

Division of: Ontario
Division No.: 09 - Toronto
Estate Number: 31-3219059
Court Number: 31-3219059

**IN THE MATTER OF THE BANKRUPTCY OF
2285901 ONTARIO INC. (f/k/a ALIBI ENTERTAINMENT INC.)
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

REPORT OF THE TRUSTEE'S PRELIMINARY ADMINISTRATION

INTRODUCTION

1. 2285901 Ontario Inc. ("**228 Ontario**") or the "**Bankrupt**", formerly known as Alibi Entertainment ("**Alibi**") is a private company.
2. On May 2, 2025, 228 Ontario assigned itself into bankruptcy ("**Date of Bankruptcy**") and Dodick Landau Inc. was appointed as Trustee in Bankruptcy of the estate of 228 Ontario (the "**Trustee**").

BACKGROUND

3. The former management of the Bankrupt (the "**Management**") advised that the Bankrupt had been operating for 15 years. It was among the top unscripted production companies in the world. The Bankrupt first encountered financial difficulty when its productions were shut down during the COVID-19 pandemic (the "**Pandemic**"). Prior to the onset of the Pandemic, the Bankrupt had been financially healthy and had been experiencing steady growth.
4. The Bankrupt retained all their staff during the Pandemic and the Bankrupt's shareholders advanced significant shareholder loans to maintain the business as a going concern. The Bankrupt next experienced major financial pressure and business disruption when the Writers Guild of American went on strike on account of a labour dispute with the Alliance of Motion Picture and Television Producers which commenced in May 2023 and lasted five months. Thereafter, the Bankrupt again attempted to rebuild its business.
5. In September 2023, Alibi was petitioned into bankruptcy by its secured creditor, the Royal Bank of Canada ("**RBC**"). Alibi negotiated for additional time to determine a path forward and RBC agreed. Alibi entered into a forbearance agreement with RBC in December 2023 ("**Forbearance Agreement**") which expired in May of 2024.
6. The Trustee understands that in the intermittent period, since the expiry of the Forbearance Agreement, new business has been developed in a new company started by the same shareholder group and Management has been using the name Alibi Entertainment in its new company and changed the legal name of the Bankrupt to 2285901 Ontario Inc.

7. As at the Date of Bankruptcy, Management of 228 Ontario decided to cease operations and assign the company into bankruptcy to formally wind down operations.

INSOLVENCY PROCEEDING

8. Following its appointment as Trustee, DLI:
 - a. distributed a Notice of Bankruptcy, a copy of the Statement of Affairs and a Proof of Claim form with instructions to all known creditors, as well as placed a Notice of Bankruptcy ad in the National Post;
 - b. issued letters to the Bankrupt's banks notifying them of the bankruptcy and requesting that accounts be frozen and funds on hand transferred to the Trustee's estate bank account;
 - c. transferred production equipment on hand to storage until a sale may take place; and
 - d. took possession of books and records.

ASSETS

9. As summarized in the Statement of Affairs, the remaining assets consist of (i) production equipment and a van with a combined estimated net realizable value of \$40,000 and (ii) accounts receivable balances payable to the Bankrupt with estimated value of \$238,000 (jointly the "Assets").

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 one secured proof of claim totalling Cdn \$1,210,787 and US \$28,420.
12. The Statement of Affairs lists 6 known creditors with potential provable claims totalling \$1,498,768, which includes a secured claim from RBC valued at \$1,158,008. The Bankrupt is indebted to RBC on account of certain advances pursuant to various financing agreements including: a line of credit, a HASCAP loan and a NATL visa. The HASCAP loan is guaranteed by the Business Development Bank of Canada.

ANTICIPATED REALIZATIONS and PROJECTED DISTRIBUTION

13. The Trustee notes that it will obtain a security opinion with respect to the validity and enforceability of the RBC security. Subject to the security opinion indicating otherwise, RBC has all the economic interest in the Bankrupt's Assets and will experience a shortfall on its security.
14. Accordingly, the Trustee does not anticipate that there will any distributions available for the unsecured creditors of the Bankrupt.

TRANSFERS AT UNDERVALUE and PREFERENTIAL PAYMENTS

15. To date, the Trustee has not commenced a review of 228 Ontario's records in the Trustee's possession to determine if there are any potential transfers at undervalue or preferential transactions.
16. However, as described above, the Trustee is aware that the trade name "Alibi Entertainment" was transferred to a related party in the months prior to the Date of Bankruptcy. Whether the trade name had any realizable value is unknown at this time.

RETAINER DEPOSIT

17. Prior to the commencement of the Bankruptcy proceeding, the Trustee obtained a retainer deposit totalling \$15,000 as security for a portion of the costs of the Bankruptcy administration.

Dated at Toronto, Ontario, this 22nd day of May 2025.

DODICK LANDAU INC.

Acting solely as Trustee in Bankruptcy
of the Estate of 2285901 Ontario Inc. (f/k/a Alibi Entertainment Inc.)
and not in its personal or corporate capacity.

Per:



Rahn Dodick CPA, CA, CIRP, LIT
President