

Court No. 31-2610052
Estate No. 31-2610052

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE BANKRUPTCY OF
YUAN HUA (MIKE) WANG,
OF THE CITY OF MARKHAM, IN THE PROVINCE OF ONTARIO

**SUPPLEMENTARY REPORT OF TRUSTEE ON BANKRUPT'S
APPLICATION FOR DISCHARGE
(Subsection 170(1) of the Act)**

February 7, 2024

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in its capacity as licensed insolvency trustee
of Yuan Hua (Mike) Wang, and not in its
personal capacity

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INTRODUCTION

1. This report (the “**Supplemental Report**”) is being filed by KSV Restructuring Inc. in its capacity as licensed insolvency trustee of Yuan Hua (Mike) Wang (in such capacity, the “**Trustee**”) as a supplement to its report dated June 17, 2022 (the “**Section 170 Report**”).
2. This Supplemental Report is subject to the restrictions and qualifications set out in the Section 170 Report.
3. Capitalized terms used but not defined below have the meanings ascribed to them in the Section 170 Report. All currency references in this Supplemental Report are in Canadian dollars.

PURPOSES OF THIS SUPPLEMENTAL REPORT

4. The purposes of this Supplemental Report are to address:
 - (a) the Trustee’s activities since the date of the Section 170 Report;
 - (b) developments with respect to the Bankrupt’s application for discharge from bankruptcy; and
 - (c) the Trustee’s recommendation with respect to a conditional discharge of the Bankrupt from bankruptcy.

ACTIVITIES OF THE TRUSTEE AND ITS COUNSEL

5. Since delivering the Section 170 Report in June 2022, the Trustee, with the assistance of counsel, has engaged in various activities consistent with the Trustee's statutory responsibilities as set forth in the BIA, which are summarized at a high-level below:¹
- (a) corresponded and engaged in discussions and meetings with counsel for the Bankrupt regarding his discharge application, the scheduling of same, and matters relating thereto;
 - (b) corresponded with the Bankruptcy Court Office and prepared for and attended multiple case conferences and other appearances before the Bankruptcy Court to address matters relating to the discharge of the Bankrupt;
 - (c) reviewed, considered and commented on materials delivered by the Bankrupt relating to his discharge application, including affidavit evidence and memoranda of law;
 - (d) corresponded and engaged in discussions and meetings with the inspectors of the Bankrupt's estate concerning all matters in the bankruptcy proceeding;
 - (e) prepared minutes of the meetings with the inspectors of the Bankrupt's estate;
 - (f) negotiated terms of a conditional discharge with counsel for the Bankrupt;
 - (g) maintained and updated the Trustee's case website; and
 - (h) attended to other matters relating and incidental to this proceeding and the administration of the Bankrupt's estate.

PROPOSED CONDITIONAL DISCHARGE

6. As noted above, since delivering the Section 170 Report, the Trustee has engaged in negotiations with counsel for the Bankrupt regarding potential terms of a consensual conditional discharge for the Bankrupt. The Trustee has also engaged with the inspectors of the Bankrupt's estate concerning same.

¹ Nothing in this Supplemental Report is intended to constitute a waiver of any privilege, and the Trustee expressly preserves all privileges in all respects.

7. While the Trustee maintains the concerns set out in the Section 170 Report,² the Trustee supports a conditional discharge based on a consent by the Bankrupt to pay the sum of \$100,000 to the Trustee within 30 days of the Court approving the conditional discharge, with an express term that the Bankrupt will remain in bankruptcy for the full amount owing to creditors (less any amounts paid pursuant to the conditional discharge order) in the event of any failure to comply with the conditions of discharge (the “**Conditional Discharge Order**”).
8. Given the Bankrupt’s age, the fact he is a first-time bankrupt, his apparent limited income, limited future prospects of income, and the limited money left in the estate to fund any further action on the part of the Trustee, the Trustee believes this is a reasonable outcome, which was unanimously approved by the inspectors of the Bankrupt’s estate at a meeting duly held on December 5, 2023. At such meeting, the inspectors agreed that there was no benefit to continuing the bankruptcy proceeding and that a conditional discharge on the terms of the proposed Conditional Discharge Order would allow some funds to be distributed to the Bankrupt’s secured creditors in a timely manner.

RECOMMENDATION

9. The Trustee respectfully recommends that this Court make the Conditional Discharge Order for the foregoing reasons and the following additional reasons, among others:
 - (a) it generates immediate proceeds of \$100,000 for the benefit of the Bankrupt’s secured creditors;
 - (b) the estate has insufficient funding to finance any further recovery efforts and any such efforts are unlikely to generate any recoveries;
 - (c) it avoids continued costs being incurred by the estate, which would only serve to further erode any recovery the Bankrupt’s secured creditors may otherwise obtain;

² Among other things, the Trustee remains of the view that the Bankrupt is responsible for several of the factors enumerated under section 173 of the BIA, including under ss. 173(a), (b), (d), (j) and (o).

- (d) it provides protection to creditors insofar as the Bankrupt will remain in bankruptcy, with the full amount owing to creditors, in the event of any default on the proposed conditional terms of discharge;
 - (e) no creditors objected to or opposed the Bankrupt's application for an absolute discharge, let alone objected to or opposed, or indicated any intention to object to or oppose, a conditional discharge on these terms;
 - (f) such an order would facilitate the rehabilitation of the Bankrupt; and
 - (g) such an order would preserve the integrity of the bankruptcy process for both the Bankrupt and creditors.
10. In addition, for the foregoing reasons, the Trustee also respectfully requests and recommends that the Court grant an Order:
- (a) discharging the Trustee and relieving it of carrying out any further duties in respect of the Bankrupt's estate under the BIA (other than to address any outstanding incidental matters related to the administration of the bankruptcy); and
 - (b) providing that the Trustee shall not be required to submit any of its or its counsel's fees and disbursements incurred in carrying out duties under the BIA for taxation or any further approval.

Dated this 7th day of February, 2024

**KSV RESTRUCTURING INC., SOLELY
IN ITS CAPACITY AS LICENSED
INSOLVENCY TRUSTEE OF YUAN
HUA (MIKE) WANG AND NOT IN ITS
PERSONAL CAPACITY**

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke, positioned above a horizontal line.

Per:

David Sieradzki
Managing Director

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PROCEEDING COMMENCED AT
TORONTO

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BANKRUPT'S APPLICATION FOR DISCHARGE
(Subsection 170(1) of the Act)

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