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**LES IMMEUBLES A. 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 under "BEAUTIFUL INTERIOR DECOR INC." at the Canada 411)*

*Website: [www.beautifulinteriordecor.com](http://www.beautifulinteriordecor.com)*

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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 mentioned: 1245, de Mortagne Blvd, Boucherville, Quebec J0T 2M3)*

Vice-President..... Christopher McEwen  
*(Address mentioned: 4678, Berri St., Montreal, Quebec H3R 2M1)*

Major shareholder ..... Antonietta Lieberman  
*(Mr. Sammy Cohen's wife)*  
*(Address mentioned: 1245, de Mortagne Blvd, Boucherville, Quebec J0T 2M3)*

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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***Register of Personal and Movable Real Right Office of Quebec***

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./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  
Remarks: Private agreement signed on 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  
Remarks: Private agreement signed on March 23, 20XX  
Expiry date: April 30<sup>th</sup>, 20XX

Our verification has revealed no other entries (conventional hypothec without delivery or others) registered on the possible movable assets of the subject company.

Take note that the Association did not proceed to a systematic verification with all the holders of the entries mentioned at the Register of Personal and Movable Real Right office of Quebec in order to confirm if these liens were still valid at the time of the preparation of this report.

***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:

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- 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;
- 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;
- 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, being 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 1<sup>st</sup> 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 2<sup>nd</sup> supplier of the subject enterprise, being ACCESSOIRES DORÉS LTEE, 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.

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**Financial information**

The date of the fiscal year end of the subject company is March 31<sup>st</sup> 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 31<sup>st</sup>, 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 31<sup>st</sup>, 20XX, please refer to appendix A attached.

**Legal files**

A verification of our legal files at our Montreal office, covering the province of Quebec, concerning BEAUTIFUL INTERIOR DECOR INC./LES BEAUX DÉCORS INTÉRIEURS INC. has revealed:

- 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.

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Encl. appendix A

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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. /  
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**Unaudited balance sheet  
As at March 31<sup>st</sup>, 20XX**

<b>ASSETS</b>	<b>LIABILITIES</b>
<u>Current assets</u>  Cash..... \$1,000 Accounts receivable.....\$132,000 Inventory.....\$434,436 Prepaid expenses ..... \$3,000 ----- Total current assets: .....\$570,436  <u>Long-term assets</u>  Fixed assets..... \$13,564 ----- Total long-term assets..... \$13,564  <b>Total assets ..... <u>\$584,000</u></b>	<u>Current liabilities</u>  Accounts payable.....\$169,000 Bank revolving loan.....\$35,000 ----- Total short-term debts: .....\$204,000  <u>Long-term debts</u>  Loan due to the shareholders .....\$45,000 ----- Total long-term debts: .....\$45,000  <b>Total liabilities:.....\$249,000</b>  <u>Shareholder's equity</u>  Capital Stock..... \$1,000 Retained earnings .....\$334,000 ----- TOTAL: .....\$335,000  <b>Total liabilities &amp; shareholder's equity:.....<u>\$584,000</u></b>

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