



District of Ontario
Division No. 09 – Toronto
Court No. 31-3115655
Estate No. 31-3115655

IN THE MATTER OF THE BANKRUPTCY OF
METROPOLITAN PREPARATORY ACADEMY INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

MINUTES OF THE FIRST MEETING OF CREDITORS held via videoconference, under the chair of Yannick Michelin on the 3rd day of September, 2024.

ATTENDANCE

Chairperson	Yannick Michelin, Official Receiver Office of the Superintendent of Bankruptcy
Secretary:	Andrea Kwon, Official Receiver Office of the Superintendent of Bankruptcy
Licensed Insolvency Trustee (“LIT”):	Nicole Sagolili BDO Canada Limited

The attendance is recorded as per the attached list. Due to difficulties resulting from telephone attendance, names of people in attendance may have been incorrectly recorded.

CALL TO ORDER

The Chairperson called the meeting to order at 2:25 p.m.

INTRODUCTIONS AND ATTENDANCE LIST

Yannick Michelin acted as the Chairperson for the meeting under the authority of s. 105(1) of the Bankruptcy and Insolvency Act (“BIA”).

The Chairperson introduced participants from the Office of the Superintendent of Bankruptcy and the LIT’s office.

QUORUM

The Chairperson examined the proof of notification, proof of claims and established that there was a quorum. The Chairperson declared that the meeting was duly constituted.

PURPOSE OF THE MEETING

The Chairperson explained that the purpose of the First Meeting of Creditors was to consider the affairs of the Bankrupt, affirm the appointment of the trustee and to appoint inspectors.

QUESTION PERIOD

The floor was opened for questions.

Jason Van Allen (“**Van Allen**”) indicated that he had a claim for unpaid severance pay and asked how to file a claim. The LIT asked employees to communicate with their office to discuss the matter and the calculation of termination pay and/or severance pay claims.

Van Allen indicated that he believed there was a conflict between the *Wage Earner Protection Program* (“**WEPP**”) and the *Employment Insurance* (“**EI**”) which affected 80% of the Bankrupt’s employees. A discussion ensued where the LIT advised they will reach out to former employees to ensure that they are aware of their rights with respect to WEPP.

TRUSTEE’S REPORT ON PRELIMINARY ADMINISTRATION

The LIT delivered their Trustee’s Preliminary Report for the estate.

QUESTION PERIOD

The floor was opened for questions.

Laura Lee Copeland (“**Copeland**”) asked to clarify the LIT’s statement with respect to deposits being made at the wrong school. Copeland advised that deposits from several parents were made through online banking with the intention of being paid to the new school operated by the landlord. While they were advised that these transfers could be made through the old school name, it appeared that the deposits were received into the Bankrupt’s bank account.

The LIT advised that once funds are deposited in the Bankrupt’s account, they become comingled and property of the estate. This specific question will be submitted to legal counsel for review.

Jonathan Ku (“**Ku**”) asked whether legal counsel considered certain wording contained in the agreement in concluding that deposits were not trust funds. Ku also indicated that a letter stating that deposit funds would be returned was sent to the parents.

The LIT advised that the forms executed by the parents had been reviewed and that they were unaware of the letter referred to by Ku. The LIT asked for a copy of the letter in order to review it and consider the potential impacts.

APPOINTMENT OF TRUSTEE

A motion to affirm the appointment of BDO Canada Limited as Trustee was moved by Emma Dalziel (“**Dalziel**”). There being no objection, the motion was carried.

APPOINTMENT OF INSPECTOR(S)

The Chairperson explained the role of inspectors and asked if there were any parties interested to serve as inspector(s) to the estate.

There was a discussion between the Chairperson, Dalziel and the LIT with respect to the desirability of appointing inspectors to the estate.

DIRECTIVES TO THE TRUSTEE

The Chairperson asked whether Creditors wanted to provide instructions to the LIT.

George Liu (“**Liu**”) asked whether the Bankrupt had bank accounts elsewhere from CIBC and asked to review the last 6 months of bank statements. The LIT indicated that the only two bank accounts were at CIBC and asked for the rationale to provide a copy of the bank statements.

Liu discussed the long duration of the Bankrupt’s activities, the possibility that money had been moved from the account, the cash-flow issues due to the renovations, the impact of the Covid-19 pandemic and the injection of funds by the Director.

Josie Parisi (“**Parisi**”) indicated that they normally wouldn’t provide records of the Bankrupt by email but could show the statements on screen. She also advised that they didn’t find any nefarious activities and their understanding was that the cause of bankruptcy was circumstantial due to the renovations and the change in number of international students.

Van Allen advised that the higher yearly lease costs also contributed to the school running at a loss and that the owner was supposed to have injected millions of dollars into the business through the sale of his personal house.

Parisi advised that this was news to BDO and further advised that if the creditors wanted them to conduct a forensic audit of the Bankrupt’s books, this would require funding by the creditors. Parisi advised that a budget for an audit could be prepared for that purpose.

There was a discussion between Van Allen, Ku and Parisi with respect to the review of the Bankrupt’s records and the sale process that had taken place prior to the bankruptcy.

Parisi suggested to conduct another high level review and that inspectors be appointed so that they could report on their findings and seek instructions.

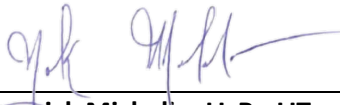
A motion to appoint Angela Guo (“**Guo**”), Jonathan Ku and George Liu as inspectors was moved by Jonathan Ku and seconded by George Liu. There being no objection, the motion was carried.

There were further discussions with respect to tuition deposits, the timing of the bankruptcy, the anticipated duration of the bankruptcy process and the sale of the school name. No specific instructions were given to the LIT.

ADJOURNMENT OF MEETING

There being no further business, a motion to adjourn the meeting was moved by Ku and seconded by Liu.

The motion was carried and the meeting was adjourned at 3:22 p.m.



October 2, 2024

Yannick Michelin, LL.B., LIT
Chairperson / Official Receiver
Office of the Superintendent of Bankruptcy

Encl.: Attendance List

ATTENDANCE SHEET | FEUILLE DE PRÉSENCE

Re / Sujet:	File No. / N° de dossier:	Date:
METROPOLITAN PREPARATORY ACADEMY INC.	31-3115655	03-09-2024

NO.	NAME (PRINT) NOM (IMPRIMER)	REPRESENTING REPRÉSENTANT	SIGNATURE	AMOUNT OF CLAIM MONTANT RÉCLAMÉ	REMARKS REMARQUES
1	Yannick Michelin	OSB – Chairperson	Videoconference	N/A	-
2	Andrea Kwon	OSB – Secretary	Videoconference	N/A	-
3	Nicole Sagolili	BDO	Videoconference	N/A	-
4	Josie Parisi	BDO	Videoconference	N/A	-
5	Tony Montesano	BDO	Videoconference	N/A	-
6	Terry Anderson	Bankrupt	Videoconference	N/A	-
7	Emma Dalziel	CIBC	Videoconference	847,406.61	-
8	Angela Guo		Videoconference	1.00	-
9	Mohan Fernando		Videoconference	\$88,320.00	-
10	Laura Lee Copeland		Videoconference	2,000.00	-
11	Jason Van Allen		Videoconference	1.00	-
12	Jianhai Ding	Yu Wen Lijun Yang Feng Wen Yujun Hua Huo	Videoconference	\$33,700.00 \$33,700.00 \$33,700.00 \$33,700.00	-
13	Hong Yang		Videoconference	\$33,700.00	-
14	Jennifer Zheng		Videoconference	\$33,700.00	-
15	George Liu	Junli Liu	Videoconference	\$33,700.00	-
16	Sue Dillion		Videoconference	1.00	-
17	Haishan Deng		Videoconference	\$33,700.00	-

18	Qiuli Zhao	Lai Wang	Videoconference	\$33,700.00	-
19	Yuan Jia Su		Videoconference	N/A	-
20	Tran Quan Gi		Videoconference	N/A	-
21	John Jao	Yu Wen	Videoconference	\$33,700.00	-
22	Tranquan Di	Bin Di	Videoconference	\$33,700.00	-
23	Shen Kun Rui		Videoconference	\$33,700.00	-
24	Kun Yang		Videoconference	N/A	-
25	Minghuo Wen		Videoconference	\$33,700.00	-
26	Yunjia Fu		Videoconference	16,850.00	-
27	Johnathan Ku	Andy Wu & Xue Lou	Videoconference	33,700.00	-
28	Jinqiang Liu	Yuhua Huo	Videoconference	\$16,850.00	-