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C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION No.: 01-MONTREAL
COURT No.: 500-11-049214-154
ESTATE No.: 41-343813

S U P E R I O R C O U R T
Commercial Division

**IN THE MATTER OF THE
RECEIVERSHIP OF:**

HRH HOTELS LTD., a legal person, duly
incorporated according to law

Insolvent person

– and –

DELOITTE RESTRUCTURING INC.
(Benoît Clouâtre, CPA, CA, CIRP, LIT, person in
charge) having its place of business at 1190 Avenue
des Canadiens-de-Montréal, suite 500, Montreal,
Quebec, H3B 0M7

Receiver

**FOURTH INTERIM REPORT SUBMITTED BY
DELOITTE RESTRUCTURING INC. AS RECEIVER
TO THE PROPERTY OF HRH HOTELS LTD.**

AS AT AUGUST 3, 2017

**(Subsection 246(2) of the *Bankruptcy and Insolvency Act (BIA)*
and Rule 126 of the *Bankruptcy and Insolvency General Rules*)**

I. Introduction

1. HRH Hotels Ltd. (“**HRH**”) is a corporation constituted under the *Canada Business Corporations Act* which, until recently, had its head office and principal place of business located at 7700 Côte-de-Liesse Road, Montreal, Quebec, H4T 1E7.
2. HRH is a company which, until recently, held and operated a parking complex under the Golden Mile Plaza banner.

HRH Hotels Ltd.

Fourth interim report of the Receiver

August 3, 2017

Page 2

3. On August 7, 2015, following a motion by HSBC Bank Canada ("**HSBC**"), HRH's principal secured creditor, the Court rendered an order appointing Deloitte as Receiver of substantially all of HRH's assets pursuant to Section 243 of the BIA with the Powers enumerated in the said order (the "**Receivership Order**"), as appears in the Court record.

II. Purpose of this report

4. The purpose of this fourth report of the Receiver (the "**Fourth Report**") is to advise/provide the Superintendent of Bankruptcy with a summary with respect to:
 - a) All property of which the Receiver has taken possession or control that has not yet been sold nor realized;
 - b) The activities of the Receiver since the issuance of its third interim report (dated February 3, 2017);
 - c) The interim statement of receipts and disbursements; and
 - d) The anticipated completion of the receivership.

III. Summary of property of which the Receiver has taken possession

5. As at the date of this report, the only remaining asset of HRH is the cash balance held in the Trust by the Receiver.
6. Following the Receivership Order, HSBC accepted to sell to 9303-7026 Québec Inc. ("**9303**"), and 9303 accepted to purchase HSBC's debts and security against HRH from HSBC. The sale of the debts owed by HRH to HSBC closed on or around October 16, 2015. At the time of the sale of the debts, the amount owed by HRH to the secured creditor was of approximately \$3,973,484.43.

IV. The activities of the Receiver since the issuance of its third interim report (dated February 3, 2017)

7. The Receiver monitored and controlled the receipts and disbursements of HRH.
8. The Receiver continued to update the website they created for the benefit of all creditors (<http://www.insolvencies.deloitte.ca/en-ca/Pages/HRH-Hotels-Ltd.aspx?searchpage=Search-Insolvencies.aspx>), where all of the public documents related to the receivership of HRH can be found.
9. Following the sale of substantially all of HRH's assets on May 9, 2016, the Receiver initiated discussions with the provincial and federal tax authorities with regard to the issuance of comfort letters or certificates of discharge which would allow the Receiver to distribute the remaining proceeds from the sale of substantially all of HRH's assets to HRH's secured creditor. On February 8, 2017 and on June 2, 2017, the Receiver received such comfort letters from, respectively, the federal and provincial tax authorities. The Receiver is therefore currently finalizing the compilation of all of its receipts and disbursements incurred to date or to be incurred before its discharge in order to be able to proceed with its final distribution of the remaining sale proceeds to HRH's secured creditor.

V. The interim statement of receipts and disbursements for the period ended July 31, 2017

10. You will find in **Appendix A** the interim statement of receipts and disbursements for the period from August 7, 2015 to July 31, 2017 (the "**Declaration Period**").
11. The receipts during the Declaration Period totaled \$2,385K, and mainly included the following:
 - a) The collection of the proceeds from the sale of the assets in the amount of \$1,748K;
 - b) The collection of funding from a stakeholder in the amount of \$262K;
 - c) The collection of parking revenues (\$143K) related to the operations of the parking facilities;
 - d) The collection of sales taxes reimbursements of \$108K;
 - e) The collection of rental revenues from the property's tenant (\$77K);
 - f) The collections from various legal proceedings (\$39K);
 - g) The collection of interest revenues of \$6K; and
 - h) The collection of miscellaneous revenues of \$2K.
12. The disbursements during the Declaration Period totaled \$1,576K and mainly included the following:
 - a) Payments (totaling \$662K) related to professional fees (with regard to the fees of the Receiver and of other consultants assisting the Receiver in the daily operations of the parking);
 - b) Payments of \$273K related to municipal and school taxes;
 - c) Payments (totaling \$260K) to various suppliers related to the ongoing operations of the parking (for the purchase of various supplies, for maintenance and repairs, etc.);
 - d) Payments of \$176K related to the employees' salaries and severances;
 - e) Payments of \$159K related to commissions payable on the sale of the assets;
 - f) Payments of \$27K related to the Property's monthly insurance premium; and
 - g) Monthly reimbursements of sales taxes (GST/QST) to the government in the amount of \$19K.
13. Consequently, an amount of approximately \$809K was in the possession of / controlled by the Receiver as at July 31, 2017.

HRH Hotels Ltd.

Fourth interim report of the Receiver

August 3, 2017

Page 4

VI. The anticipated completion of the receivership

14. On February 8, 2017 and on June 2, 2017, the Receiver received the comfort letters from, respectively, the provincial and federal tax authorities allowing the Receiver to distribute the remaining proceeds from the sale of substantially all of HRH's assets to HRH's secured creditor. The Receiver is therefore currently finalizing the compilation of all of its receipts and disbursements incurred to date or to be incurred before its discharge in order to be able to proceed with its final distribution of the remaining sale's proceeds to HRH's secured creditor. The Receiver expects to be able to proceed with the final distribution of the sale's proceeds to HRH's secured creditor and with the final steps of its mandate in the coming weeks.

DATED AT MONTREAL, this 3rd day of August
2017.

DELOITTE RESTRUCTURING INC.
Receiver to the property of HRH Hotels Ltd.

A handwritten signature in black ink, appearing to read "Benoît Clouâtre". The signature is fluid and cursive, with a long horizontal stroke at the end.

Benoît Clouâtre, CPA, CA, CIRP, LIT

HRH Hotels Ltd.
Interim statement of receipts and disbursements
(For the period from August 7, 2015 to July 31, 2017)

Receipts and disbursements	(\$)
Receipts	
Proceeds from the sale of assets	1,747,995
Shareholder's funding	261,909
Parking revenues	142,588
Sales taxes reimbursement	108,765
Rental income	77,344
Collections from various legal proceedings	38,808
Interest revenues	5,979
Miscellaneous	1,736
Total receipts	<u>2,385,124</u>
Disbursements	
Professional fees	661,869
Municipal and school taxes	272,796
Suppliers	260,598
Payroll	175,993
Commissions payable on the sale of assets	158,616
Insurance	27,028
Sales tax remittance	18,878
Total disbursements	<u>1,575,778</u>
Net cash flow	809,346
Cash balance - Beginning	<u>-</u>
Cash balance - Ending	<u><u>809,346</u></u>