

ALBERT GELMAN

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-2131099
Estate No.: 31-2131099

In the matter of the Bankruptcy of
Ore Construction Ltd.
of the City of Toronto, in the Province of Ontario

Trustee's Report to the Creditors on Preliminary Administration

Trustee: Albert Gelman Inc. ("AGI" or the "Trustee")

Debtor: Ore Construction Ltd. (the "Bankrupt" or the "Company")

Date of Bankruptcy: June 3, 2016

Date of First Meeting of Creditors: June 21, 2016 at 3pm

Location: Office of the Superintendent of Bankruptcy
25 St. Clair Ave East, 6th Floor
Toronto, Ontario

Section A: Brief background statement

Pursuant to a Corporation Profile Report conducted by the Trustee, the Company was incorporated pursuant to the laws of Ontario on January 12, 2012. Isaac Gabay is the Company's designated officer in the bankruptcy proceeding. Mr. Gabay is also the sole Officer and Director of the Company.

The Company operated as a general contractor from its leased premises located at 86 Guided Court, Toronto, Ontario (the "Property").

On June 3, 2016, AGI was appointed as Trustee in Bankruptcy of the Company pursuant to an assignment in bankruptcy filed by the Company.

On June 7, 2016, AGI sent a notice to all known creditors of the Company advising of the bankruptcy and First Meeting of Creditors and providing them with a copy of the Company's Statements of Affairs sworn under oath on June 3, 2016 ("SOA") together with a proof of claim form and proxy.

On June 9, 2016 a notice was published in the Financial Post newspaper advising of the bankruptcy of the Company and the first meeting of creditors.

Section B: Trustee's preliminary evaluation of assets

Based on the Company's SOA, the Company's assets consist of accounts receivable with a book value of \$292,821.73 due from 7 customer accounts.

The Company anticipates payment in full for the accounts receivable with the exception of \$5,000 that it believes is uncollectible.

Section C: Books and Records of the Bankrupt

The Company has turned over its books and records to the Trustee.

Section D: Conservatory and protective measures

The Trustee has not operated the business and there are no physical assets to take possession of.

Section E: Relevant information relating to provable claims

i. Deemed Trust Claim of the Canada Revenue Agency ("CRA"):

The Company has listed the CRA on its SOA as having a claim for unremitted source deductions of \$2,740.40. CRA is likely to conduct a payroll audit in due course and file a Deemed Trust "Property" claim with the Trustee. This claim will rank in priority to all other creditor claims.

ii. Trust Claim Creditors under the Construction Lien Act ("CLA")

To date the Trustee has received one proof of claim from a creditor who claims to have provided materials used to improve the project property and as such they are asserting a trust claim over the Company's accounts receivable in accordance with the Trust Provisions of the CLA. The Trustee is in the process of reviewing this claim. There may be additional claims filed in this regard.

iii. Secured Creditors:

The Company has listed its creditors on its SOA as at June 3, 2016.

The Trustee conducted a search pursuant to the *Personal Property and Security Act* on June 2, 2016 [file currency date of June 1, 2016] which revealed the following registrations:

<i>Date of Registration</i>	<i>Registrant Name</i>	<i>Collateral Classification</i>
June 6, 2013	Kubota Canada Ltd.	2010 Kubota !U55G
June 17, 2013	Royal Bank of Canada	2009 Chevrolet Silverado 1500

The Trustee has been advised by Mr. Gabay that the 2010 Kubota was returned to the leasing company and the 2009 Chevrolet Silverado was sold to an arm's length purchaser and the proceeds were used to pay the remaining balance due to the Royal Bank of Canada.

iv. Security for unpaid wages, vacation pay, etc.

The Trustee has received a proof of claim from the Company's Union, Labourers' International Union of North American, Local 183 (the "Union") under section 81.3 of the BIA claiming a priority secured claim of \$56,073.96.

v. Security for unpaid amounts re prescribed pension plan

The Trustee has received a proof of claim from the Company's Union under section 81.5 of the BIA claiming a priority secured claim of \$74,927.40.

Section F: Legal proceedings, reviewable transactions and preference payments

Pursuant to the BIA, parties are stayed from commencing or continuing legal proceedings against the estate.

The Trustee has not commenced any legal proceedings prior to the First Meeting of Creditors.

On February 13, 2016, the Company sold 10 vehicles and 4 trailers to Waterbank Construction Ltd. The following is a listing of the vehicles and trailers, including their description and selling prices:

No	Year	Make/Model	Selling price (excl HST)
1	1981	Ford Dump	550.00
2	1994	Mack 600	1,650.00
3	1999	Ford F350 Service	750.00
4	1999	GMC 8500 Dump	750.00
5	2002	Chevrolet Silverado	750.00
6	2002	GMC Dump Truck	750.00
7	2003	Form 350	750.00
8	2004	Ford 350 Dump Truck	750.00
9	2006	GMC 2500	750.00
10	2006	Ford Van	750.00
11	1985	J&J LT2 Trailer	500.00
12	1993	Home HME Trailer	500.00
13	1994	Float Trailer	500.00
14	2006	Texa PF2 Trailer	500.00
Total			10,200.00

Section G: Details of third-party deposits or guarantees

The Trustee has received a Third Party Deposit of \$25,000 from Waterbank Construction Ltd.

Section H: Trustee's intention to act for secured creditors

It is unknown at this time if the Trustee will act for any secured creditors.

Section I: Projected distribution and anticipated asset realization

As of the date of this report, it is unknown if there will be a distribution to unsecured creditors.

Section J: Other matters regarding the administration of the estate

With respect to the Property, the Trustee will be seeking approval from the creditors or inspectors to disclaim the Company's interest in the commercial lease for the Property.

There are no other matters to report.

DATED at Toronto this 21st day of June, 2016

ALBERT GELMAN INC.,

In its Capacity as Trustee of the Estate of Ore Construction Ltd.

Per:



Bryan A. Gelman, *CIRP, Licensed Insolvency Trustee*