



LES IMMEUBLES A. LALIBERTÉ LTÉE

Z-17822

SPECIMEN ONLY

Attention: Mr. Allen Woody

Date

PERSONAL & CONFIDENTIAL

COMMERCIAL SOLVENCY REPORT #3

BEAUTIFUL INTERIOR DECOR INC.

French version: LES BEAUX DÉCORS INTÉRIEURS INC.

3825, Saint-Laurent Blvd, Montreal, Quebec H4C 3P9

Tel.: 514 275-3456 (*listed under "BEAUTIFUL INTERIOR DECOR INC." at the Canada 411 Directory*)

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 information

A verification with the Quebec Enterprise Register (based on the last report produced, being 201X Annual report recorded on date), confirmed that this company is operating under a Canadian federal charter since January 14th, 20xx, registered since February 5th, 20xx under #113456789. The administrators and shareholders mentioned are as follows:

President Sammy Cohen
(Possible home address: 1245, de Mortagne Blvd, Boucherville Qc J01 2M3)

Vice President Christopher McEwen
(Possible home address: 4678, Berri Street, Montréal Qc H3R 2M1)

Major shareholder Antonietta Lieberman
(Being the wife of the president, Mr. Sammy Cohen)
(Possible home address: 1245, de Mortagne Blvd, Boucherville Qc J01 2M3)

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The subject company is specialized in the wholesale and importation of interior decoration items. The subject company would offer for sale around 5,000 items.

At the present time, the subject company would have a staff of 9 employees.

The subject company is operating at the above-mentioned address from rented premises.

Register of Personal and Movable Real Right Office of Quebec (RDPRM)

For the purpose of this report, the Association has proceeded to a verification with the Register of Personal and Movable Real Right Office of Quebec (RDPRM) on date (certification date: date) in order to verify the existence of possible liens registered in the province of Quebec on the possible movable assets of BEAUTIFUL INTERIOR DECOR INC. and/or LES BEAUX DÉCORS INTÉRIEURS INC. Our verification has revealed the following entry:

- | | | |
|---|----------------|---|
| ☐ | April 18, 201X | conventional hypothec without delivery #1X-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 |
| | Remarks | Private agreement signed on April 18, 201x |
| | Exp.date | April 18, 202x |
| | | |
| ☐ | 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.
located in the rented premises at 3825 St-Laurent Blvd,
Montreal, Quebec |
| | Amount | \$50,000 |
| | Remarks | Private agreement signed on March 23, 20xx |
| | Exp.date | April 30 th , 201x |

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Our verification has revealed no other entries (conventional hypothec without delivery or others) on the possible movable assets of your subject. If a certified copy is required, please advise the Association.

Bank references

The subject company is dealing with the National Bank of Canada, 3501, rue Saint-Hubert, Montréal, Quebec, tel. 514 526-4905 c/o the centralized credit rating department of the National Bank of Canada, in Laval, Quebec, fax: 1-877-975-4930. A verification with this bank reveals an account opened under the name of the subject company for over 3 years. The average balance in the account was low 5 figures (\$10,000-\$30,000) at the time of our verification. The balance in the account would fluctuate with the utilization of a line of credit of 6 low figures (\$100,000) which was utilized at 53% at the time of our verification. The line of credit would be secured by the elements of assets described at the RDPRM mentioned previously in this report. No returned cheques were reported for the last 30 days (previous history: not available). The bank reported no other deposit or loan under the name of the subject company.

Commercial landlord

The subject company is operating from rented premises at 3825, Saint-Laurent Blvd, Montreal, Quebec. A verification with the building manager at that address, being GESTION ST-LAURENT INC., tel. 514 678-9090, contact: Mr. Mike Turner, confirmed a commercial lease under the subject company's name since March 20xx. The present lease was renewed in February 201x for 5 years. The monthly rent is confirmed at \$3,569, reported well paid and up to date. No returned cheques were reported. Rated as an excellent tenant.

Suppliers

A verification with a first supplier, being the company 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. A high credit of \$10,000 is reported. The balance due at the time of our verification was \$2,000.

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The normal payment terms of this supplier are net/30 days and the subject respects these credit terms. No returned cheques were reported. The average purchase volume is reported at approximately \$20,000 yearly. Rated as a good account.

A verification with a second supplier, being the company ACCESSOIRES DORÉS LTEE, 5200, de Gaspé, Montreal, Quebec, tel. 514 456-7832, confirmed an account opened under the name of the subject company for over 5 years. A high credit of \$13,500 is reported. The balance at the time of our verification was \$2,800 and was current. The normal business terms are net/30 days and the subject company is repaying on average within 45 days. No returned cheques are reported. The average purchase volume is reported at approximately \$4,000 per month. Rated as a good account.

Financial information

The fiscal year end for the subject company is March 31st of each year. It is the accounting firm LES COMPTABLES ASSOCIÉS, in Montreal, Quebec, tel. 514 785-3434, who is appointed for the preparation of the unaudited financial statement (notice to reader) for the subject company.

For the period ending on March 31st, 201x, the subject company would have achieved gross business volume of \$1,102,452 with a net profit after taxes of \$12,456.

For more details on the last unaudited financial statement of the subject company dated March 31st, 201x, please consult appendix A.

Legal files

A verification of the legal files covering the province of Quebec, under the name of BEAUTIFUL INTERIOR DECOR INC. and/or LES BEAUX DÉCORS INTÉRIEURS INC. has revealed:

- July 18th, 201x: a writ for unpaid account of \$1,235, plaintiff: TISSUS CHABANEL INC., defendant: BEAUTIFUL INTERIOR DECOR INC. Last development in that claim is dated October 10th, 201x. This claim would still be pending at the time of this report.

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- May 2nd, 201x: a writ for unpaid account of \$4,325.21, plaintiff: LES TRANSPORTS JPP INC., defendant: LES BEAUX DECORS INTÉRIEURS INC. followed by an out-of-court settlement dated August 23, 201x.
- August 17th, 20xx: a writ for a labour contract of \$3,670.59, plaintiff: Nicole Lemieux, defendant: LES BEAUX DECORS INTÉRIEURS INC. followed by a judgement rendered on February 2nd, 20xx.

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Encl. Appendix A

L'information fournie ci-dessus est en réponse à votre demande et est transmise sous réserve des conditions suivantes: que les renseignements fournis par l'Association Provinciale de Crédit (3218937 Canada Inc.) seront gardés confidentiels et ne seront pas révélés à la personne faisant l'objet de cette demande de renseignements, ou à n'importe quelle autre personne, que les faits formant la base de la dite information furent obtenus de sources censées dignes de confiance par l'Association Provinciale de Crédit, comme votre agent et employée, cependant, l'exactitude des renseignements n'est garantie en aucune façon.

Le demandeur en agréant ce rapport accepte la responsabilité de tout dommage provenant d'une ou des violations énumérées ci-haut.

The information given above is in answer to your inquiry and is communicated subject to the following conditions: That the information furnished by Provincial Association of Credit (3217937 Canada Inc.) shall be held in strict confidence and shall not at any time be revealed to the subject of the inquiry or to anyone else, 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 OF MARCH 31st 201x**

ASSETS	LIABILITIES
<u>CURRENT ASSETS</u>	<u>CURRENT LIABILITIES</u>
Cash	Bank overdraft
Accounts receivable \$132,000	Bank revolving loan..... \$35,000
Inventories \$434,436	Accounts payable
Prepaid expenses \$3,000	& accrued liabilities..... \$169,000
Other assets \$1,000	-----

TOTAL OF CURRENT ASSETS: \$570,436	TOTAL OF CURRENT LIABILITIES: \$204,000
<u>LONG TERM ASSETS</u>	<u>LONG TERM DEBTS:</u>
Depreciated value of:	Loan due to the shareholders \$45,000
Fixed assets..... \$13,564	-----
..... -----	
TOTAL OF LONG TERM ASSETS: \$13,564	TOTAL OF LONG TERM DEBTS: \$45,000
TOTAL ASSETS:..... \$584,000	TOTAL LIABILITIES \$249,000
	<u>SHAREHOLDERS' EQUITY:</u>
	Capital stock..... \$1,000
	Retained earnings..... \$334,000

	TOTAL \$335,000
	TOTAL LIABILITIES PLUS
	SHAREHOLDERS' EQUITY..... \$584,000

Statement prepared by:

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