



**TDB Restructuring Limited**  
Licensed Insolvency Trustee

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District of Ontario  
Division No.: 09 - Toronto  
Estate No. 31-3040679  
Court No. 31-3040679

**IN THE MATTER OF THE BANKRUPTCY OF  
RLOGISTICS LIMITED PARTNERSHIP (dba FACTORYDIRECT.CA),  
RLOGISTICS INC. AND 1696308 ONTARIO INC.  
OF THE CITY OF VAUGHAN,  
IN THE PROVINCE OF ONTARIO**

**TRUSTEE'S PRELIMINARY REPORT TO THE CREDITORS**

**MAY 13, 2024**

## 1.0 INTRODUCTION

1. On February 7, 2024, RLogistics Limited Partnership dba “factorydirect.ca” filed a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act (the “**NOI Proceedings**”). On February 12, 2024 its general partners, RLogistics Inc. and 1696308 Ontario Inc. (together with RLogistics Limited Partnership, “**RLP**” or the “**Company**”) filed Notices of Intention to make a proposal as well. TDB Restructuring Limited (formerly known as RSM Canada Limited) (“**TDB**”) was appointed as the proposal trustee for RLP.
2. On February 15, 2024, the Ontario Superior Court of Justice (commercial list) (the “**Court**”) issued an Order, among other things, (i) extending the Stay of Proceedings the date on which the Company needed to file a proposal to its creditors to April 22, 2024, and (ii) approving the Consulting Agreement (as defined therein) between the Company and Danbury Global Limited and AD Hennick & Associates Inc. pursuant to which the assets of the Company were subsequently liquidated.
3. The Company did not file a proposal or obtain a further extension of the stay of proceedings by April 22, 2024, and accordingly, pursuant to S. 50.4(8) of the *Bankruptcy and Insolvency Act* (the “**BIA**”), the Company was deemed to have made an assignment in bankruptcy on April 23, 2024. TDB was appointed as the Licensed Insolvency Trustee (the “**Trustee**”) of the bankrupt estate, subject to affirmation of its appointment at the first meeting of creditors.
4. Further details regarding the Company’s background and causes of financial difficulties, along with copies of all pertinent documents relating to this administration, can be found on the Trustee’s web page:

<https://tdbadvisory.ca/insolvency-case/rlogistics-limited-partnership-dba-factorydirect-ca/>

## 2.0 PRELIMINARY EVALUATION OF ASSETS

5. According to the Company's Statement of Affairs sworn April 30 2024, the Company's assets at the date of bankruptcy include the following:

<u>Description</u>	<u>Estimated Realizable Value</u>
Inventory	\$4,160
Accounts receivable	\$398,900
Deposits in financial institutions	\$4,287,768
Equipment	\$12,000
Other	\$3,001
<b>Total</b>	<b>\$4,705,829</b>

6. As of the date of bankruptcy, the Company has liquidated the vast majority of its assets as part of the liquidation process that was approved by the Court on February 15, 2024. The deposits in financial institutions is comprised primarily of the net proceeds of the liquidation sale.
7. Details regarding the composition of all other assets can be found in the Company's Statement of Affairs.

## 3.0 BOOKS AND RECORDS

8. The Trustee has obtained access to the Company's books and records and is in the process of transferring all books and records, both physical and digital copies, to the Trustee.

## 4.0 CONSERVATORY AND PROTECTIVE MEASURES

9. Since its appointment, the Trustee has taken the following conservatory and protective measures:
- Redirected all of the Company's mail to the Trustee's office for a period of six (6) months;

- b) Directed CIBC and TD banks to freeze the Company's accounts and transfer all funds to the Trustee, to be held in trust. As of the date of this preliminary report, the Trustee has received \$4,194,604.54 from CIBC; and
- c) Arranged for certain of the Company's insurance policies to be continued until further notice from the Trustee.

## 5.0 LEGAL PROCEEDINGS

- 10. The Trustee is not involved in any legal proceedings, and is not aware of any legal proceedings involving the bankrupt at this time.

## 6.0 PROVABLE CLAIMS

- 11. The claims filed by creditors as of 11:00 a.m. on May 13, 2024, are as follows:

	Per Statement of Affairs	Filed as of May 13, 2024
Secured	-	-
Unsecured	\$2,039,762	\$848,502
Preferred	88,405	\$69,191
Contingent	-	-
<u>Total</u>	<u>\$2,128,167</u>	<u>\$917,693</u>

- 12. As part of its duties, the Trustee will review the differences between the amounts set out in the proofs of claim filed and the amounts included in the Statement of Affairs prior to distribution of funds to the Company's unsecured creditors.

## 7.0 SECURED CREDITORS

- 13. As of the bankruptcy, the Company had no secured debts.

## **8.0 ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION**

14. Based on the information set out on the Statement of Affairs and in this report, the Trustee anticipates that there will be funds available for distribution to the Company's unsecured creditors.

## **9.0 TRANSFERS AT UNDERVALUE AND PREFERENCE PAYMENTS**

15. The Trustee has not yet conducted a review for any transfers at undervalue and preference payments. The Trustee will review this matter further with the inspector(s), to be elected at the First Meeting of creditors.

## **10.0 THIRD-PARTY DEPOSIT**

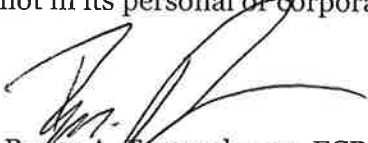
16. A third-party deposit in the amount of \$113,000 was provided by 1313256 Ontario Inc. ("131"). The Trustee intends to return this deposit to 131, as there are sufficient assets in the estate to address the fees of the Trustee and its legal counsel.

## **11.0 OTHER MATTERS**

17. The Trustee has no further matters to report.

Dated at Toronto, Ontario, this 13<sup>th</sup> day of May, 2024.

**TDB RESTRUCTURING LIMITED** in its capacity as Trustee of the Estates of RLogistics Limited Partnership, RLogistics Inc. and 1696308 Ontario Inc., bankrupts, and not in its personal or corporate capacity



Per: Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT  
Managing Director