Estate No. 32-3392104

IN THE MATTER OF THE BANKRUPTCY OF
RDI CHEMICAL CORPORATION
OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Trustee's Preliminary Report to Creditors

Background:

1. The bankruptcy Corporation commenced operating in 1988 as 770867 Ontario Limited. The name was changed to RDI Chemical Corporation ("RDI") on August 14, 1992.

2. RDI operates under several divisional brands including Copeland Laboratories, Donovan Chemicals, Kem Manufacturing and Trojan Chemicals.

3. RDI specialized in a wide range of products and services including:

    - Agricultural chemicals
    - Industrial maintenance
    - Environmental technology
    - Water treatment

4. In November 2024, RDI's former landlord, Ancona Realty Holdings Limited ("Ancona") commenced an action declaring *inter alia* that RDI's tenancy at 1875 Drew Road was terminated effective February 28, 2025, with no right of renewal. RDI disputed this claim.

    In February 2025 an Interim Order was made preventing the landlord from terminating the lease and requiring RDI to pay rent at a monthly rate of $19,775.00. RDI subsequently vacated the premises and ceased making the monthly payments.

    The litigation continued resulting in an additional Orders made on May 14, 2026, which included the requirement of RDI to pay legal fees of Ancona.

5. As a result of:

    - Ongoing litigation;
    - Higher operating costs and
    - Reduced revenues

RDI could not sustain a viable positive cash flow and instead elected to file an Assignment in Bankruptcy naming Rosen Goldberg Inc. as the Licensed Insolvency Trustee (the "Trustee").

Section A: Assets

According to the sworn Statement of Affairs, the assets of RDI consist of:

	Estimated to Realize
Cash in bank	$ 35,000 (i)
Accounts receivable	$275,000
Stock-in-trade	$ 15,000
Equipment	$ 15,000
2025 Chrysler Sahara	Nil

(i) The Trustee received a bank draft from RDI in the amount of $54,000.

(ii) Excluded from the statement of affairs were two vehicles; a 2020 Chevy Colorado and a 2008 Ford Ranger. The vehicles have been placed with Danbury Global for liquidation pending further instructions.

(iii) Given the nature of the inventory – finished and unfinished chemicals– the Trustee has not taken possession of RDI's leased premises. Accordingly, the inventory has been given a nominal value (see Section B of this report).

The sworn Statement of Affairs reflects that the assets of RDI are subject to a security interest in favour of a related corporation 2695035 Ontario Limited ("2695053"), a creditor in the amount of $270,000. The claim is secured by a general security agreement dated June 1, 2019, but the security was not registered under the PPSA until June 22, 2026. The claim is subject to review by the Trustee to determine both the validity of the claim and the quantum of the debt at the date of bankruptcy.

Subsequent to the Assignment in Bankruptcy, a secured claim in the amount of $180,000 has been asserted by James and Jane Damianoff. The security was registered under PPSA on June 22, 2026. The Trustee and its counsel are reviewing this claim.

The 2025 Jeep Wrangler is subject to security interest in favour of the Bank of Nova Scotia. There appears to be no equity in the vehicle.

Service Canada may assert a trust claim for unpaid vacation pay under the Wage Earner Protection Plan Act ("WEPPA").

Section B: Conservatory and Protective Measures

As of the date of this report, the Trustee has taken the following conservatory and protective measures.

i) Taken possession of the 3 vehicles and place them with Danbury Global pending further instructions.

ii) Entered into negotiations with a former employee of RDI respecting the possible sale of the Trustee's right, title and interest, if any, in the PEI Health contract.

iii) While the Trustee has not taken possession of RDI's leased facilities, it has entered into negotiations with the landlord to complete and sell any salvageable assets located at the leased premises. Under the terms of the proposed agreement with the landlord, the landlord will have first entitlement to reimbursement of its costs from revenues arising out of the sale of the assets, with an appropriate split of the net sales revenue thereafter.

iv) Set up an account under WEPPA and notified former employees of their potential claim under the plan.

Section C: Legal Proceedings

The Trustee has retained Fogler Rubinoff LLPs as independent counsel to provide:

i) An opinion regarding the validity of the various securities;
ii) Assist in the negotiations with the landlord and the potential sale of the PEI Health contract; and
iii) Assist in other matters as they may arise.

Section D: Provable claims

The claims against this estate appear to be as follows:

	Per Statement of Affairs	Filed to date
Secured	$ 270,000	$180,000
Preferred		$103,209
Unsecured	$ 543,339	$312,820

The variances between the unsecured amounts reflected on the Statement of Affairs and those filed to date are a result of:

(i) The quantum of the secured claim 2695035 Ontario Limited;

(ii) The secured claim asserted by James and Jane Damianoff in the amount of $180,000;

(iii) The preferred claim filed by the landlord and former employees of RDI;

(iv) The unsecured claim filed by James and Jane Danianoff for unpaid bonuses;

(v) Creditors who have not yet filed claims; and

(vi) The differences between the estimated liabilities and those filed to date.

Section E Secured Creditors

There following is a summary of the secured creditors who have made or will likely make claims in this estate:

(i) 2695035 Ontario Limited.

(ii) James and Jane Damianoff.

(iii) Bank of Nova Scotia

(iv) Service Canada - WEPPA

Section F Anticipated realization and projected distribution

Based on the current information, the Trustee is unable to determine if there will be funds available for distribution to unsecured creditors.

The Trustee received a retainer in the amount of $16,950 from RDI.

Section G&H Reviewable Transactions, Preference Payments and Other Matters

As the Trustee has not yet completed its review, it has nothing further to report at this time.

Dated at Toronto, Ontario, 16th day of July 2026.

ROSEN GOLDBERG INC.
LICENSED INSOLVENCY TRUSTEE