



**TDB Restructuring Limited**  
Licensed Insolvency Trustee

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District of Ontario  
Division No.: 09 - Mississauga  
Court No.: 32-3267656  
Estate No.: 32-3267656

**IN THE MATTER OF THE BANKRUPTCY OF  
3MOTIONAI INC.  
OF THE TOWN OF OAKVILLE,  
IN THE PROVINCE OF ONTARIO**

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

**JANUARY 26, 2026**

## **1.0 INTRODUCTION**

1. On September 3, 2025, 3MotionAI Inc. (“**3Motion**” or the “**Company**”), filed a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act (the “**NOI Proceedings**”). TDB Restructuring Limited was appointed as the proposal trustee (the “**Proposal Trustee**”) for the Company.
2. On October 1, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order which, among other things:
  - a) expanded the role of the Proposal Trustee, including authorizing the Proposal Trustee to conduct a sale and investment solicitation process (the “**SISP**”);
  - b) authorized 3Motion to obtain a debtor-in- possession credit facility up to the principal amount of \$750,000 from West Tech Fitness Group Inc. (the “**DIP Lender**”) and a corresponding charge in favour of the DIP Lender in the same amount, plus interest, fees, and expenses;
  - c) granted a charge not to exceed \$500,000 to secure the fees and disbursements of the Proposal Trustee, its counsel and counsel to the Company;
  - d) granted a charge in favour of the officers and directors of the Company not to exceed \$150,000;
  - e) approved a termination and consulting agreement with the sole director, officer and founder, Mr. Reed Hanoun (“**Mr. Hanoun**”);
  - f) approved the appointment of the Proposal Trustee as foreign representative of the NOI Proceedings for the purpose of making an application for the recognition of the Proceedings under Chapter 15 of the US Bankruptcy Code;
  - g) extended the period in which 3Motion can make a proposal to its creditors and the stay of proceedings up to and including November 14, 2025.

3. On November 13, 2025, Court issued an Order, among other things:
  - a) approving the sale of the Company's assets as a result of the SISP; and
  - b) extending the period in which 3Motion can make a proposal to its creditors and the stay of proceedings up to and including December 28, 2025.
4. On December 24, 2025, the Company lodged a proposal (the "**Proposal**") which was filed with the Official Receiver.
5. Prior to the meeting of creditors to vote on the Proposal, on January 5, 2026, the Company filed an Assignment in Bankruptcy and TDB Restructuring Limited was appointed as trustee (the "**Trustee**") of the bankrupt estate by the Official Receiver, subject to affirmation of its appointment at the first meeting of creditors. The Company filed the voluntary assignment in bankruptcy because the assets of the Company were substantially sold and the Proposal would not result in a realization greater for creditors greater than a bankruptcy.
6. 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/3motionai-inc/> (the "**Case Webpage**").

## **2.0 PRELIMINARY EVALUATION OF ASSETS**

7. As of the date of bankruptcy, the Company has liquidated most of its assets as part of the SISP that was approved by the Court. The funds in financial institutions are comprised primarily of the net proceeds of the liquidation sale.
8. According to the Company's Statement of Affairs sworn January 5, 2026, (the "**SOA**") the Company's assets total \$518,027.88 which relates to cash.
9. The Trustee understands that there may be potential recoveries in respect of HST refunds, Scientific Research and Experimental Development ("**SR&ED**") credits, collections of aged accounts receivables, and the realization of certain minimal intangible assets of the Company. The quantum, timing, and recoverability of any

such potential realizations are uncertain and may be difficult to monetize. Accordingly, these potential recoveries have not been reflected as assets in the SOA. Notwithstanding the foregoing, the Trustee believes that there may be a commercially reasonable opportunity to pursue and recover a portion of these amounts, and intends to discuss the same with the inspectors, once appointed.

### **3.0 BOOKS AND RECORDS**

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

### **4.0 CONSERVATORY AND PROTECTIVE MEASURES**

11. Since its appointment, the Trustee has taken the following conservatory and protective measures:
  - a) redirected all of the Company's mail to the Trustee's office for a period of six (6) months;
  - b) arranged for the funds in the Company's accounts to be transferred to the Trustee, to be held in trust; and
  - c) arranged for certain of the Company's insurance policies to be continued until further notice from the Trustee.

### **5.0 PROVABLE CLAIMS**

12. The claims filed by creditors as of 10:30 a.m. on January 26, 2026, are as follows:

	Per Statement of Affairs	Filed as of January 26, 2026
<u>Unsecured Claims</u>	<u>\$3,436,207.08</u>	<u>\$1,466,042.25</u>

### **6.0 SECURED CREDITORS**

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

## **7.0 LEGAL PROCEEDINGS**

14. The Trustee is not involved in any legal proceedings.
15. Refer to the affidavit of Mr. Hanoun affirmed September 29, 2025, without exhibits is attached hereto as **Appendix “A”**, where Mr. Hanoun discusses the legal proceedings and their implications regarding the insolvency of the Company.

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

16. The Trustee has conducted an initial review for transfers at undervalue and preference payments and has requested additional details and information from Mr. Hanoun.
17. The Trustee will review this matter further with the inspector(s), to be elected at the First Meeting of creditors.

## **9.0 THIRD-PARTY DEPOSIT**

18. The Trustee did not obtain a third-party deposit as there are sufficient assets in the estate to address the fees and disbursements of the Trustee and its legal counsel.

## **10.0 ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION**

19. 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.

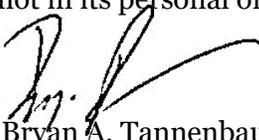
## **11.0 OTHER MATTERS**

20. The Trustee has entered into an independent contractor agreement with Mr. Hanoun.
21. Pursuant to the agreement, Mr. Hanoun will, among other things, assist with the preparation of T4s and Records of Employment, the collection of accounts receivable,

the recovery of **SR&ED** credits, and the completion of the Company's income tax filings.

Dated at Toronto, Ontario, this 26<sup>th</sup> day of January 2026.

**TDB RESTRUCTURING LIMITED** in its capacity as  
Bankruptcy Trustee of the Estate of 3MotionAI Inc., a bankrupt,  
and not in its personal or corporate capacity

A handwritten signature in black ink, appearing to read 'B. A. Tannenbaum', with a long horizontal flourish extending to the right.

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