFIRMATION OF THE TRUSTEE

On a motion made and seconded by Mr Boudreau, the appointment of Goldhar & Associates Ltd as the Trustee to the estate of James Ryan Electric Ltd was affirmed.

9. APPOINTMENT OF INSPECTORS

The Trustee advised that the creditors can appoint up to 5 inspectors that act similar to a board of directors of a company. They provide oversight and instructions to the Trustee for matter including, but not limited to,

- i. administration of the bankrupt estate.
- ii. providing directions to the Trustee on matters related to the estate.
- iii. matters to be investigated.
- iv. reporting to creditors.
- v. assisting the Trustee with the realization of the assets, etc.

The Chairperson advised that the inspectors represent the general body of creditors.

Mr Boudreau expressed his intent for being appointed as an Inspector to the estate, and as there was no opposition, Mr Boudreau was appointed as the Inspector to the estate.

10. Trustee's Preliminary Report on Administration

Parneet Singh from the Trustee's office then presented the Trustee's preliminary report and advised the participants about,

- a. its understanding of the reasons for bankruptcy as advised by the officer of the bankrupt corporation.
- b. the equipment available with debtor, being used hand tools which have no or nominal realizable value. It was advised that the Trustee has not taken possession of the hand tools as the cost of taking possession, storage, safekeeping, insurance, and sale would have likely overwhelmed any possible realization from the hand tools.
- c. the potential receivables of the debtor, and that the Trustee will be sending Notice to all receivables for collection and making effort to realize the maximum value for the benefit of the estate. However, the participants were informed that the collection could be significantly affected if the former clients raise issues regarding the products or services provided by the Debtor prior to its bankruptcy.
- d. the other assets reflected in the draft financial statements which have been discussed in detail in the Trustee's preliminary report and that the Trustee does not expect any realization from said assets for reasons mentioned in the Trustee's preliminary report.
- e. about CRA's potential priority claim of \$105,103.86 (approximately) for unremitted source deduction which are likely to have a deemed trust claim and rank in priority to all other creditors. Trustee has sent the notice of bankruptcy to CRA and CRA has not filed the claim yet.
- f. the officer of the bankrupt voluntarily giving up two vehicles (not owned by the debtor) for the benefit of the estate and that the vehicles have been possessed by a bailiff and the Trustee is in discussion with the bailiff to secure an offer for the assets for the benefit of the estate.
- g. advised that there will likely be no distribution for unsecured creditors as CRA's potential priority claim is likely to exceed any potential realization from the assets.
- h. advised that an investigation has not been performed for any potential preference transactions as there are no funds in the estate and advised the creditors about the provisions of section 38 of BIA.

The preliminary report of Trustee is annexed to these minutes as "Appendix A".

11. Approval of Trustee's time and professional fee for the estate

The trustee presented its interim bill of costs for the professional services provided by the trustee on the estate of the bankrupt confirming the time that has been spent by the trustee towards the initial filing and post filing administration of the estate for the reporting period May 9, 2023 to August 29, 2023.

The Trustee advised that the professional fee accrued to date is \$20,276.25 plus HST and advised that Mr Ryan had paid \$12,500 plus HST to Goldhar & Associates Ltd towards

professional fee for accepting the appointment as Trustee in the matter and that the funds are held in our pre-filing trust account.

The Trustee advised the participants that the funds are not estate funds and requested Mr Boudreau to approve Trustee's time and professional fee incurred to date which was approved by Mr Boudreau. It was agreed that the Trustee can withdraw the professional fee.

12. DIRECTIONS TO THE TRUSTEE

No directions or instructions were provided to the Trustee at this time.

13. OTHER MATTERS

13.1. The Official Receiver has not set a Bond ((under Section 16 (1), (2)) and deemed it is not required for this estate.

13.2. As discussed in the meeting, the Trustee had no relation with the Bankrupt, or the Officer or Director prior to this engagement.

James Ryan had paid \$12,500 plus tax to Goldhar & Associates Ltd towards professional fee for accepting the appointment as Trustee in the matter. The funds are held in our pre-filing trust account.

This was also reported by the Trustee on the Estate Information Summary submitted to the Official Receiver at the time of initial filing.

13.3. The Trustee advised that all information related to the administration of the estate can be accessed through the Trustee's corporate website using the link: <https://goldhar.ca/corporate-engagements>

14. ADJOURNMENT OR CLOSING OF MEETING

As there was no further business, the chair adjourned the meeting without setting a date. Meeting was adjourned at 12.30 PM

Dated : August 30, 2023

 *Parneet Singh*
S6Q8BPFQAFWBHNT5

Parneet Singh, Secretary

 *Leonard Shaw*
SZ7RHSUQQLUMEP6

Leonard Shaw, Chairperson

Attachments :

- Appendix A – Trustee's Preliminary Report
- Appendix B – Claims Register

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IN THE PROVINCE OF NOVA SCOTIA**

TRUSTEE'S PRELIMINARY REPORT

JAMES RYAN ELECTRIC LTD (“Debtor” or the **Bankrupt**) made an assignment in bankruptcy on the 10th day of August 2023.

Goldhar & Associates Ltd. has been appointed by the office of Superintendent of Bankruptcy as the Trustee of the estate of the bankrupt subject to affirmation by the creditors in the first meeting of creditors.

The first meeting of creditors is scheduled to be held on August 30, 2023 at 12:00 PM at the Trustee's office located at 465 George Street, Unit B, Sydney, NS, B1P 1K5 and Via Zoom using link

<https://us06web.zoom.us/j/84149375239?pwd=SVg1MnIBTkdlY05UR0cyNnBncnQvZz09>

Meeting ID: 841 4937 5239, Passcode: 304848

The statement of affairs, enclosed with the creditors package, provides details on the current financial position of the Debtor, and lists out the assets and liabilities owned by the Debtor.

The Trustee in this report provides its findings re the affairs of the Bankrupt Debtor and seeks instructions from creditors or inspectors, if appointed, on certain matters.

To vote at the creditors meeting or to participate in any dividend distributions, creditors must submit to the Trustee a properly completed proof of claim, together with a Statement of Account attached thereto as Schedule “A” (collectively referred to as the “Claim”).

Filing your claim is sufficient notice to us of any disagreement you may have with respect to the amount reported due to you in the attached documents. The completed Claim can be delivered to the Trustee's office by mail, courier, facsimile, electronic mail, or in person.

Creditors are encouraged to attend the creditors meeting. Creditors can also appoint a person to represent them at the creditors' meeting by submitting a properly completed proxy form with the proof of claim form. All corporations must name a proxy.

❖ **Limitation**

The information in this report is provided to assist the creditors in evaluating the affairs of the bankrupt corporation. The Trustee has relied on the recent draft financial statements, compiled

by the management of the bankrupt corporation and the discussion with management. The draft financial statements are as provided by the bankrupt and is neither reviewed nor audited and the Trustee is not expressing an opinion with respect to the validity, accuracy or the reliability of the information contained herein.

Please note that Any creditor/stakeholder relying on the information contained herein should do so at their sole discretion.

A. Background

The Debtor was incorporated in August 2019 in the province of Nova Scotia to carry on the business of electrical contractor.

The details of ownership, directors, and officers, of the bankrupt corporation, is noted below:

Name	Shareholding	Director	Designation
James Ryan	100% common shares	Yes	President

B. Causes of Insolvency

The cause of bankruptcy as advised by the president of bankrupt corporation are noted below and has not been verified by the Trustee for validity or accuracy.

The business was adversely affected by the rising costs of material, supply chain issues leading to inordinate delays in projects and subsequent delayed payments from customers.

The Debtor had been witnessing a reduction in business volume over the past years and the do-it-yourself model for things increased substantially during covid and adversely affected the business as the Debtor lost many customers. The current economic situation has resulted in fewer new contracts, and, despite efforts, the business was unable to meet its ongoing repayment obligations.

With no visibility for a revival, the Debtor eventually ceased operations and made an assignment in bankruptcy.

C. Operations

As advised by the officer of bankrupt corporation, there are no active operations as on date of bankruptcy. The Debtor ceased operations around July 2023

D. The Trustee's Duties under Section 16(3) of the Bankruptcy Act

❖ Leased Premises and Equipment

The Debtor ceased operations around July 2023 and as advised by the officer of the bankrupt corporation, the corporation did not have any office premises. The business address was the officer's residence located at 199 Deepdale Rd. Inverness, Nova Scotia, B0E 1N0.

There are no leased equipment/assets as on date of bankruptcy.

❖ Owned Assets, Stocks/Inventory

As per the draft financial statements compiled by the management (not audited or reviewed) as of July 17, 2023, the assets available with the corporation have been noted below:

Description	Net Book Value	Estimated Realizable Value
Machinery, Equipment, Furniture & Fixtures	2,580.00	See Note 1 Below
Motor Vehicles	Nil	See Note 2 Below
Loans and Receivables	98,928.60	See Note 3 Below
Work In Progress	209,236.58	See Note 4 Below
Cash & Bank	261,211.02	See Note 5 Below
Shareholder Loan	84,485.39	See Note 6 Below
Total	656,441.59	

Note 1: The equipment available is used hand tools which have no or nominal realizable value. The Trustee has not taken possession of the hand tools as the cost of taking possession, storage, safekeeping, insurance, and sale would have likely overwhelmed any possible realization from the hand tools.

Note 2: The Debtor did not own any vehicles.

Note 3: The Debtor has provided the list of receivables and the Trustee is currently in the process of reviewing the supporting documents. The office of the Debtor has advised that the receivables should be collectible to an extent.

The Trustee will be sending Notice to all receivables for collection and the Trustee will make effort to realize the maximum value for the benefit of the estate. However, it must be noted that the collection could be significantly affected if the former clients raise issues regarding the products or services provided by the Debtor prior to its bankruptcy.

Note 4 : The officer of Debtor has advised that there is no work in progress at the date of bankruptcy and no realizable value. Any work or job that was scheduled was cancelled or taken over by another contractor.

Note 5 : The officer of Debtor has advised that the amount reflected on the financial statement was in error as the accounting software was only capturing the receipts and not the expenses. The actual bank balance as per the business account statement from Royal Bank of Canada ("RBC") for period ended June 14, 2023 is approximately \$43.00.

Note 6 : The officer of Debtor has advised that these amounts reflects the drawings from business over the past years as no salary was drawn by the shareholder/director for the work done. It has been informed that the actual drawings at approximately \$2,300 per month are significantly below the expected salary of a full time electrician.

❖ Books and Records

The officer of the bankrupt corporation has provided the Trustee with draft financial statements compiled for the reporting period ended on July 17, 2023.

The officer of the bankrupt corporation has advised that Corporate Tax Return has been filed upto the reporting period ended July 2022 and also advised that HST returns have been filed upto the reporting period ended on July 2022. There are arrears for HST as noted on the Debtors statement of affairs.

The Debtor has also advised that all the T4 slips and the Summary for 2022 has been submitted. There are potentially \$105,103.86 (approximately) in unremitted source deduction which are likely to have a deemed trust claim and rank in priority to all other creditors.

The Trustee has sent the notice of bankruptcy to CRA and a proof of claim from CRA is awaited.

The Trustee is not in possession of the entire accounting and bookkeeping backup for past years, including the bank statement and cancelled cheques, as sought by the Trustee, however, the officer of the bankrupt corporation has acknowledged to extend necessary cooperation to the Trustee for providing access to books and records of the corporation, as required and/or assisting in completing any pending tax returns, or assisting with providing any information as may be required by the CRA or other creditor.

❖ Receivables

As already discussed in the earlier paragraph of this report

❖ Other Assets

The officer of the bankrupt had two vehicles owned by him, which were used for the purpose of business and the officer of Debtor has voluntarily given up the assets to the Trustee in Bankruptcy for the benefit of the estate.

The details of the vehicles and the suggested realizable value as per black book search is noted below:

Description	VIN #	Estimated Value (See Note)
2011 Dodge Grand Caravan	2D4RN4DG7BR680739	\$3,100 - \$4,400
2009 Ford F 150 XL Supercab	1FTRX14829FA77357	\$6,925 - \$8,275

Note : Includes the estimated low and high value and not the retail value. The actual realization might be affected by the actual condition and wear and tear of the vehicles.

The vehicles have been possessed by a bailiff and the Trustee is in discussion with the bailiff to secure an offer for the assets for the benefit of the estate.

E. Employees

As advised by the officer of bankrupt corporation, the Debtor had 7 employees with the corporation, and the officer of bankrupt corporation has confirmed to the Trustee that no money for wages, vacation, severance, or termination is owed to any of the employees.

The Trustee does not expect to administer WEPP for any of the former employees.

F. Legal Proceedings

The office of bankrupt corporation has advised that the Debtor was not involved in any active litigation as a defendant or plaintiff.

G. Conservatory and Protective Measures

As noted earlier in the report, the Debtor had ceased operations prior to assignment in bankruptcy and the reported assets, being old hand tools do not appear to have any realizable value as of today and taking possession, storage and disposal of the assets would have likely costed far in excess of any potential realization.

H. Provable Claims

The Trustee sent out the Notice of Bankruptcy and the First Meeting of Creditors on August 14, 2023 to all known creditors through email, fax, or regular mail, as per the details provided by the Debtor.

The claims of creditors as per the Debtor's sworn Statement of Affairs ("SOA"), and the claims received by the Trustee as of 5:00 PM, August 28, 2023 are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	12	330,315.10	3	20,664.33
Preferred Creditors	--	--	--	--
Secured Creditors	--	--	--	--
Deemed Trust	1	105,103.86	--	--
Total	13	435,418.96	3	20,664.33

I. Secured Creditors

As per the PPSA search conducted by the Trustee on July 6, 2023, there appears to be 0 secured creditors in this estate.

Note

- The Trustee is not aware of any preferred claims at this moment.

J. Appraisal

As already noted earlier, there are negligible assets available with the Debtor as on the date of bankruptcy, no appraiser was engaged by the Trustee to avoid any costs for the estate.

K. Anticipated Realizations and Projected Distributions

The Trustee does not envisage any realization or a subsequent distribution to any creditor.

L. Reviewable Transactions and Preference Payments

The Trustee has not conducted a detailed review of the books and records of the company to determine the extent, if any, of any preferences or transactions at undervalue. Also, there are no funds in the estate to cover the costs associated to a detailed investigation and the creditors are advised that per Sec. 38 of the BIA, the creditors may obtain an order from the court authorizing them to take over the proceeding in their own name and their own expense and risk.

M. Other Matters

- James Ryan paid \$12,500 plus tax to Goldhar & Associates Ltd towards professional fee for accepting the appointment as Trustee in the matter. The funds are held in our pre-filing trust account.

This was also reported by the Trustee on the Estate Information Summary submitted to the Official Receiver at the time of initial filing.

Mr Ryan has also confirmed the funds provided to the Trustee for accepting the assignment did not come directly or indirectly from the corporation filing assignment in bankruptcy. These are not estate funds and not refundable. The funds are intended to cover the Trustee's Professional fee upto the first meeting of creditors. At the first meeting of creditors, the Trustee will be presenting its interim bill of costs to the creditors, or inspectors, if appointed, for approval.

- Documents related to the bankruptcy of James Ryan Electric Ltd are available on the Trustee's website at <https://goldhar.ca/corporate-engagements>
- The officer of the bankrupt company has not been examined by the Official Receiver as per Section 161 of the BIA. However, the Trustee, creditors or inspectors may request one to be conducted, if required.
- The Trustee, at the first meeting of creditors, will seek instructions/directions from the creditors or inspectors (if appointed) on the following matters:
 - Appointment of Inspectors, if any
 - Appointment of Estate Solicitor, if necessary
 - Approval of Trustee's profession fee to date.
 - Approval of Trustee's actions, as listed on the preliminary report
 - Any other matter, as discussed during the meeting

- On August 16, 2023, a newspaper advertisement was placed in The Cape Breton Post, informing creditors about the bankruptcy of the Debtor, and advising about the date and time of the first meeting of creditors.

Dated at the City of Sydney in the Province of Nova Scotia, this 28th day of August 2023

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of James Ryan Electric Ltd., a Bankrupt Debtor
And not in personal or corporate capacity



Per: Leonard Shaw, CIRP, LIT

Claims Register

In the Matter of the Bankruptcy of
James Ryan Electric Ltd
of the Municipality of Inverness, in the Province of Nova Scotia

Insolvency Date: 10-Aug-2023

Estate Number: 51-2974044

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
Unsecured creditors						
1. Causeway Electrical	No	Not proved		167,310.95		
2. Collabria Financial Services Inc. Attn: Brittany Harris *****8531	No	Not proved		4,285.78		
3. CRA - Tax - Atlantic 778036335RP0001	No	Not proved		1.00		
4. CRA - Tax - Atlantic 778036335RT0001	No	Not proved		14,919.64		
5. CRA - Tax - Quebec 778036335RC0001	No	Not proved		1.00		
6. CreditFax Atlantic a20315 Claim 34575	No	Not proved				
7. East Coast Credit Union Attn: Wayne Thorpe 09515-10-0	No	Not proved		37,636.60		
8. East Coast Credit Union Attn: Wayne Thorpe 09515-70-0	No	Not proved		60,000.00		
9. Harris and Roome Supply Attn: Matthew Boudreau	Yes	Admitted		6,495.03	6,495.03	6,495.03
10. RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Razel Bowen 552612*****6894/6902	Yes	Admitted		5,700.98	5,851.03	5,851.03
11. Rexel Atlantic Electrical Supplies	No	Not proved		30,450.35		
12. Source Atlantic	No	Not proved		3,512.77		
13. Workers Compensation Board of Nova Scotia Attn: Brenda Carvery	Yes	Admitted		1.00	8,318.27	8,318.27
Total : Unsecured creditors				330,315.10	20,664.33	20,664.33
Deemed Trust Claim						
1. CRA - Tax - Atlantic 778036335RP0001	No	Not proved		105,103.86		
Total : Deemed Trust Claim				105,103.86		
Grand Total:				435,418.96	20,664.33	20,664.33