



Provincial Association of Credit

3218937 CANADA INC.

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Our website: www.paccredit.ca

LES IMMEUBLES Z. LALIBERTÉ LTÉE

Z-21111

SPECIMEN ONLY

Attention: Mr. Allen Woody

PERSONAL & CONFIDENTIAL

DATE

COMMERCIAL SOLVENCY REPORT #3

BEAUTIFUL INTERIOR DECOR INC.

French version: **LES BEAUX DÉCORS INTÉRIEURS INC.**

Head office: 3825, Saint-Laurent Blvd, Montreal, Quebec H4C 3P9

Telephone: 514 275-3456 (listed by the Canada 411 under "BEAUTIFUL INTERIOR DECOR INC.")

Website: www.beautifulinteriordecor.com

Please take note that the information contained in this report was prepared for your specific needs and for the possible signature of a commercial lease with the subject company.

Corporate structure

A verification with the Quebec Enterprise Register (based on the last report produced, being 20XX annual updating declaration recorded on DATE) confirmed that this company is operating under a Canadian federal charter dated January 14, 20XX, registered since February 5, 20XX under #113456789. The administrators and shareholders mentioned are as follows:

President..... Sammy Cohen
Address shown: 1245, de Mortagne Blvd, Boucherville, Quebec J0T 2M3

Vice-President..... Christopher McEwen
Address shown: 4678, Berri St., Montreal, Quebec H3R 2M1

Major shareholder Antonietta Lieberman
(*Sammy Cohen's wife*)
Address shown: 1245, de Mortagne Blvd, Boucherville, Quebec J0T 2M3
Date of birth : 01-01-19XX

The subject company is specialized in the wholesale and importation of interior decoration items, offering a selection of approximately 5,000 items.

The subject company would have a staff of 9 employees.

The subject company operates at the above mentioned address from rented premises.

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Québec Register of Personal and Movable Real Rights (RDPRM)

For the purpose of this report, the Association consulted the RDPRM on DATE (certification date) in order to trace the rights registered under BEAUTIFUL INTERIOR DECOR INC./LES BEAUX DÉCORS INTÉRIEURS INC. Our verification has revealed:

- April 18, 20XX: conventional hypothec without delivery #XX-0200805-0001
Holder: National Bank of Canada
Grantor: BEAUTIFUL INTERIOR DECOR INC.
Grantor: Sammy Cohen, born on March 15, 19XX
Goods: universality of all movable assets, present and future, etc.
Amount: \$150,000
Date of signature: April 18, 20XX
Expiry date: April 18, 20XX

- March 23, 20XX: conventional hypothec without delivery #XX-0345678-0021
Holder: EDIFICE 3825 SAINT-LAURENT INC.
Grantor: LES BEAUX DÉCORS INTÉRIEURS INC.
Goods: universality of all movable assets, present and future, etc.
Amount: \$50,000
Date of signature: March 23, 20XX
Expiry date: April 30th, 20XX

Our verification revealed no other entry under the subject company's name.

Note that the Association does not carry out a systematic verification with the holders of the entries mentioned at the RDPRM in order to confirm the validity of any lien found at the time of the preparation of this report. If required, please advise the Association.

Banking references

The subject enterprise is dealing with the **National Bank of Canada**, branch at 3501, Saint-Hubert St., Montreal, Quebec, tel. 514 526-4905, c/o the centralized credit rating department of the National Bank of Canada, Laval, Quebec, fax: 1 877 975-4930. A verification with this financial institution confirmed the following information:

1. Commercial chequing account opened under the name of the subject company for over 3 years and showing average balances of low 5 figures (\$10,000-\$30,000) at the time of our verification. Take note that the balance in the account would fluctuate with the utilization of the following line of credit.
2. Line of credit authorized at low 6 figures (\$100,000) which was utilized at 53% at the time of our verification and secured by the element of assets previously mentioned in the RDPRM of this report.

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- No returned cheques were reported for the past 30 days (previous historical not available).
- The bank reported no other deposit or loan under the name of the subject company.

Landlord references:

The subject company is operating from rented premises at 3825, Saint-Laurent Blvd, Montreal, Quebec. A verification with the landlord at that address, namely EDIFICE 3825 SAINT-LAURENT INC., Montreal, Quebec, tel. 514 679-9090, c/o Mr. Mike Turner, has confirmed a commercial lease under the name of the subject company started 6 years ago. The present lease was renewed in February 20XX for 5 years. The monthly rent was confirmed at \$3,569, well paid and up to date. No returned cheques were reported. Rated as a good tenant.

Suppliers

A verification with a 1st supplier of the subject enterprise, being LES DRAPS IDÉAL INC., 433, Chabanel West, Montreal, Quebec, tel. 514 873-3456, confirmed a commercial account opened under the name of the subject company for over 2 years. The high credit was reported at \$10,000. The balance due was reported at \$2,000 at the time of our verification. The credit terms of this supplier are Net 30 days and the subject company respects those terms. No returned cheques are reported. The average purchase volume was reported at \$20,000 yearly. Rated as a good client.

A verification with a 2nd supplier of the subject enterprise, being ACCESSOIRES DORÉS LTÉE, 5200, de Gaspé, Montreal, Quebec, tel. 514 456-7832, confirmed a commercial account opened under the name of the subject company for over 5 years. The high credit was reported at \$13,500. The balance due was reported at \$2,800 at the time of our verification. The credit terms of this supplier are Net 30 days and the subject company would repay within 45 days. No returned cheques are reported. The average purchase volume was reported at \$4,000 per month. Rated as a good client.

Financial information

The date of the fiscal year end of the subject company is March 31st of each year. The chartered accountant firm appointed to prepare the subject company's unaudited (notice to reader) financial statements is LES COMPTABLES ASSOCIÉS, Montreal, Quebec, tel. 514 785-3434.

The Association obtained some financial data shown on a financial statement dated March 31st, 20XX.

At the end of this period, the subject company would have achieved a gross business volume of \$1,102,452 with a net income after taxes of \$12,456.

For more details concerning the unaudited balance sheet dated March 31st, 20XX, please refer to appendix A attached.

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Legal files

The Association carried out, through the SOQUIJ website, a verification of the court records databases (civil) covering the province of Quebec under the name of BEAUTIFUL INTERIOR DECOR INC. and/or LES BEAUX DÉCORS INTÉRIEURS INC. This verification traced the following litigations:

- July 18, 20XX: motion to institute proceedings for an unpaid account; amount: \$1,235, plaintiff: TISSUS CHABANEL INC., defendant: BEAUTIFUL INTERIOR DECOR INC.; last development in that case dated October 10, 20XX. This claim would still be pending at the time of the preparation of this report.
- May 2, 20XX: motion to institute proceedings for an unpaid account; amount: \$4,325.21, plaintiff: LES TRANSPORTS JPP INC., defendant: LES BEAUX DECORS INTÉRIEURS INC.; settlement out-of-court dated August 23, 20XX.
- August 17, 20XX: motion to institute proceedings for an unpaid account; amount: \$3,670.59, plaintiff: Nicole Lemieux, defendant: LES BEAUX DECORS INTÉRIEURS INC.; judgement rendered on February 2, 20XX.

Legal Files (civil litigation and criminal records) - shareholder

Following your specific request, the Association carried out, through the SOQUIJ website, a verification of the court records databases (civil and criminal) covering the province of Quebec under the name of the shareholder of the subject company, namely Antonietta Lieberman (born on 01-01-19XX) and residing at the addresses mentioned in this report.

This verification revealed nothing detrimental in terms of judgement, seizure, bailiff sales, or others, with the exception of a one violation of the Quebec Highway Code in 2020.

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Encl. appendix A

The information given above is in answer to your specific inquiry only and is communicated subject to the following conditions: That the information furnished by Provincial Association of Credit (3217937 Canada Inc.) shall be revealed upon request and under certain conditions accordingly to the Act Respecting the Protection of Personal Information in the Private Sector to the subject of the inquiry, that the facts upon which this information is based were obtained by the Provincial Association of Credit as your agents and employee, from sources deemed reliable, the accuracy of which information is, however, in no way guaranteed.

The inquirer in accepting this report agrees to be responsible for any damages arising from a violation of any of the above.

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APPENDIX A**BEAUTIFUL INTERIOR DECOR INC.**

**Unaudited balance sheet
As at March 31st, 20XX**

ASSETS	LIABILITIES
<u>Current assets</u>	<u>Current liabilities</u>
Cash..... \$1,000	Accounts payable.....\$169,000
Accounts receivable.....\$132,000	Bank revolving loan.....\$35,000
Inventory.....\$434,436	-----
Prepaid expenses \$3,000	

Total current assets:\$570,436	Total short-term debts:\$204,000
<u>Long-term assets</u>	<u>Long-term debts</u>
Fixed assets..... \$13,564	Loan due to the shareholders\$45,000
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Total long-term assets..... \$13,564	Total long-term debts:\$45,000
Total assets..... <u>\$584,000</u>	Total liabilities:.....\$249,000
	<u>Shareholder's equity</u>
	Capital Stock..... \$1,000
	Retained earnings.....\$334,000

	TOTAL:\$335,000
	Total liabilities & shareholder's equity:.....<u>\$584,000</u>

Prepared by LES COMPTABLES ASSOCIÉS, in Montreal, Quebec, tel. 514 785-3434.