TDB Restructuring Limited
Licensed Insolvency Trustee

65 Queen St. West, Suite 605
Toronto, ON M5H 2M5

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

District of Ontario
Division No.: 09 - Mississauga
Court No.: 32-3401077
Estate No.: 32-3401077

**IN THE MATTER OF THE BANKRUPTCY OF**
**CEQUENT TOWING PRODUCTS OF CANADA LTD.**
**OF THE CITY OF MISSISSAUGA**
**IN THE PROVINCE OF ONTARIO**

# TRUSTEE'S REPORT TO THE CREDITORS ON PRELIMINARY ADMINISTRATION

**AUGUST 11, 2026**

# 1.0 INTRODUCTION

1. Cequent Towing Products of Canada Ltd. ("**Cequent**" or the "**Company**") is a wholly owned subsidiary of Cequent Nederland Holdings B.V. and an indirect subsidiary of Horizon Global Corporation (together with each of its subsidiaries, including Cequent, the "**Horizon Group**"). The Horizon Group operated within the broader First Brands Group ("**FBG**"), a global supplier of automotive parts and components.

2. The Company was dependent upon the continued operations and financial support of the Horizon Group's U.S. and global businesses in order to sustain its operations in Canada. The Horizon Group, including Cequent, was experiencing significant financial difficulties for an extended period.

3. On September 29, 2025, Horizon Group, together with various other FBG affiliates, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

4. On January 5, 2026, FBG commenced an accelerated marketing process with a view to facilitating a going-concern sale of its business units. As part of this process, the Horizon Groups' North America business was sold and the transaction closed on May 29, 2026. The Company was not included in this sale.

5. There was no viable alternative for Cequent and on June 30, 2026, Cequent Nederland, through counsel, issued instructions to the directors of the Company confirming that there was no interest in or need for the Company, that no funding will be made available to the Company by Cequent Nederland, and directing that Cequent be assigned into bankruptcy as quickly as possible. As such, the Company was not in a position to continue its operations, and its affairs had to be wound down for the benefit of its stakeholders.

6. Accordingly on July 22, 2026, the Company filed an assignment in bankruptcy and TDB Restructuring Limited was appointed as trustee (the "**Trustee**") of the bankrupt estate of Cequent by the Official Receiver, subject to affirmation of its appointment at the first meeting of creditors ("**FMOC**").

# 2.0 PRELIMINARY EVALUATION OF ASSETS

7. According to the Company's Statement of Affairs sworn July 22, 2026, the estimated realizable value of the Company's assets total $215,747, comprised of the following:

| Asset | Estimated Realizable Value |
|---|---|
| Cash | $8,000 |
| Accounts Receivable | 37,062 |
| Inventory | 159,685 |
| Machinery and Equipment | 11,000 |
| **Total** | **$215,747** |

## 2.1 Cash

8. The Trustee is currently in possession of approximately $210,000 in cash on hand, before accounting for professional fees and other costs of administration.

## 2.2 Accounts Receivable

9. The Trustee has contacted representatives of the Horizon Group and FBG to request copies of invoices, purchase orders and delivery documents to support the outstanding accounts receivable in order to signify and collect same; however, no one from the Horizon Group or FBG has, to date, responded to the Trustee's requests in any meaningful manner.

## 2.3 Inventory, Machinery and Equipment

10. The Company's inventory, machinery and equipment are located at a leased warehouse in Mississauga, Ontario (the "**Leased Premises**"), which has a monthly occupancy cost of approximately $110,000 plus HST.

11. Subsequent to the Trustee's appointment, representatives of the Trustee attended at the Leased Premises and observed a significant volume of inventory, machinery and equipment. A portion of the inventory was not wrapped or palletized, and the forklifts and other material-handling equipment at the Leased Premises were not operational.

12. Given the significant occupancy costs, the Trustee considered various alternatives to realize on the inventory, including:

    a) removing and transporting the inventory to another facility for sale and conducting an on-site auction. The Trustee solicited quotes from various auctioneers and local contractors, and estimates provided to the Trustee of the cost of preparing, handling and transporting the inventory were between approximately $94,000 to $250,000 before HST, which does not include occupation costs of approximately $3,700/day. The Trustee was advised that the minimum amount of time to remove all of the inventory would be approximately 2 weeks. On this basis, the approximate total cost for removal of the inventory from the Leased Premises totals, including HST, between $165,000 to $341,000; and

    b) alternatively, the Trustee was advised that an on-site auction could take approximately 60 to 90 days to complete, resulting in occupancy costs of approximately $249,000 to $373,000, including HST.

13. Further, the Trustee has requested, but has not received a detailed listing of machinery, equipment and inventory, identifying the quantity, condition and value of same, which would be required in order to obtain an estimate of the liquidation value of these assets.

14. Funding the estimated costs to either transport the inventory to another location or conduct an on-site auction would effectively exhaust the estate's available liquidity, with no assurance that such costs would be recovered through a subsequent sale.

15. Unless a creditor or other stakeholder is prepared to fund the costs associated with occupation of the Leased Premises and conducting an on-site auction and/or transporting the machinery, equipment and inventory to another facility, the Trustee recommends that the inventory, machinery and equipment be abandoned. The Trustee's recommendation is based on the material risk that the costs of realizing on the machinery, equipment and inventory may exceed the proceeds of realization from these assets.

## 3.0 BOOKS AND RECORDS

16. As set out previously herein, the Trustee is in the process of trying to obtain access to the Company's books and records.

## 4.0 CONSERVATORY AND PROTECTIVE MEASURES

17. Other than arranging for the transfer of funds from the Company's bank accounts, the Trustee has not taken any conservatory and protective measures.

## 5.0 PROVABLE CLAIMS

18. The claims filed by creditors as of 1:30 p.m. on August 11, 2026 are as follows:

| | Per Statement of Affairs | Filed as of August 11, 2026 |
|---|---|---|
| Secured | $6,000.00 | $79,872.27 |
| Unsecured | 478,712.80 | 308,989.71 |
| | $484,712.80 | $388,861.98 |

19. As part of its duties, the Trustee will review any differences between the amounts set out in the proof of claims filed and the amounts included in the Statement of Affairs prior to distribution of funds, if any, to the Company's creditors.

## 6.0 SECURED CREDITORS

20. The Trustee understands that Cequent has no secured creditors.

## 7.0 LEGAL PROCEEDINGS

21. The Trustee understands that CINTAS Canada Limited commenced a claim against Cequent on August 29, 2025, under Court File No. SC-25-00006470-0000. The Trustee is not aware of the current status of the claim; however, pursuant to section 69(3) of the Bankruptcy and Insolvency Act, the proceeding is stayed as of the date of bankruptcy.

## 8.0 TRANSFERS AT UNDERVALUE AND PREFERENCE PAYMENTS

22. 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 FMOC.

## 9.0 THIRD-PARTY DEPOSIT

23. The Trustee did not obtain a third-party deposit as there appear to be sufficient assets in the estate to address the costs of the bankruptcy administration.

## 10.0 ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

24. 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 creditors.

## 11.0 OTHER MATTERS

25. There are no other matters to consider of which the Trustee is aware.

Dated at Toronto, Ontario, this 11th day of August, 2026.

**TDB RESTRUCTURING LIMITED,** solely in its capacity as Trustee of the Estate of Cequent Towing Products of Canada Ltd., a bankrupt, and not in its personal or corporate capacity

Per: Arif Dhanani, CPA, CA, CIRP, LIT
Managing Director