



Crowe Soberman Inc.

Crowe Soberman Inc.
Licensed Insolvency Trustee
Member Crowe Global

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ESTATE NO. 31-3055578

In the Matter of the Bankruptcy of
2651043 ONTARIO INC. o/a Door 3
of the City of Toronto
in the Province of Ontario

TRUSTEE'S PRELIMINARY REPORT TO THE FIRST MEETING OF CREDITORS

DISCLAIMER:

One of the underlying principles of the Bankruptcy and Insolvency Act (the “BIA”), is that of creditor’s control. The Act provides for a First Meeting of Creditors to discuss the collective interest of the creditors in the administration of the bankrupt’s estate.

The purpose of the First Meeting of Creditors is to consider the affairs of the bankrupt, affirm the appointment of the Trustee (or substitution of same), appointment of 1-5 inspectors and to give further direction to the Trustee as may be necessary.

Readers are cautioned that this report is only to provide creditors information gathered by the Trustee to date, so that their collective interests can be discussed at the First Meeting of Creditors. However, the Trustee has not audited or verified the information provided to it in anyway, unless noted otherwise.

The contents of this report should be considered “for general information purposes only” and not definitive.

INTRODUCTION

1. 2651043 ONTARIO INC. o/a Door 3 (the “**Company**” or “**Door 3**”) made an assignment in bankruptcy on March 14, 2024 (the “**Filing Date**”). Crowe Soberman Inc. (“**CSI**” or the “**Trustee**”) was appointed as Licensed Insolvency Trustee of the Estate of the Bankrupt by the Official Receiver.

BACKGROUND

2. According to the Ontario Profile Report, the Company was incorporated under the *Ontario Business Corporation Act* on August 17, 2018. Stefan Calabrese (“**Mr. Calabrese**”) was listed as the Company’s Director and Officer.
3. The Company operated a night club that was located at 667 King Street West, Toronto, Ontario (the “**Premises**”).

CAUSES OF INSOLVENCY

4. Per discussion with Mr. Calabrese, the primary reason for the Company’s insolvency was due to the impact that the COVID-19 Pandemic had and continues to have on the Night Club Industry. Although the Company continued to operate after the easing of government-imposed restrictions, its debts were burdensome, and it was not able to recover from the losses incurred during the Pandemic.
5. On August 15, 2023, the Company’s landlord exercised its right to distraint under Section 53 of the *Commercial Tenancies Act* and took possession of all assets that were located at the Premises, to dispose thereof.
6. Accordingly, Mr. Calabrese engaged CSI to assign the Company into bankruptcy.

TRUSTEE'S ACTIONS TO DATE

7. The Trustee’s actions up to the date of the First Meeting of Creditors include, but are not limited to, the following:
 - a. Reviewing the Company’s books and records that were provided electronically;
 - b. Notifying all known creditors of the bankruptcy on March 21, 2024;
 - c. Notifying all known creditors regarding a correction of the Filing Date, on April 1, 2024;
 - d. Assisting creditors in filling out the proof of claim forms;
 - e. Reviewing proofs of claim filed to date;

- f. Placing a Notice of Bankruptcy in a local newspaper (The Toronto Sun) on March 27, 2024;
- g. Maintaining the Trustee's website for these proceedings; and
- h. All other statutory duties required under the *BIA*.

CREDITORS

8. A listing of the creditors and the claims received up to the First Meeting of Creditors is attached as Appendix "A" and is summarized below:

Creditor Type	Per Statement of Affairs		Proof of Claims Filed to Date	
	#	\$	#	\$
Trust	-	-	-	-
Secured			-	-
Preferred	-	-	-	-
Unsecured	16	989,307.00	1	6,266.26
Contingent	-	-	-	-
Totals	16	989,307.00	1	6,266.26

9. Reflected in the Company's Statement of Affairs were debts owing to the CRA, which claims may potentially be subject to deem trust rules. The Trustee notes that CRA has yet to file a claim with the Trustee, as of the date of this report.

VALUATION OF ASSETS AND ANTICIPATED REALIZATION

10. As previously noted, on August 15, 2023, the landlord exercised its right to distrain and disposed of the Company's assets. As of the Filing Date, the Trustee was not aware of any assets that were owned by the Company.

TRANSFERS AT UNDERVALUE/PREFERENTIAL PAYMENTS

11. The Trustee is currently reviewing the books and records of the Company to determine if the Company conducted any transactions that would be considered a transfer undervalue or a preferential payment, as defined under the *BIA*. The Trustee will report to the creditors/inspectors at a later date.

LEGAL PROCEEDINGS

12. The Trustee is not aware of any legal proceedings currently ongoing against the estate of the bankrupt.

CONSERVATORY AND PROTECTIVE MEASURES

13. The Trustee has not applied conservatory and protective measures with respect to Section 18 of the BIA.

CARRYING ON BUSINESS

14. The Company ceased operating on August 15th, 2023, and accordingly the Trustee has not carried on the business.

THIRD PARTY DEPOSIT

15. Mr. Calabrese has provided a third-party deposit to the Trustee for the purpose of covering the costs of the administration of this bankruptcy.

OTHER MATTERS

16. The Trustee needs to determine whether the Company's lease of the Premises was still in effect as of the Filing Date. If so, the Trustee intends on disclaiming this lease, subject to inspector approval.

17. The Trustee will be seeking directions from the creditors on the following matters:

- a. affirmation of the appointment of the Trustee;
- b. approval of all the Trustee's actions to date, including the actions outlined in this Preliminary Report;
- c. appointment of inspectors (if applicable); and
- d. any other matters which may arise at this First Meeting of Creditors.

DATED at the City of Toronto, in the Province of Ontario, this 4th day of April 2024.

**CROWE SOBERMAN INC.
Licensed Insolvency Trustee
of the Estate of
2651043 ONTARIO INC. o/a Door 3 a Bankrupt**

Daniel Posner

Per: Daniel Posner, LIT, CIRP

Crowe Soberman Inc., LIT**Claims Register**

In the Matter of the Bankruptcy of
2651043 ONTARIO INC. o/a DOOR THREE
of the City of Toronto
in the Province of Ontario

Insolvency Date: 14-Mar-2024

Estate Number: 31-3055578

<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. 1000323239 Ontario Inc.	No	Not proved		16,000.00		
2. American Express c/o FCT Default Solutions Attn: Insolvency Department	No	Not proved		36,000.00		
3. Axis Security Attn: Amir Shah	No	Not proved		22,000.00		
4. Cossidente, Christian	No	Not proved		11,000.00		
5. CRA - Tax - Ontario 739150281RP0001	No	Not proved				
6. CRA - Tax - Ontario 739150282RC0001	No	Not proved				
7. CRA - Tax - Ontario 739150282RT0001	No	Not proved		35,000.00		
8. CRA - Tax - Ontario CEBA Loan	No	Not proved		40,000.00		
9. Scott, Matthew	No	Not proved		2,400.00		
10. Stefan Calabrese Due to Shareholders	No	Not proved		122,906.00		
11. TD Canada Trust C/O FCT Default Solutions 18902-53222172	No	Not proved		1.00		
12. TD Canada Trust C/O FCT Default Solutions	No	Not proved		664,000.00		
13. TD Canada Trust Visa C/O FCT Default Solutions 4520710066530442	Yes	Admitted		10,000.00	6,266.26	
14. The Beer Store	No	Not proved		3,000.00		
15. Wanigasekara, Dillon	No	Not proved		3,000.00		
16. Wheat Sheaf Corporation	No	Not proved		24,000.00		
Total : Unsecured creditors				989,307.00	6,266.26	
				Grand Total:	989,307.00	6,266.26