



TDB Restructuring Limited
Licensed Insolvency Trustee

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District of Ontario
Division No.: 09 - Toronto
Estate No. 31-3157988
Court No. 31-3157988

**IN THE MATTER OF THE BANKRUPTCY OF
RCLUB ENTERPRISES INC.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S PRELIMINARY REPORT TO THE CREDITORS

December 16, 2024

1.0 INTRODUCTION

1. RCLUB Enterprises (the "**Company**" or "**RCLUB**") was a private members' club for automotive enthusiasts. Members had access to auto-related amenities such as workshop, indoor wash, driving simulators, among other things.
2. On November 26, 2024, RCLUB filed an Assignment in Bankruptcy and TDB Restructuring Limited was appointed as Licensed Insolvency Trustee (the "**Trustee**") of the bankrupt estate by the Official Receiver, subject to affirmation of its appointment at the first meeting of creditors.
3. 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/rclub-enterprises-inc/>

2.0 PRELIMINARY EVALUATION OF ASSETS

4. According to the Company's Statement of Affairs sworn November 25, 2024, the Company's assets at the date of bankruptcy are comprised of furniture, fixtures and equipment with an estimated realizable value of \$25,700. As set out on the Statement of Affairs, all of the assets are encumbered and appear to be subject to a general security agreement in favour of RBC, subject to confirmation by the Trustee.

3.0 BOOKS AND RECORDS

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

4.0 CONSERVATORY & PROTECTIVE MEASURES

6. The Trustee has not taken any conservatory or protective measures at this time.

5.0 LEGAL PROCEEDINGS

7. The Trustee is not aware of any legal proceedings against the Company at this time.

6.0 PROVABLE CLAIMS

8. The claims filed by creditors as of 8:00 a.m. on December 16, 2024, are as follows:

	Per Statement of Affairs	Filed as of December 16, 2024
Secured Claims	\$25,700.00	\$-
Preferred Claims	\$70,021.20	\$70,021.20
Unsecured Claims	\$781,906.46	\$436,078.89

9. 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, if any, to the Company's unsecured creditors.

7.0 SECURED CREDITORS

10. The Trustee has conducted a PPSA search which showed Royal Bank of Canada ("**RBC**") as a registered secured party. RBC provided a line of credit, credit card, and chequing account with overdraft services to the Company.
11. The PPSA search revealed that CWB National Leasing Inc. ("**CWB**") is also a registered secured party. However, Adam Westland, the former Director of the Company, has advised the Trustee that CWB's lease has been fulfilled and paid off. The Trustee sent a supplementary creditors package to CWB, and CWB confirmed by email that, "the bankrupt satisfied its indebtedness to CWB National Leasing Inc. earlier this year".
12. As of the date of bankruptcy, the total secured debt owed to RBC as set out on the Company's Statement of Affairs was \$43,019. The Trustee understands that RBC

holds a General Security Agreement (“GSA”) over the debtor’s assets. RBC has not filed a Proof of Claim as of the date of this preliminary report. .

13. The Trustee notes that the Company has abandoned all of its assets, and they remain on site at the leased premises formerly occupied by the Company. The Trustee understands that the leased premises has since been taken over by an unrelated third party.
14. The Trustee has made several attempts to contact RBC to discuss their intention with respect to the Company’s assets which are subject to the GSA, but RBC has not responded to the Trustee as of the date of this preliminary report.

8.0 ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

15. Based on the information set out on the Statement of Affairs and in this report, the Trustee anticipates that there will not be any funds available for distribution.

9.0 TRANSFERS AT UNDERVALUE AND PREFERENCE PAYMENTS

16. 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 & GUARANTEE

17. A third-party deposit in the amount of \$10,000 was provided by Mr. Nicholas Cassells and Mr. Adrian Turchet. In addition, Messrs. Cassells and Turchet provided a third-party guarantee in the amount of \$5,000 to secure the fees and disbursements of the Trustee.

11.0 OTHER MATTERS

18. The Trustee has no further matters to report.

Dated at Toronto, Ontario, this 16th day of December, 2024.

TDB RESTRUCTURING LIMITED in its capacity as
Trustee of RClub Enterprises Inc., a bankrupt,
and not in its personal or corporate capacity

A handwritten signature in black ink, appearing to read "Jeff Berger", with a long horizontal flourish extending to the right.

Per: Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director