

District of Ontario
Division No.: 09 - Toronto
Estate No. 31-2360756
Court No. 31-2360756

IN THE MATTER OF THE BANKRUPTCY OF
LEARNOGRAPHY CORPORATE SERVICES INC.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

Trustee's Preliminary Report to the Creditors

BACKGROUND

1. LEARNOGRAPHY CORPORATE SERVICES INC. ("LCS") was federally incorporated on October 9, 2015. The address of the head office of LCS was the address of Curriculum Services Canada / Services Des Programmes D'Études Canada ("CSC") located at 150 John Street, Toronto. LCS did not have any employees.
2. LCS provided digital learning services including online modules, videos, audio and interactive media.

Causes of Insolvency

3. LCS relied on the support of CSC. When CSC indicated that it would be filing an assignment in bankruptcy, the Board of LCS concluded that LCS's operations could not continue without CSC's support as LCS would no longer be able to meet its obligations generally as they fell due. The Board authorized LCS to make an assignment into bankruptcy in accordance with the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") by March 30, 2018.
4. On March 28, 2018, LCS filed an Assignment in Bankruptcy. On March 29, 2018 the Office of the Superintendent of Bankruptcy issued a Certificate of Appointment in which (i) the date of bankruptcy was set as March 29, 2018, and (ii) appointed RSM Canada Limited ("RSM") as the trustee in bankruptcy of LCS (the "Trustee") subject to affirmation at the First Meeting of Creditors.

SECTION A: PRELIMINARY EVALUATION OF ASSETS

5. According to LCS's Statement of Affairs, the assets of LCS as at the date of bankruptcy consist of the following:

Cash on hand	\$3,491.36
Funds held by Trustee	<u>1,500.00</u>
Total assets	<u>\$4,991.36</u>

a) Cash

On March 29, 2018, the Trustee wrote to TD Canada Trust ("TD") where LCS's bank account was held, to notify TD of the bankruptcy, request that TD freeze the LCS account and arrange for the transfer of the balance in LCS's accounts to the Trustee. The

Trustee was informed by TD that the balance in the LCS bank account was \$4,553.80 as of the date of bankruptcy. As of the date of this report, the funds on account have not yet been transferred to the Trustee.

b) Other Property

Other property included on the Statement of Affairs consists of funds held by Trustee - In addition to the funds held in LCS's accounts at TD, the Trustee is in possession of \$1,500 which was provided to RSM by LCS on March 22, 2018 pending the filing of the assignment in bankruptcy. These funds have been transferred to the estate bank account in respect of LCS.

6. The Trustee will discuss these assets further with the Inspectors elected at the First Meeting of Creditors.

SECTION B: CONSERVATORY AND PROTECTIVE MEASURES

Cash In Bank

7. As set out earlier in this report, the Trustee advised TD to freeze LCS's bank account.

Mail Redirection

8. The Trustee has arranged for the redirection to the Trustee's office of LCS's mail for a period of one year.

Books and Records

9. The Trustee has arranged for the boxing of LCS's paper records and termination of access to its electronic records stored on the Cloud. The Trustee will review the disposition of LCS's records with the Inspectors.

SECTION C: LEGAL PROCEEDINGS

10. The Trustee is not involved in any legal proceedings at this time.

SECTION D: PROVABLE CLAIMS

11. The claims filed by creditors as of 9:00 a.m. on April 16, 2018, are as follows:

	Per Statement of Affairs	Filed as of April 16, 2018
Secured	\$-	
Preferred	-	\$ -
Unsecured	5,900.00	-
		-
<u>Total</u>	<u>\$5,900.00</u>	<u>\$ -</u>

12. The Trustee will review the differences between the amounts set out in the Proofs of Claim filed and the amounts included in the SOA.

SECTION E: SECURED CREDITORS

13. No secured creditors were identified by a search conducted of the Personal Property Security Act Registration System ("PPSA") as at the date of bankruptcy.

SECTION F: ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

14. Based on the assets of LCS, the Trustee estimates that there will be no proceeds available for distribution to LCS's creditors.

SECTION G: TRANSFERS AT UNDERVALUE AND PREFERENCE PAYMENTS

15. The Trustee has not at this time conducted a review of LCS's bank statements. The Trustee will review this matter further with the Inspectors.

SECTION H: OTHER MATTERS

16. The Trustee has no other matters to report.

Dated at Toronto, Ontario, this 16th day of April, 2018.

RSM CANADA LIMITED, in its capacity as Trustee of the
Estate of Learnography Corporate Services Inc., a bankrupt,
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CIRP, CFF, LIT
Senior Vice President