

Division of: Ontario Division  
No.: 09-Mississauga  
Estate Number: 32-159456  
Court Number: BK-24-00208707-OT31

**IN THE MATTER OF THE BANKRUPTCY OF  
ATTESTA INTERNATIONAL SAFETY CERTIFICATION INC.  
OF THE CITY OF MISSISSAUGA  
IN THE PROVINCE OF ONTARIO**

**REPORT OF THE TRUSTEE'S PRELIMINARY ADMINISTRATION**

**Background**

1. Attesta International Safety Certification Inc. ("**Attesta**" or the "**Company**") was in the business of providing equipment safety certification services.
2. Mr. Sumeru Kumar and Mr. Raj Nayyar were both directors and officers of the Company but Mr. Nayyar resigned as both an officer and a director in July 2024. Accordingly, Mr. Kumar was the only remaining officer and director of the Company at the date of Bankruptcy. Mr. Nayyar and Mr. Kumar, via their respective holding companies – Zonar Technologies Inc. for Mr. Nayyar and ZCS Akis Engineers Inc. ("**ZCS**"), for Mr. Kumar, each own equal shares in Attesta.
3. Attesta required accreditation from the Standards Council of Canada (the "**Council**"). In 2023, the Council began an investigation into the Company. In January 2024, the Council withdrew the Company's accreditation. The Council determined "that there is sufficient evidence of fraudulent activity" to warrant withdrawal of the Company's accreditation. The Company has had virtually no business activities or revenues since then.
4. The Company, Mr. Kumar and Mr. Nayyar jointly retained counsel to pursue an appeal of the Council's decision. Both an appeal and a complaint were filed with the Council. The Council dismissed the Debtor's complaint on June 20, 2024. The Council found that the actions it had taken "were reasonable for addressing fraudulent behaviour by an SCC accredited client." Although the appeal remains outstanding, the appellants confirmed that they have no intention of funding the appeal.
5. The Attesta shareholders are parties to a unanimous shareholders' agreement as well as other relevant agreements. The unanimous shareholders' agreement provides that "any action of the Corporation" taken on the matter of "the winding-up, dissolution or termination of the existence of the Corporation" requires 100% shareholder approval". Mr. Nayyar refused his consent to Attesta making a voluntary assignment into bankruptcy.
6. As a result, ZCS as creditor for \$148,885 brought an application to Court for a bankruptcy order. The Court found that the debt owed to ZCS was proven. Mr. Nayyar contested the application claiming shareholder oppression among other things. The Court did not agree with Mr. Nayyar's arguments and granted the bankruptcy order on October 17, 2024.

## **Causes of Financial Difficulties**

7. As described above, when the Council withdrew Attesta's accreditation in January 2024, Attesta was no longer able to operate, was rendered insolvent, no longer had any revenues and could not pay its bills when they came due.

## **Insolvency Proceeding**

8. Following its appointment as Trustee, DLI distributed a Notice of Bankruptcy, a copy of the Statement of Affairs and a Proof of Claim form with instructions to all known creditors by December 3, 2024, as well as placed a Notice of Bankruptcy ad in the National Post.

## **Assets**

9. The assets of Attesta were comprised of computers and miscellaneous equipment with an estimated net realizable value of \$6,700, a vehicle with equity of approximately \$5,000, shares of a subsidiary with an estimated net realizable value of approximately \$7,000, cash on hand of \$2,985 and accounts receivable which are estimated to realize \$20,000. As such, currently, the assets are estimated to realize approximately \$41,700.

## **Books and Records**

10. The Trustee has received the books and records but has not yet had an opportunity to review all of them.

## **Provable Claims**

11. At the date of this report, the Trustee has received three proofs of claim from preferred creditors totaling \$94,557.37, three proofs of claim from unsecured creditors totaling \$217,841.12 (two of which are from the same creditor) and, no claim from secured creditors. These proofs of claim remain subject to the Trustee's review.
12. The Statement of Affairs lists 14 creditors with potential provable claims totaling \$206,541.
13. Following the loss of its accreditation in January 2024 most employees left the Company. At the date of bankruptcy, according to Company records, three former employees were creditors.

## **Anticipated Realizations and Projected Distribution**

14. The Total Proceeds in the Trustee's possession will first be distributed to: (i) former employees of Attesta in respect of super priority claims of up to \$2,000 each, or if funded by WEPP to the employees then as a reimbursement to WEPP; (ii) approximately \$13,000 will be paid to the Canada Revenue Agency for unremitted source deductions; and (ii) all remaining proceeds will be distributed pro-rata to the proven unsecured creditors after costs of the bankruptcy administration.
15. Accordingly, the net estimated realizations will be insufficient to repay the unsecured creditors and they will experience a significant shortfall.

16. Employee claimants may also be eligible to receive funding of a portion of their claims from the Federal government's Wage Earner Protection Program ("**WEPP**"). The creditor packages mailed to the employees provide them with information about the program and how to apply. The Trustee has also begun making submissions to the WEPP program for those employees who have submitted claims to date in the Bankruptcy, as required prior to the employees making their applications.

### **Transfers at Undervalue and Preferential Payments**

17. To date, the Trustee has not commenced a review of Attesta's records in the Trustee's possession to determine if there are any potential transfers at undervalue or preferential transactions.

### **Third-Party Deposit**

18. Prior to the commencement of the bankruptcy proceeding, the Trustee obtained a retainer deposit totaling \$15,000 from ZCS Akia Engineers Inc. as security for a portion of the costs of the bankruptcy administration ("**Deposit**").

Dated at Toronto, Ontario, this 13<sup>th</sup> day of December 2024.

#### **DODICK LANDAU INC.**

Acting solely as Trustee in Bankruptcy  
of the Estate of Attesta International  
Safety Certification Inc. and not in its  
personal or corporate capacity.

Per:



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Rahn Dodick CPA, CA, CIRP, LIT  
President