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District of: Ontario
Division No.: 09 - Toronto
Court No.: 32-3018110
Estate No.: 32-3018110

**IN THE MATTER OF THE BANKRUPTCY OF
SKYLIGHT HEALTH GROUP INC.
OF THE CITY OF OAKVILLE
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION

The *Bankruptcy and Insolvency Act* provides for a first meeting of creditors. The purpose of this Report is to provide information to the creditors of the Bankrupt for consideration at the first meeting of creditors.

SECTION A – BACKGROUND

Skylight Health Group Inc. (“Skylight” or the “Company”) was incorporated in the province of Ontario on November 4, 2014 and originally was named MVC Technologies Inc. The business name was later changed to CB2 Insights Inc. and finally Skylight Health Group Inc.

The business operated to provide fee for service primary and specialty health care through clinics operated in the state of Florida. Skylight provided management services to the clinics.

On July 19, 2023, Skylight announced the completion of an Enforcement and Settlement Transaction with its secured lenders and the orderly wind down of the remaining US operations,

On December 5, 2023, Skylight filed an Assignment in Bankruptcy which was accepted by the Office of the Superintendent of Bankruptcy. Pursuant to the Assignment in Bankruptcy, Deloitte Restructuring Inc. was appointed as Trustee of the bankrupt estate (the “Estate”), subject to affirmation by the creditors at the First Meeting of Creditors.

The first meeting of creditors is scheduled to occur virtually at 10:00 am, on December 19, 2023.

Creditors who wish to attend the first meeting of creditors should file their proof of claim with the Trustee prior to the start of the meeting.

The zoom dial in details to join the first meeting of creditors are:

Virtual Meeting at:

<https://deloitte.zoom.us/j/93984744720?pwd=K2J1eUY5VWhpaWVITWFUNVJuakR5QT09>

Dial In: Canada 647-374-4685, US 213-338-8477

Meeting ID: 939 8474 4720 ; Password: 205992

A proof of claim form and all materials relating to the bankruptcy and further public information can be found at the case website link (the "Website"):

<https://www.insolvencies.deloitte.ca/en-ca/skylight>

SECTION B – CONSERVATORY AND PROTECTIVE MEASURES

The Trustee notified TD Bank to freeze the bank account of Skylight and has requested a transfer of the remaining funds to the Trustee's trust account.

TD wired funds totaling US\$7,162.13 to the Trustee on December 14th, 2023. These funds will be converted to Canadian dollars and the Trustee will provide an update on the total value at the first meeting of creditors.

SECTION C – PRELIMINARY EVALUATION OF ASSETS

The Statement of Affairs lists accounts receivable as the only assets of the business. The Trustee is in the process of determining the collectability of these accounts, but early indications are that only the "Good" accounts will be collectible.

- Good - \$95,990.00
- Doubtful - \$815,400.00
- Bad - \$49,888,825.00

The Company's bad debt of \$49 million, relates to intercompany amounts owing from the former US subsidiaries. Following the settlement with the secured lenders and the wind down of the US operations, these amounts are not collectible.

There were no other physical or intangible assets identified by the Trustee or listed on the Statement of Affairs.

SECTION D – BOOKS AND RECORDS

The Trustee is currently in possession of a digital copy of Skylight's books and records. The Trustee has confirmed with management that physical records were not maintained.

SECTION E – PROVABLE CLAIMS AND DESCRIPTION OF CREDITORS

The claims of creditors as per Skylight's Statement of Affairs as of December 1, 2023 are summarized below:

- Secured claims - \$0
- Preferred claims - \$0
- Unsecured claims - \$5,316,451.62
- Contingent - \$407,700.00

The contingent claim relates to a suit filed by the former president of the Company. This suit does not specifically list the Company as a defendant.

SECTION F – LEGAL PROCEEDINGS, REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS

The Trustee has not commenced any legal proceedings and it does not expect to commence any such proceedings prior to the First Meeting of Creditors. The Trustee is not aware of any legal proceedings naming Skylight as a defendant and therefore the Trustee proposes to appoint legal counsel only in the event that it become necessary for matters relating to the estate.

The contingent claim listed in the statement of affairs is a claim against certain of the former directors and does not list Skylight as a defendant.

The Trustee will discuss the need for legal counsel with the estate's inspectors once duly appointed and the inspectors will provide direction to the Trustee.

SECTION G – THIRD-PARTY DEPOSITS, FEE GUARANTEES

There are no third-party deposits or fee guarantees.

In accordance with Section 136 (1)(b) of the *Bankruptcy and Insolvency Act*, the Trustee and its legal counsel are paid in priority to creditors of the Estate from the receipts in the Estate. Only deemed trust claims would rank ahead of the Trustee and its legal counsel.

SECTION H – PROJECTED DISTRIBUTION AND TRUSTEE'S COMMENTS ON ANTICIPATED ASSET REALIZATIONS

The timing and the amount of any distribution to creditors is uncertain but the preliminary expectation of the Trustee is that there will be no distribution to creditors.

Dated at Toronto, Ontario this 14th day of December, 2023.

Deloitte Restructuring Inc.

solely in its capacity as Trustee of
the Estate of Trinity Ravine Community Inc. and not
in its personal or corporate capacity



Per:

Toni Vanderlaan, CPA, LIT
Senior Vice-President