



**TDB Restructuring Limited**  
Licensed insolvency trustee

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District of Ontario  
Division No.: 08 - Waterloo  
Estate No. 35-3175530  
Court No. 35-3175530

**IN THE MATTER OF THE BANKRUPTCY OF  
THE SANCTUARY DAY SPAS INC.  
OF THE CITY OF WATERLOO,  
IN THE PROVINCE OF ONTARIO**

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

**January 30, 2025**

## 1.0 INTRODUCTION

1. The Sanctuary Day Spas Inc. (the "**Company**", "**SDS Inc.**" or the "**Debtor**") was a wellness spa located in the heart of Waterloo, offering services such as massage therapy, esthetics, and medi-spa treatments.
2. On January 17, 2025, SDS Inc. 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/the-sanctuary-day-spas-inc/>

## 2.0 PRELIMINARY EVALUATION OF ASSETS

4. According to the Company's Statement of Affairs sworn January 17, 2025, the Company's assets at the date of bankruptcy are comprised of furniture, fixtures and equipment with an estimated realizable value of \$41,820. 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 Canadian Imperial Bank of Commerce ("**CIBC**" or the "**Secured Creditor**"). The Trustee notes, however, in its opinion, the estimated realizable value is far less than the cost of recovery.

## 3.0 BOOKS AND RECORDS

5. The Trustee is working with the Debtor to obtain access to the Company's books and records and expects to have access by the week of February 3<sup>rd</sup>, 2025. Once access is granted, the Trustee will commence the process of transferring all books and records, primarily digital copies, to the Trustee's secure storage.

## **4.0 CONSERVATORY & PROTECTIVE MEASURES**

6. The Trustee has directed CIBC 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 not received any funds from CIBC.

## **5.0 LEGAL PROCEEDINGS**

7. The Trustee is not currently aware of any legal proceedings against the Company.

## **6.0 PROVABLE CLAIMS**

8. The claims filed by creditors as of 8:00 a.m. on January 30, 2025, are as follows:

	Per Statement of Affairs	Filed as of January 30, 2025
Secured Claims	\$41,820.00*	
Preferred Claims	\$0.0	
Unsecured Claims	\$475,105.25	233,633.16

\*The Trustee has valued the secured claim at \$41,820, however the total amount of the claim is \$242,448.00.

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 CIBC as a registered secured party. CIBC provided HASCAP and CEBA loans, as well as chequing account to the Company.
11. The PPSA search does not show any other registered parties.

12. As of the date of bankruptcy, the total secured debt owed to CIBC as set out on the Company's Statement of Affairs was \$43,019. The Trustee understands that CIBC holds a General Security Agreement ("GSA") over the debtor's assets. CIBC 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.
14. The Trustee has made several attempts to contact CIBC to discuss their intention with respect to the Company's assets which are subject to the GSA, but CIBC 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 \$20,000 was provided by The Sanctuary Day Spas International Inc., the parent company of SDS Inc.

## **11.0 OTHER MATTERS**

18. The Company currently holds an existing lease with Peter Benninger (the "Landlord"), which is set to expire on January 31, 2025. The Landlord is holding a

security deposit, which is to be applied as rent payment for the month of January 2025. SDS has vacated the premises and abandoned certain assets at the location. The Trustee intends to propose to disclaim the lease. The Trustee notes that the abandoned assets are subject to the Secured Creditor's GSA and are likely to be evaluated for potential recovery for the benefit of the secured creditor.

Dated at Toronto, Ontario, this 30<sup>th</sup> day of January, 2025.

**TDB RESTRUCTURING LIMITED** in its capacity as  
Trustee of The Sanctuary Day Spas Inc., a bankrupt,  
and not in its personal or corporate capacity



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