

Deloitte.



NO. S-245340
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

G3 GENUINE GUIDE GEAR INC.

RESPONDENT

**THIRD REPORT OF THE COURT APPOINTED RECEIVER
OF G3 GENUINE GUIDE GEAR INC.**

DATED NOVEMBER 20, 2025

PREPARED BY DELOITTE RESTRUCTURING INC.

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INTRODUCTION

- 1) This report (the "**Third Report**" or "**this Report**") is filed by Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as Court-appointed receiver (the "**Receiver**") of the assets of G3 Genuine Guide Gear Inc. ("**G3**" or the "**Company**"), as detailed below.
- 2) Pursuant to an application made by the Royal Bank of Canada ("**RBC**"), the Supreme Court of British Columbia (the "**Court**") made an Order dated August 9, 2024 (the "**Date of Receivership**") appointing Deloitte as Receiver of certain assets of G3 (the "**Receivership Order**") as of that date. The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
- 3) On November 4, 2024, the Receiver issued its first report in the Receivership Proceedings (the "**First Report**"). The First Report was filed to, among other things, provide the Court with background information on the Company, update the Court on the Receiver's activities since the Date of Receivership, including but not limited to the sale process to realize on the assets of G3 that was undertaken by the Receiver (the "**Sales Process**"), report on the receipts and disbursements in the Receivership Proceedings, and provide an overview of the salient terms of the asset purchase agreement between the Receiver and Canadawide Sports Inc. ("**CSI**" or the "**Purchaser**") dated November 1, 2024 (the "**Purchase Agreement**") that was being presented to the Court for approval.
- 4) On November 7, 2024, the Receiver issued a supplement to the First Report (the "**Supplement**"). The Supplement was filed to provide the Court with additional information pertaining to the Sale Process and was intended to be read in conjunction with the First Report and the confidential supplement to the First Report also issued by Receiver on November 7, 2024 (the "**Confidential Supplement**").
- 5) The Confidential Supplement was filed to provide the Court, on a confidential basis, with further details related to the Sale Process, value of the assets, and additional details on the Purchase Agreement and other offers received and the negotiations related thereto. The Confidential Supplement contained sensitive and confidential commercial information on the bids received in the Sale Process and their relative merits, along with details of specific communications with bidders. The Receiver was of the view that the Confidential Supplement should be sealed as the availability of such information to other parties prior to the closing of the transaction contemplated by the Purchaser Agreement (the "**Transaction**") may have negatively affected any future sales process for the Company's assets if the Transaction did not close. Accordingly, the Receiver sought a sealing order in respect of the Confidential Supplement. The Court issued such a sealing order on November 8, 2024 (the "**Sealing Order**") and it remains in effect.
- 6) On November 8, 2024, the Court issued an order amending the Receivership Order (the "**Amended Receivership Order**"). The Amended Receivership Order was issued to, among other things, remove paragraph 2 in the Receivership Order and thereby permit the Receiver to sell the FWCU Collateral (as defined in the First Report) generally, and the IP Assets specifically (as defined in the First Report). The Amended Receivership Order also permitted an application to again remove the FWCU Collateral from the Receivership Proceedings in the event that the Transaction did not close.
- 7) On November 8, 2024, the Court issued an order (the "**Sale Order**") to, among other things:
 - a) Approve the Purchase Agreement with CSI. The Sale Order included the sale of the Hard Assets and IP Assets of the Company as defined and described in the First Report;
 - b) Permit the Receiver to make an interim distribution to RBC and FWCU Capital Corp. ("**FWC**") pending a holdback of funds required to fund the obligations secured by the Receiver's Charge (as defined in the Receivership Order), any Receiver's borrowings, any post receivership obligations owing by the Receiver, any amounts owing to the Canada Revenue Agency ("**CRA**") in relation to payroll source deductions ("**PSD**") and goods and services tax ("**GST**"), any wages and vacation pay owing to employees in accordance with the super-priority claims resulting from the *Wage Earner Protection Program Act* ("**WEPPA**"), and such other obligations or claims for which the Receiver deemed it prudent in the circumstances to maintain a holdback reserve for. In the case of FWC, any permitted distribution could not exceed the amount allocated to the IP Assets; and

- c) Approve the Receiver's activities up to the date of the First Report and the Receiver's statement of receipts and disbursements up to October 17, 2024.
- 8) Between November 19, 2024 and February 25, 2025, CSI experienced difficulty with obtaining access to the domain registrations of G3 and, on February 25, 2025, the Receiver issued its second report in the Receivership Proceedings (the "**Second Report**" and, together with the First Report, the Supplement, the Confidential Supplement, the "**Prior Reports**"). The Second Report was filed to provide clarity to relevant parties as to the definition of Intellectual Property as defined in the Purchase Agreement and approved in the Sale Order, and to obtain certain relief with respect thereto.
- 9) On February 28, 2025, the Court issued an order (the "**IP Order**") confirming that any and all domain names associated with the Company's GoDaddy.com LLC account (the "**Domain Names**") were Purchased Assets pursuant to and as defined in the Sale Order and directing GoDaddy to transfer the Domain Names to the Purchaser.
- 10) The Receivership Order and all other orders granted in the Receivership Proceedings, the Prior Reports, the Notice to Creditors, and other Court materials filed in the Receivership Proceedings have been posted on the Receiver's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/G3GenuineGuide.aspx> (the "**Receiver's Website**"). The Third Report will also be posted to the Receiver's Website after it has been filed with the Court.
- 11) Unless otherwise provided, all other capitalized terms not defined in this Third Report are as defined in the Receivership Order or the Prior Reports.

Purpose of the Third Report

- 12) The purpose of this Third Report is to:
- a) Provide the Court with an overview of the Receiver's activities since the First Report;
 - b) Report on the receipts and disbursements in the Receivership Proceedings as outlined in the Receiver's statement of receipts and disbursements from the Date of Receivership to November 19, 2025 and estimated receipts and disbursements to completion (the "**Receiver's R&D**");
 - c) Set out the Receiver's recommendation regarding a final distribution of the funds held by the Receiver in trust (the "**Final Distribution**");
 - d) Recommend that the Receiver be discharged of its duties and obligations under the Receivership Order as amended by the Amended Receivership Order upon filing a certificate with the Court confirming that all outstanding receivership matters have been completed (the "**Discharge Certificate**"); and
 - e) Support the Receiver's application for orders:
 - i) Approving the activities of the Receiver as described in this Report and the Prior Reports (with the exception of the First Report for which the Receiver's activities were approved as part of the Sale Order);
 - ii) Approving the Receiver's R&D;
 - iii) Approving and authorizing payment of the Receiver's fees and disbursements;
 - iv) Approving and authorizing the payment of the fees and disbursements of the Receiver's legal counsel, Dentons Canada LLP ("**Dentons**");
 - v) Lifting the Sealing Order granted on November 8, 2024;
 - vi) Approving and authorizing the Receiver to make payment of the Final Distribution; and
 - vii) Subject to the Receiver filing the Discharge Certificate, discharging the Receiver from its obligations under the Receivership Order and releasing Deloitte from any and all liability that Deloitte may have by reason of the acts and omissions of Deloitte while acting in its capacity as the Receiver, save and except for any claim or liability arising of our fraud, willful misconduct or gross negligence on the part of Deloitte.

Terms of reference

- 13) In preparing this Third Report, the Receiver has relied upon unaudited financial and other information prepared by the Company's accountants and the Company's books and records.
- 14) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *CPA Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of this information.
- 15) All dollar amounts in this Third Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

- 16) G3 was a Burnaby, BC-based manufacturer and retailer of backcountry ski equipment and related gear and accessories, including ski bindings, skis and split-boards, tension straps, and ski skins.
- 17) G3 sold its products directly to consumers through three online storefronts, G3, G3 Pro, and Clutch Straps. It also sold directly to retail distributors in North America, Asia, and Europe. A small selection of products were also sold on Amazon and held in Amazon-owned warehouses.

ACTIVITIES OF THE RECEIVER FOLLOWING THE FIRST REPORT

- 18) In addition to closing the Transaction and seeking the related IP Order, as set out in and supported by the Second Report, the Receiver has undertaken the following activities, among other things, since the First Report:
 - a) Arranged for the cancellation of insurance coverage at the closing date of the Transaction and the refund of the remaining policy premium to the Receiver;
 - b) Closed all utility accounts for the Company;
 - c) Prepared T4s and related payroll returns for the CRA during the period for which the Receiver paid the former employees of G3;
 - d) Liaised and assisted CRA in relation to its questions regarding the Company's GST returns and payroll returns;
 - e) Corresponded with RBC, CSI, and others regarding post-Transaction customer payments that were erroneously sent to the Company's former bank accounts, and had such funds transferred to CSI;
 - f) Completed the RBC Initial Distribution and the FWC Distribution (as defined later herein);
 - g) Engaged with the CRA regarding the status and ultimate collection of the Company's Scientific Research and Experimental Development ("**SRED**") Tax Incentive Program refund;
 - h) Prepared this Third Report; and
 - i) Attended to various statutory matters, including filing final GST and PST returns, paying final PST amounts, paying the WEPPA Priority Claim (as hereinafter defined) and confirming no WorkSafe BC reports were required to be filed or amounts paid.

REMAINING ASSETS OF THE COMPANY

Accounts Receivable

- 19) In the First Report, the Receiver outlined that there were approximately \$28,800 in remaining accounts receivable ("**AR**") balances from 27 customers after the initial collection efforts undertaken by the Receiver, of which \$7,000 was expected to be received following conversations with those customers.

- 20) The Receiver was unable to establish contact with any remaining customers after issuing the First Report, and no additional AR was collected, including the \$7,000 expected to be received. The Receiver is of the view that no AR remains collectable.

Prepaid Expenses

- 21) In the First Report, the Receiver outlined that there were approximately \$35,000 in remaining prepaid expenses after accounting for prepaid insurance.
- 22) The Receiver was not able to ascertain additional information regarding the remaining prepaid balance. The Receiver is of the view that no remaining amount of prepaid expenses is collectable.

Equipment Leases

- 23) Mercedes-Benz Financial had a lease agreement with the Company for a van. This asset was included in the assets purchased by CSI, and the Receiver understands that upon closing of the Transaction, CSI arranged for the asset to be returned to Mercedes-Benz Financial.

Tax Refunds

- 24) In its First Report, the Receiver outlined that the Company reported a SRED receivable of approximately \$150,000.
- 25) The Receiver engaged D&H Group LLP to complete the Company's 2024 corporate income tax return and 2024 SRED return which were both filed on October 16, 2024.
- 26) On May 21, 2025, the Receiver obtained a cheque from the CRA for \$362,526 (the "**Tax Refunds**"). This amount included the 2024 T2 corporate tax and SRED refunds of \$395,560, less \$33,034 in assessed GST, payroll source deductions, and accrued interest and penalties.
- 27) The Receiver does not expect any additional tax recoveries.

CREDITORS AND SECURED CHARGES

CRA Priority Claims

- 28) As mentioned above, the CRA issued a SRED claim refund for \$362,526 after deducting all amounts owed to it. CRA did not undertake trust exams of the Company's GST or payroll accounts, and the Receiver understands that no amounts remain outstanding to CRA. The Company's GST and payroll accounts have nil balances and were closed by the Receiver.

Wage Claims

- 29) In June 2025, Service Canada filed its proof of claim for \$21,165 in super priority amounts (the "**WEPPA Priority Claim**") and \$134,163 in unsecured amounts. The Receiver paid the WEPPA Priority Claim in late June 2025. There will not be sufficient assets in the estate to pay the unsecured balance owed to Service Canada.

WorkSafeBC Claim

- 30) The Receiver understands that WorkSafeBC is not owed any amounts by the Company and will not be claiming a statutory lien on any property or proceeds of the Company. WorkSafeBC confirmed their position to the Receiver on June 11, 2025.

Receiver's Charge and Borrowings

- 31) Pursuant to paragraph 21 of the Receivership Order, the Receiver and Dentons are the beneficiaries of the Receiver's Charge to secure payment of their fees and disbursements incurred in the Receivership Proceedings. The Receiver's Charge is a first-ranking charge over the Property but subordinate to the charges, if any, created pursuant to Sections 14.06(7), 81.4(4), and 81.6(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**").
- 32) Pursuant to paragraph 24 of the Receivership Order, the Receiver was authorized to borrow up to \$500,000 without further approval of the Court for the purpose of funding the exercise of the Receiver's duties and powers (the "**Borrowing Facility**"). RBC advanced \$102,222 to the Receiver after the Date of Receivership (the "**RBC Advance**") to fund certain fees and disbursements, as

outlined in the Receiver's R&D. The Receiver did not issue a certificate with respect to the RBC Advance as it was agreed between RBC and the Receiver that the RBC Advance was not subject to interest.

RBC Indebtedness

- 33) As noted in the First Report, the RBC Debt totaled approximately \$2.4 million as at September 3, 2024 and RBC has valid and enforceable security based on the Security Opinions.
- 34) The RBC Security is or was subject to certain prior ranking Court-ordered charges and statutory interests, which include(d):
 - a) The WEPPA Priority Claim, which has been paid;
 - b) CRA payroll source deductions claim, which has been offset by the Tax Refunds and is now nil;
 - c) The Receiver's Charge (as that term is defined in the Receivership Order); and
 - d) The Receiver's Borrowing Charge (as that term is defined in the Receivership Order), which is \$102,222, being the RBC Advance, and is secured by this priority charge and is owing to RBC.
- 35) With the exception of the above noted priority claims, RBC has a priority claim to all funds held by the Receiver, as per the Security Opinions.
- 36) Pursuant to the Sale Order, the Receiver made an interim distribution to RBC of \$700,000 on January 16, 2025 (the "**Initial RBC Distribution**"). There is approximately \$1.7 million remaining outstanding on the RBC Debt, plus accrued interest and the RBC Advance.

FWC Indebtedness

- 37) As noted in the First Report, the FWC Debt totaled approximately \$2.2 million as at September 3, 2024. FWC was determined to have valid and enforceable security as outlined in the Security Opinions.
- 38) Pursuant to the Sale Order and as agreed to between RBC and FWC, the Receiver was authorized to make a distribution to FWC of up to the amount allocated to the IP Assets as defined in the Purchase Agreement (the "**FWC Distribution**"). The FWC Distribution of \$250,000 was made on December 19, 2024. There is approximately \$1.95 million remaining on the FWC Debt, plus accrued interest. FWC will suffer a shortfall on its debt. Other than the FWC Collateral, which included the IP Assets, the FWC Security was subordinate to the RBC Security.

Unsecured Creditors

- 39) Based on the available books and records of G3 and correspondence received from creditors, the Receiver estimates total unsecured creditor claims of approximately \$272,000 as of the Date of Receivership.
- 40) Given that RBC and FWC will suffer shortfalls in respect of the RBC Debt and the FWC Debt, the Receiver has not reviewed the claims of the unsecured creditors. The Receiver has, however, provided *ad-hoc* updates on the status of the Receivership Proceedings to certain unsecured creditors as and when it was contacted.
- 41) The Receiver accessed the Online Storefronts and identified that funds from pending customer orders (the "**Pending Orders**") were being held by Shopify Inc. and would not be released without verification that the Pending Orders had been fulfilled. Considering that the Receiver cancelled the Pending Orders and understanding that Shopify Inc. refunded these customers, the Receiver is of the view that these refunded customers have no claims as against G3 as creditors.
- 42) No additional unsecured creditors contacted the Receiver since the First Report was issued.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 43) Attached as **Appendix "A"** to this Report is the Receiver's R&D reflecting the administration of the Receivership Proceedings for the period from the Date of Receivership to November 19, 2025.

- 44) As of November 19, 2025, the Receiver's gross receipts amounted to \$1,823,702 primarily relating to the Transaction proceeds of \$1,225,000, the gross T2 and SRED refund of \$362,526, the RBC Advance of \$102,222, and AR collections of \$74,165.
- 45) During the same period, the Receiver made disbursements totalling \$1,343,669 including, among other items, the Initial RBC Distribution of \$700,000, the FWC Distribution of \$250,000, the Receiver's fees and costs of \$180,011, occupation rent at the Premises from August 2 to November 14, 2024 of \$71,633, legal fees and disbursements of \$70,254, pre-filing GST and PSD amounts of \$33,034 to enable collection of the Tax Refunds, and post-filing sales taxes of \$28,497.
- 46) The Receiver is currently holding a total of \$480,033 in its estate trust account (the "**Receiver's Remaining Funds**").

PROFESSIONAL FEES

- 47) The Receiver has invoiced approximately \$180,000 in fees and disbursements (excluding taxes) from the Date of Receivership to October 31, 2025. These costs are more fully described in Affidavit #1 of J. Keeble dated November 20, 2025.
- 48) Dentons has invoiced approximately \$70,000 in fees and disbursements (excluding taxes) from the Date of Receivership to October 31, 2025. These costs are more fully described in Affidavit #1 of J. Schultz dated November 20, 2025.
- 49) The Receiver and Dentons will incur further fees and disbursements to conclude the Receivership Proceedings (the "**Receivership Completion Costs**"), which are estimated to be \$5,000 for the Receiver and \$8,500 for Dentons (plus applicable taxes).
- 50) The Receiver is of the view that the work performed by the Receiver and its legal counsel was necessary and appropriate in the circumstances of the Receivership Proceedings, and that the rates charged are reasonable and in keeping with the rates charged by other Licensed Insolvency Trustees and lawyers in the Vancouver market performing similar work.

FINAL DISTRIBUTION

- 51) As outlined above, the Receiver's Remaining Funds total \$480,033 as at November 19, 2025.
- 52) Subject to the Court granting the relief sought by the Receiver, the Receiver proposes to pay out the funds it currently holds in its account for the final distributions (collectively, the "**Final Distributions**") as follows:
 - a) Payment of the Receivership Completion Costs actually incurred and any other remaining costs incidental to the Receiver concluding its administration of these Receivership Proceedings; and
 - b) Payment to RBC of the residual funds held by the Receiver after completing its administration of the estate (the "**Final RBC Distribution**")
- 53) The Final RBC Distribution is estimated to be approximately \$467,000 resulting in a shortfall on the RBC Debt of more than \$1.2 million.

REMAINING MATTERS TO BE COMPLETED IN THE RECEIVERSHIP PROCEEDINGS

- 54) Subject to the Court granting the relief sought by the Receiver and the Receiver paying the Final Distributions, the Receiver will have completed its duties and obligations under the Amended Receivership Order, save and except for other administrative matters incidental to the Receivership Proceedings, including filing of the Receiver's report pursuant to section 246(3) of the BIA.
- 55) The remaining matters are administrative in nature and the Receiver is of the view that it is appropriate to seek an order of the Court discharging the Receiver with the discharge to be effective upon filing of the Discharge Certificate.
- 56) The Receiver also seeks an order releasing Deloitte from any liability that might arise in relation to its role as Receiver. In the Receiver's view, this relief is appropriate in the circumstances and the

Receiver is not aware of any objection to its activities or disbursements within the Receivership Proceedings.

LIFTING OF THE SEALING ORDER

- 57) On November 8, 2024, the Court granted the Sealing Order over the Receiver's Confidential Supplement.
- 58) As the Transaction has closed, there is no further concern regarding the public availability of the Confidential Supplement and the Receiver is of the opinion that it be unsealed and the Sealing Order be lifted.
- 59) The Receiver understands the Purchaser has no objection to the Sealing Order being lifted.

CONCLUSIONS AND RECOMMENDATIONS

- 60) Based on the foregoing, the Receiver respectfully requests that the Court grant the orders cited in paragraph 13(e) of this Report.

All of which is respectfully submitted at Vancouver, BC this 20th day of November, 2025.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Receiver of
G3 Genuine Guide Gear Inc.
and not in its personal capacity



Per: Jeff Keeble, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix "A"

**In the Matter of the Receivership of
G3 Genuine Guide Gear Inc.
Receiver's Statement of Actual and Estimated Receipts and Disbursements
For the period from August 9, 2024 to November 19, 2025**

Description	Notes	Actual	Estimate to Complete	Total
Receipts				
Sale of Property	\$	1,225,000	\$ -	\$ 1,225,000
Gross T2 and SR&ED Refund		395,560	-	395,560
Advance from secured creditor		102,222	-	102,222
Accounts receivable realizations		74,165	-	74,165
Advanced from Purchaser for Receiver's services		19,037	-	19,037
Post-filing GST refunds		15,133	-	15,133
Insurance refund		11,519	-	11,519
Security deposit refund on premises		11,223	-	11,223
Interest and misc. receipts		2,875	-	2,875
Total receipts	\$	1,856,736	\$ -	\$ 1,856,736
Disbursements				
Initial RBC Distribution	\$	700,000	\$ 466,533	\$ 1,166,533
FWC Distribution		250,000	-	250,000
Receiver's fees		180,011	5,000	185,011
Occupation rent		71,633	-	71,633
Legal fees		70,254	8,500	78,754
Pre-filing GST and PSD paid		33,034	-	33,034
WEPP Claim		21,166	-	21,166
Post-filing GST and HST paid		17,003	-	17,003
Post-filing PST paid		11,494	-	11,494
Accounting services		6,898	-	6,898
Insurance		3,958	-	3,958
Computer services		3,732	-	3,732
Wages and source deductions		3,358	-	3,358
Appraisal fees		1,400	-	1,400
Utilities		1,243	-	1,243
Other misc. disbursements		1,132	-	1,132
Advertising		250	-	250
Bank charges		136	-	136
Total disbursements	\$	1,376,703	\$ 480,033	\$ 1,856,736
Excess of receipts over disbursements	\$	480,033	\$ (480,033)	-