

**THE QUEEN'S BENCH  
WINNIPEG CENTRE**

**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO  
SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY*  
*ACT*, R.S.C. 1985 c.B-3, AS AMENDED**

BETWEEN:

**ROYAL BANK OF CANADA**

Applicant,

-and-

**6106234 MANITOBA LTD.**

Respondent.

---

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.,  
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF  
6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)**

---

**May 30, 2022**

**RECEIVER**

DELOITTE RESTRUCTURING INC.

360 Main Street, Suite 2300

Winnipeg, Manitoba R3C 3Z3

Brent Warga

Ph: (204) 942-0051

Fax: (204) 947-2689

Email: [bwarga@deloitte.ca](mailto:bwarga@deloitte.ca)

**COUNSEL TO THE RECEIVER**

MLT Aikins LLP

Barristers and Solicitors

3000 – 360 Main Street

Winnipeg, Manitoba R3C 4G1

J.J. Burnell

Ph: (204) 957-4663

Fax: (204) 957-4285

Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com)

## **TABLE OF CONTENTS**

INTRODUCTION .....	1
TERMS OF REFERENCE .....	2
BACKGROUND .....	3
ACTIVITIES OF THE RECEIVER .....	5
OPERATIONS.....	6
ASSETS .....	6
SALES PROCESS .....	10
BANKRUPTCY FILING, CREDITOR CLAIMS, AND PROPOSED DISTRIBUTIONS .....	12
FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS LEGAL COUNSEL .....	15
STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	16
APPROVALS SOUGHT .....	17

## **APPENDICES**

Appendix A – Receivership Order

Appendix B – Inventory Repurchase Agreement

Appendix C – Dealer Agreement

Appendix D – Fees and Disbursements of the Receiver

Appendix E – Fees and Disbursements of the Receiver’s Legal Counsel

Appendix F – Statement of Receipts and Disbursements for the period October 29, 2021 to May 27, 2022

## INTRODUCTION

1. On October 29, 2021, Royal Bank of Canada (“**RBC**” or the “**Applicant**”) made an application to the Court of Queen’s Bench for Manitoba (the “**Court**”) seeking an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”), to appoint Deloitte Restructuring Inc. (“**Deloitte**”) as receiver (the “**Receiver**”), without security, of all the assets, undertakings, and properties of 6106234 Manitoba Ltd. (o/a The Pas Home Hardware) (“**610**”, the “**Company**”, or the “**Debtor**”) acquired for or used in relation to the business carried on by the Debtor (the “**Property**”). On October 29, 2021 (the “**Date of Receivership**”), the Honourable Justice T. Bock granted an order (the “**Receivership Order**”) appointing Deloitte as Receiver in respect of the Property. A copy of the Receivership Order (attached hereto as Appendix A) and other information regarding the receivership proceedings can be accessed on the Receiver’s website at [www.insolvencies.deloitte.ca/en-ca/6106234](http://www.insolvencies.deloitte.ca/en-ca/6106234).
2. The Receivership Order provides, *inter alia*, for the following:
  - (a) The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges and the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property as security for such fees and disbursements, both before and after the making of the Receivership Order, and the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any Person (as defined in the Receivership Order), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
  - (b) The Receiver and its legal counsel shall pass its accounts from time to time.
3. This report constitutes the first report of the Receiver (the “**First Report**”), and is being filed to inform the Court as to the following:
  - (a) The activities of the Receiver since the Date of Receivership;

- (b) Details of the Company’s assets and liabilities including charges, security interests, and encumbrances registered against the Property; and
  - (c) The results of the Receiver’s sales process (as described in paragraphs 33 to 39 herein) (the “**Sales Process**”).
4. Furthermore, this First Report is being filed in support of the Receiver’s application to this Honourable Court on June 2, 2022, seeking the following:
- (a) Approval of the First Report and the reported actions of the Receiver since the Date of Receivership in respect of administering these receivership proceedings, including the approval of the Receiver’s Statement of Receipts and Disbursements for the period October 29, 2021 to May 27, 2022 and the Receiver’s Sales Process;
  - (b) Approval of the Receiver’s Holdback (as defined below) to complete the within application and to finalize the receivership proceedings;
  - (c) Approval of the payment of the Priority Distributions (as defined below), after retention of the Receiver’s Holdback;
  - (d) Approval of the payment of any amounts remaining from the Receiver’s Holdback to RBC on account of the priority of the RBC Security up to the amount of the RBC Indebtedness (both as defined below);
  - (e) Approval of the fees and disbursements of the Receiver and its legal counsel, including the Estimated Receiver’s Fees and the Estimated Legal Fees (both as defined below); and
  - (f) An Order providing for the discharge of the Receiver.

## **TERMS OF REFERENCE**

5. In preparing this First Report, the Receiver has relied upon unaudited financial information, the books and records of the Company, and discussions with former

management of the Company, interested parties, and the stakeholders of the Company.

6. The financial information of the Company has not been audited, reviewed or otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this First Report may not disclose all significant matters about the Company. Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Receiver's attention. Accordingly, the Receiver does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this First Report.
7. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.
8. Capitalized terms used in this First Report but not defined herein are as defined in the Receivership Order.

## **BACKGROUND**

9. 610 is a private company incorporated under the laws of the Province of Manitoba on June 24, 2010, with its sole director and officer being Ann Marie Clark ("**Ms. Clark**"). As detailed in the Affidavit of Jay Dee Hall dated October 26, 2021 (the "**Hall Affidavit**"), at all material times, 610 carried on business operations as a Home Hardware store in The Pas, Manitoba.
10. RBC is the principal secured lender to the Company in respect of the Property and holds various first ranking security positions (the "**RBC Security**") as against the Property. As detailed in the Hall Affidavit, RBC was owed approximately \$1.2 million (the "**RBC Indebtedness**") by the Company as at October 25, 2021, with interest continuing to

accrue thereon.

### **Powers of the Receiver**

11. The Receiver's powers are detailed in Paragraph 3 of the Receivership Order and include the power to take and maintain possession and control of the Property, the power to market and sell the Property (subject to Court approval if one sale exceeds \$100,000 or if in the aggregate the sales exceed \$500,000), and the power to assign the Company into bankruptcy, among others.
12. The Receivership Order also empowers the Receiver to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as the Court may by further Order authorize) (the "**Borrowing Facility**").

### **Possession and Control of the Property**

13. On the Date of Receivership, the Receiver attended at 139 Edwards Avenue in The Pas, Manitoba (the "**Premises**") with its Agent, JAG Bailiff and Investigation Services ("**JAG**"), to secure the Premises. The Receiver took steps to take possession and control of the Company and the Property, which included changing all of the locks to the Premises. As the Company's operations had ceased on or about October 5, 2021, and all employees had been terminated prior to the Date of Receivership, the Receiver has not retained any former employees to assist with the receivership administration, or to continue with operations (although Ms. Clark continues to volunteer her time to assist the Receiver with certain administrative matters).
14. As the Premises were being leased by the Company, the Receiver made arrangements with the landlord, Veitch Holdings Ltd. ("**Veitch Holdings**" or the "**Landlord**"), for continued occupation of the Premises, and for a representative of the Landlord to attend the Premises on a periodic basis to monitor the status and condition of the building subsequent to the Date of Receivership.

15. Ms. Clark advised the Receiver that property and liability insurance coverage was arranged through Home Hardware Stores Limited (“**HHSL**”), the corporate entity which was a party to the Dealer Agreement (as defined below) with the Company, and the Receiver made arrangements for continued insurance coverage with HHSL subsequent to the Date of Receivership.

#### **ACTIVITIES OF THE RECEIVER**

16. Since the Date of Receivership, the Receiver has undertaken the following activities with respect to the Property:
  - (a) Attended onsite at the Premise on the Date of Receivership to meet with Ms. Clark and to take possession and control of the Property;
  - (b) Arranged for the locks to be changed at the Premises;
  - (c) Confirmed with Ms. Clark that the Company had no employees as at the Date of Receivership, and arranged with Ms. Clark to continue to assist the Receiver on an as needed basis;
  - (d) Corresponded with the Landlord and made arrangements for continued occupation of the Premises;
  - (e) Confirmed the existence of insurance coverage on the Property as at the Date of Receivership with HHSL (and had the Receiver added as loss payee and additional named insured on the existing policy), and arranged for continued coverage on a monthly basis;
  - (f) Corresponded with HHSL on multiple occasions in respect of the Dealer Agreement, the IRA (as defined below) between HHSL and RBC, and closing of the Dealer Accounts and Equity Account (both as defined below) the Company maintained with HHSL;
  - (g) Arranged for collection notices to be sent to all customers with outstanding accounts;

- (h) Corresponded with third parties who asserted an interest in certain property located on the Premises, and released the Receiver's interest therein as appropriate;
- (i) Administered the statutory filings under the Wage Earner Protection Program (“**WEPP**”) for former employees;
- (j) Corresponded with auctioneers and prospective parties who had previously expressed an interest in the Property, to assist with developing the Sales Process;
- (k) Corresponded with McDougall Auctioneers Ltd. (“**McDougall**”) to facilitate the onsite auction as part of the Sales Process;
- (l) Completed the Sales Process and the sale of the Property; and
- (m) Prepared, reviewed, and finalized this First Report.

## **OPERATIONS**

- 17. On or about October 2, 2021, prior to the Date of Receivership, HHSL attended the Premises to oversee a complete physical count of the inventory (the “**HHSL Count**”). The store remained closed to the public during the HHSL Count, and the store never reopened once the HHSL Count was completed on or about October 5, 2021.
- 18. All employees of the Company were terminated prior to the Date of Receivership, and the Receiver did not recommence operations at any time, nor retain any former staff to assist with the receivership proceedings.

## **ASSETS**

### **Accounts Receivable**

- 19. At the Date of Receivership, Ms. Clark provided the Receiver with a list of thirty-four (34) customer accounts with an aggregate outstanding balance of approximately \$39,155. On November 18, 2021, the Receiver sent each account holder a demand notice advising of the receivership proceedings, and stating that all outstanding amounts

must be paid to the Receiver on or before December 1, 2021. As at the date of this First Report:

- (a) Approximately \$30,888 has been collected by the Receiver;
- (b) Approximately \$2,884 was incorrectly recorded in accounts receivable based on supporting records received from fourteen (14) customers; and
- (c) Approximately \$5,383 remains owing from eight (8) customers which the Receiver continues to pursue (the “**Residual A/R Accounts**”).

## **Inventory**

- 20. As noted above, on or about October 2, 2021, prior to the Date of Receivership, HHSL attended the Premises to complete the HHSL Count. The HHSL Count identified approximately 11,620 stock keeping units (“**SKUs**”), with an aggregate cost of approximately \$694,500 (the “**Inventory**”).
- 21. The impetus for the HHSL Count was an inventory repurchase agreement (the “**IRA**”) dated February 18, 2014, between HHSL and RBC, attached hereto as Appendix B. Pursuant to clause (a) of the IRA, if the Dealer defaults in repayment of the loans to RBC, HHSL will repurchase certain of the Dealer’s inventory based on the following formula (the “**IRA Formula**”):
  - (a) 100% of the cost of the Dealer’s Home Hardware sourced hardware inventory, less 10% for discontinued, obsolete, and shopworn merchandise, less an additional 5% for handling charges;
  - (b) the Dealer’s Home Hardware sourced building supply and carpet inventory at HHSL’s supplier’s invoice cost, net of rebates and reasonable allowance for weathered inventory, less 10% for discontinued, obsolete, and shopworn merchandise, less an additional 5% for handling charges; and
  - (c) the repurchase price shall not exceed the amount then owing to RBC by the Dealer in respect of principal and accrued interest on the outstanding loans.

22. As detailed in the Hall Affidavit, on or about September 3, 2020, RBC served formal demands on the Company for repayment of the RBC Indebtedness and issued the applicable notice of intention to enforce security pursuant to section 244 of the BIA. On November 25, 2020, RBC entered into a forbearance agreement with the Company, whereby Ms. Clark (and the guarantors) acknowledged that the Company had defaulted under the terms of the RBC credit facilities. The forbearance agreement was extended on two (2) occasions, but in or about September, 2021, the Company advised it was unwilling to enter any further extensions of the forbearance agreement.
23. Pursuant to clause (e) of the IRA, HHSL agreed to arrange periodic examinations of the Dealer's Inventory, not less frequently than semi-annually, and advise RBC should the estimated value (based on the count) fall below the value being reported to RBC in the Dealer's monthly reporting. In September 2020, RBC formally confirmed the defaults by the Company to HHSL; however, due to restrictions on travel to northern Manitoba resulting from the Covid-19 pandemic, HHSL could not attend the Premises to conduct the count requested by RBC, and comply with clause (e) of the IRA, until October 2021.
24. Subsequent to the completion of the HHSL Count, Ms. Clark did not reopen the Premises to the public, however, certain Inventory items were removed to satisfy outstanding customer orders.
25. Given the HHSL Count and Ms. Clark's representation that the Premises were not reopened to the public after October 2, 2021, in consultation with HHSL and RBC, it was determined that another physical count by the Receiver as at the Date of Receivership would not be necessary or cost effective. Accordingly, the Receiver worked with Ms. Clark to identify all Inventory items that were removed from the Premises subsequent to the HHSL Count. The aggregate Inventory removed approximated \$9,900, and it was agreed by HHSL, RBC and the Receiver that the value of the Inventory be reduced to approximately \$684,600 (the "**Final Inventory Value**").
26. In accordance with the IRA and the IRA Formula, and based on the Final Inventory Value, the Receiver determined that the HHSL guarantee in favour of RBC would be at least \$501,411 from the liquidation of the IRA eligible inventory (the "**IRA Eligible**

**Inventory**”). The Receiver then facilitated extensive independent discussions with both HHSL and RBC, and it was agreed by both parties that the guarantee payment (by HHSL to RBC) under the IRA would not exceed \$490,000 (the “**IRA Payment Cap**”), and that the IRA Payment Cap would be reduced based on the actual realizations from the sale of the IRA Eligible Inventory. Realizations from the Receiver’s sale of the Inventory and the resultant impact on the IRA Payment Cap are further detailed below.

### **Fixtures and Equipment**

27. At the Date of Receivership, Ms. Clark provided the Receiver with a listing of fixtures and equipment (the “**Fixtures & Equipment**”) with an aggregate value (at cost) of approximately \$127,400. Based on discussions with Ms. Clark, the only items included in the listing of Fixtures & Equipment that were encumbered related to certain POS Equipment (as defined below) secured by CWB (as defined below). Realizations from the Receiver’s sale of the Fixtures & Equipment are further detailed below.

### **HHSL Equity Account**

28. In accordance with the Dealer Agreement between HHSL and the Company dated November 20, 2013 (the “**Dealer Agreement**”), attached hereto as Appendix C, the Company was entitled to acquire common shares and special shares of HHSL, in addition to investing in HHSL term notes (collectively, the “**Equity Account**”). As at the Date of Receivership, the balance in the Equity Account approximated \$642,500.
29. In accordance with paragraph 14 of the Dealer Agreement, upon termination of the Dealer Agreement, the Dealer shall be entitled to such benefits as they accrue and have been credited to the Equity Account, however, HHSL shall have the right and privilege of deducting all sums owing to it as recorded in the two (2) Dealer accounts: The Pas Home Hardware Building Account (the “**Building Account**”) and The Pas Home Furniture Account (the “**Furniture Account**”) (collectively, the “**Dealer Accounts**”). As at the Date of Receivership, the balance in the Dealer Accounts approximated \$487,500 (approximately \$444,600 in the Building Account, and approximately \$42,900 in the Furniture Account).

30. Although the difference between the Equity Account and the Dealer Accounts approximated \$155,000 (the “**Net Equity**”) at the Date of Receivership, HHSL advised the Receiver that the Net Equity was subject to further adjustments based on reconciling any invoices, interest, and other administrative charges that were incurred (or earned) as at the Date of Receivership, but were not yet posted to the Dealer Accounts and/or Equity Account.
31. As at the date of this First Report, HHSL has remitted the final Net Equity in the amount of \$248,492 to the Receiver (\$200,467 from the Building Account, and \$48,025 from the Furniture Account), and no further amounts remain owing by HHSL to the Company.
32. As further detailed below, included in the Net Equity was certain patronage refunds (\$70,121 from the Building Account and \$21,960 from the Furniture Account). HHSL withheld \$13,812 from the patronage refunds (the “**Patronage Withholdings**”) and remitted same to Canada Revenue Agency (“**CRA**”) on account of required withholding tax. The Receiver has filed the pre- and post-receivership 2021 corporate tax returns for 610, and will file the requisite 2022 return in order to recover the Patronage Withholdings.

## **SALES PROCESS**

33. Subsequent to the Date of Receivership, Ms. Clark advised the Receiver that she had previously been in contact with four (4) parties who had expressed some interest in potentially acquiring the Company, and the Receiver identified two (2) additional prospective purchasers (collectively, the “**Prospective Purchasers**”). During the month of November, 2021, the Receiver corresponded with the Prospective Purchases, provided the Prospective Purchasers with an itemized Inventory, and arranged for attendance on-site to view the Premises. By late November 2021, all of the Prospective Purchasers advised the Receiver that they had no interest in acquiring the Company or its assets.
34. Concurrent with the discussions with the Prospective Purchasers, the Receiver also

solicited interest from six (6) auctioneers/liquidators (collectively, the “**Auctioneers**”). The Receiver provided all Auctioneers with an itemized Inventory, and requested the Auctioneers submit auction proposals to liquidate the Inventory. The table below summarizes the submissions received from the Auctioneers:

6106234 MANITOBA LTD.  
Summary of Auction Proposals

Auctioneer	Cash Offer	Auction Proposal	Commission Rate (on Gross Sales)	Advertising / Setup / Travel Costs	Commentary
McDougall Auctioneers					
(1) Cash Offers	\$30,000 - \$35,000				\$35,000 cash offer requires use of Premises for 60-days. \$30,000 cash offer requires use of premises for 30-days.
(2) Net Minimum Guarantee		\$35,230			Net minimum guarantee - \$35,230; sales between \$35,231 - \$69,500 to Auctioneer; sales > \$69,501 - 70% Receiver; 30% Auctioneer (excludes any buyer's premium).
(3) Straight Commission			20%	\$20,000	Buyer's premium of 15%.
G&L Sales	\$100,000	N/A	N/A		Requires access to the Premises until January 31, 2022.
Century Services	N/A	Straight commission	20%	\$60,000	Graduated commission structure - 20% on sales above \$2,500; 30% on sales below \$2,500. Buyer's premium of 15%.
					Requires access to Premises until February 28, 2022.
Yorkton Auction Centre	N/A	Straight commission	17%	\$2,500	N/A
Kaye's Auctions					Not interested.
Ritchie Bros.					Not interested.

35. The Receiver discussed the auction proposals with the primary secured creditors with an interest in the Company’s assets, HHSL and RBC. A consensus was reached that retaining McDougall on a straight commission basis would likely maximize realizations from the liquidation of the Inventory. Accordingly, on November 26, 2021, the Receiver retained McDougall to liquidate the Inventory.
36. Given the limited interest expressed by both the Prospective Purchasers and the Auctioneers, and the remote location of the Premises, a formal sales process was not undertaken by the Receiver, nor was a formal sales and information package prepared, as the Receiver was of the view that any further time expended on a more robust sales process would not yield any additional prospects for the realization of the Company’s assets.
37. In accordance with paragraph 3(1) of the Receivership Order, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000. As the Receiver did not anticipate that any one sale during the auction would exceed \$100,000, nor the aggregate of all sales would exceed \$500,000, Court approval was not sought to engage

McDougall to complete the auction.

38. McDougall conducted the on-site auction for the Inventory and Fixtures and Equipment on December 16, 17, and 18, 2021. Below is a summary of the auction results:

**6106234 Manitoba Ltd.  
McDougall Auction Results**

	<b>Hardware</b>	<b>Home Furniture</b>	<b>Total</b>
Fixtures and Equipment	\$ 61,139	\$ 20,060	\$ 81,199
Inventory	238,731	63,745	302,476
Enclosed Cargo Trailer	-	10,000	10,000
<b>Gross Sale Proceeds</b>	<b>299,870</b>	<b>93,805</b>	<b>393,675</b>
Less:			
Deductions			22,519
Sign removal			2,800
Commissions			77,735
Subtotal			103,054
<b>Net Proceeds Paid to Receiver</b>			<b>\$ 290,621</b>

39. In accordance with the terms of the IRA and the agreement amongst RBC and HHSL, the portion of the above net proceeds realized from the IRA Eligible Inventory approximated \$188,251 (of the \$290,621), which reduced the amount payable by HHSL to RBC under the IRA Payment Cap from \$490,000 down to approximately \$301,749 (the “**Final IRA Release Payment**”). The Receiver was advised by RBC that the Final IRA Release Payment was received from HHSL on February 2, 2022, and that mutual releases were exchanged between RBC and HHSL bringing the IRA to a conclusion.

**BANKRUPTCY FILING, CREDITOR CLAIMS, AND PROPOSED DISTRIBUTIONS**

40. In accordance with paragraph 3(s) of the Receivership Order, on February 15, 2022, the Receiver assigned 610 into bankruptcy as the Company was clearly insolvent. Deloitte was affirmed as bankruptcy trustee (the “**Trustee**”) at the first meeting of creditors on March 4, 2022.
41. Prior to filing the bankruptcy assignment, in accordance with section 13.4(1) of the BIA, on January 10, 2022, the Receiver received a written opinion (the “**Security Opinion**”) from its independent legal counsel, MLT Aikins LLP (“**MLT Aikins**”), opining that the RBC Security:

- (a) is valid and enforceable;
  - (b) ranks in priority to the other secured creditors of the Company, subject to:
    - (i) a priority agreement (the “**Priority Agreement**”) between RBC and HHSL, which grants HHSL a priority interest over the Company’s Equity Account (consisting of shares and notes and the proceeds thereof) with HHSL; and
    - (ii) a purchase money security interest in favour of CWB National Leasing Inc. (“**CWB**”) over certain specific point of sale equipment (the “**POS Equipment**”); and
  - (c) ranks in priority to the unsecured creditors of the Company and any subsequently appointed trustee in bankruptcy.
42. On December 15, 2021, after reviewing the lease and security documentation provided by CWB, the Receiver advised CWB by way of letter correspondence that it was not asserting an interest in the POS Equipment, and that CWB was free to deal with same.
43. The Company’s Dealer Agreement with HHSL states the following at paragraph 14:

*“Upon termination of this Agreement as hereinbefore provided and subject to the approval of the Board of Directors, the Dealer shall be entitled to such benefits as they accrue and have been credited to the Dealer by the Board of Directors of the Corporation provided, however, that the Corporation shall have the absolute right and privilege of deducting from all benefits accruing all sums owing to it. The Corporation agrees to purchase the said common shares of the Dealer subject, however, to the consent and approval of the Board of Directors of the Corporation by resolution passed by at least two-thirds of the Directors present at such meeting considering such purchase.”*

Accordingly, on February 10, 2022, HHSL offset the balance owing by the Company to HHSL remaining in the Dealer Accounts of \$487,467 against the Equity Account balance of \$635,152, resulting in a net credit position owing to 610 of approximately \$147,685.

Subsequent to February 10, 2022, HHSL applied further credits to the Dealer Accounts in respect of certain paint, lumber and building material rebates, and 2021 patronage refunds, aggregating to \$100,807, such that the net position of \$248,492 was paid to the Receiver. HHSL has confirmed with the Receiver that no further amounts remain owing by the Company to HHSL pursuant to the Dealer Agreement. The Dealer Agreement was terminated by the Receiver and HHSL by way of release provided to HHSL on May 1, 2022.

44. The Company's records indicate that the following amounts were owing to CRA at the Date of Receivership:
- (a) \$37,471 on account of unremitted payroll source deductions;
  - (b) \$12,033 on account of unremitted goods and services tax ("GST"); and
  - (c) \$60,000 on account of a Covid-19 loan.

As at the date of this First Report, CRA has completed its trust examination and is asserting a deemed trust priority claim in the amount of \$30,638.46 (the "**CRA Property Claim**") in respect of unremitted payroll source deductions.

45. On November 15, 2021, the Manitoba Finance Taxation Division ("**Manitoba Finance**") provided a proof of claim to the Receiver detailing that approximately \$45,162 was owing by the Company as at the Date of Receivership on account of unremitted retail sales tax.
46. On November 10, 2021, the Receiver sent WEPP prescribed information to the twelve (12) former employees of the Company with unpaid vacation pay owing as at the Date of Receivership. On or about March 21, 2022 the Trustee provided updated information to the WEPP regarding the employees' entitlements given the bankruptcy of 610. Based on correspondence received from Service Canada dated April 26, 2022, the priority claim of the Government of Canada in accordance with section 81.3(1) and 81.4(1) of the BIA was \$7,363.40 (the "**WEPP Priority Claim**").

47. The Receiver is recommending to this Honourable Court that the following priority distributions (collectively the “**Priority Distributions**”) be made, having regard to the concurrent bankruptcy proceedings:
- (a) CRA Property Claim in the amount of \$30,638.46;
  - (b) WEPP Priority Claim in the amount of \$7,363.40; and
  - (c) Subject to any potential reserves the Receiver determines to be necessary in order to finalize the Receivership proceedings and account for the Estimated Receiver Fees and the Estimated Legal Fees (as defined below) (collectively the “**Receiver’s Holdback**”), which amounts to \$45,000, the balance of the estate funds to RBC on account of the RBC Security, up to the value of the RBC Indebtedness, which amount totals \$962,274 as at May 16, 2022.
48. Other unsecured creditors include third parties who are not claiming any security interest in the Property or proceeds therefrom. As at the Date of Receivership, the Company listed unsecured creditors with claims of approximately \$1.8 million.

#### **FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS LEGAL COUNSEL**

49. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its legal counsel shall pass their accounts from time to time. The Receiver is of the view that the primary party of interest is RBC given that they hold a priority interest over all of the Property of the Company. RBC has been served with this First Report and has been provided with all invoices of the Receiver within these proceedings.
50. Attached as Appendix D is a summary of the invoices of the Receiver for fees and disbursements incurred during the course of the proceedings for the period October 26, 2021 to April 30, 2022. The Receiver’s accounts total \$111,353 in fees and disbursements, excluding GST. The Receiver estimates that its fees and disbursements incurred subsequent to April 30, 2022, to finalize this First Report, to prepare for and attend the June 2, 2022 hearing, and to finalize the Receiver’s discharge will approximate \$20,000 (plus GST) (the “**Estimated Receiver Fees**”).

51. The fees charged by the Receiver are based on the amount of professional time required at hourly billing rates, which vary depending upon the experience level and location of professionals involved. The average blended hourly rate charged by the Receiver in these proceedings for invoices issued to date is \$416 per hour. The rates charged by the Receiver are the normal rates and charges for engagements of this nature, and are comparable to the rates charged for the provision of services by other professional firms providing specialized financial advisory services.
52. The Receiver is of the view that its fees and disbursements are fair and reasonable in the circumstances and have been duly rendered in response to the required and necessary duties of the Receiver in accordance with the provisions of the Receivership Order.
53. Attached as Appendix E is a summary of the invoices of the Receiver's legal counsel for fees and disbursements incurred during the course of the proceedings for the period October 28, 2021 to March 31, 2022. The accounts total \$16,857 in fees and disbursements excluding Provincial Sales Tax and GST. The Receiver's legal counsel estimates that its fees and disbursements incurred subsequent to March 31, 2022, to prepare for and attend the June 2, 2022 hearing, and to assist with finalizing the Receiver's discharge will approximate \$15,000 (plus taxes) (the "**Estimated Legal Fees**").
54. The Receiver has reviewed the invoices rendered by its legal counsel and finds them reasonable and validly incurred in accordance with the provisions of the Receivership Order.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

55. The Receiver has prepared a Statement of Receipts and Disbursements for the period October 29, 2021 to May 27, 2022 for the Company, a copy of which is attached hereto as Appendix F. Total receipts were \$754,595 and total disbursements were \$262,847, resulting in \$491,748 being held in trust by the Receiver.
56. As at the date of this First Report, in accordance with paragraph 21 of the Receivership Order, the Receiver borrowed \$75,000 from the Court authorized Borrowing Facility to

fund the receivership proceedings, and repaid same on February 1, 2022.

## **APPROVALS SOUGHT**

57. The Receiver believes that, other than completing the Priority Distributions, finalizing the Residual A/R Accounts, filing the 2022 corporate tax return and recovering the Patronage Withholdings, and concluding certain administrative matters, the Receiver's mandate pursuant to the Receivership Order (the "**Receiver's Mandate**") is substantially complete.
  
58. For the reasons outlined above, the Receiver respectfully requests that the Court provide an Order:
  - (a) Approving all activities, actions, and proposed courses of action of the Receiver to date in relation to the discharge of its duties and the Receiver's Mandate pursuant to the Order of this Court in these proceedings, as such actions of the Receiver are more particularly described in this First Report, including approving the Receiver's Statement of Receipts and Disbursements for the period October 29, 2021 to May 27, 2022 and the Sales Process;
  
  - (b) Approving the Receiver's Holdback to complete the within application and to finalize the receivership proceedings, without the requirement of taxation or formal passing of accounts;
  
  - (c) Approving payment of the Priority Distributions after retention of the Receiver's Holdback;
  
  - (d) Approving payment of any amounts remaining from the Receiver's Holdback to RBC on account of the priority of the RBC Security up to the amount of the remaining RBC Indebtedness;
  
  - (e) Approving the fees and disbursements of the Receiver and its legal counsel for the period October 26, 2021 to April 30, 2022, and October 28, 2021 to March 31, 2022, respectively, and including the Estimated Receiver's Fees and the Estimated Legal Fees;

- (f) That upon payment of the Priority Distributions, along with any amounts collected from the Residual A/R Accounts, the Patronage Withholdings, and any amounts remaining from the Receiver's Holdback to RBC, the Receiver shall be discharged as Receiver; and
- (g) That upon the Receiver filing with this Honourable Court its discharge certificate (the "**Receiver's Discharge Certificate**") confirming that the Receiver has paid the Priority Distributions, that Deloitte be discharged from any and all liability, save and except for any liability arising out of gross negligence or willful misconduct on the part of the Receiver, provided that notwithstanding such discharge:
  - (i) The Receiver shall remain Receiver for the performance of such routine administrative tasks as may be required to complete the administration of these proceedings; and
  - (ii) The Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections, and stays of proceedings in favor of Deloitte in its capacity as Receiver; and
- (h) Granting such further and other relief that the Court considers just and warranted in the circumstances.

All of which is respectfully submitted at Winnipeg, Manitoba, this 30<sup>th</sup> day of May 2022.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver of 6106234  
Manitoba Ltd. (o/a The Pas Home Hardware),  
and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP, LIT  
Senior Vice-President

## **Appendix A – Receivership Order**

File No. CI 21-01-33115

**THE QUEEN'S BENCH**  
**Winnipeg Centre**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO  
SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY  
ACT R.S.C. 1985, c. B-3 AS AMENDED

BETWEEN:

**ROYAL BANK OF CANADA,**

Applicant,

-and-

**6106234 MANITOBA LTD.,**

Respondent.

---

**ORDER**  
**(Appointing Receiver)**

---

**TAYLOR McCaffrey LLP**  
Barristers & Solicitors  
2200 – 201 Portage Avenue  
Winnipeg, Manitoba  
R3B 3L3

David R.M. Jackson/Charles Roy  
204-988-0375/204-988-0472  
File No. 36602-50



October 27, 2021 and on reading the consent of Deloitte Restructuring Inc. to act as the Receiver,

**SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

**RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workplace safety and health assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 59(10) of *The Personal Property Security Act* (Manitoba), [or section 134(1) of *The Real Property Act* (Manitoba), as the case may be,] shall not be required.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to voluntarily assign the Debtor into bankruptcy; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other

persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver

with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court provided; however, that nothing in this Order shall affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body of the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such

other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information

to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, *The Environment Act* (Manitoba), *The Water Resources Conservation Act* (Manitoba), *The Contaminated Sites Remediation Act* (Manitoba), *The Dangerous Goods Handling and Transportation Act* (Manitoba), *The Public Health Act* (Manitoba) or *The Workplace Safety and Health Act* (Manitoba), and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except

for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount

does not exceed \$200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or notice by courier, personal delivery or electronic

transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

26. THIS COURT ORDERS that counsel for the Receiver shall prepare and keep current a service list ("**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or email address) for service to: the Applicant; the Receiver; and each creditor or other interested Person who has sent a request, in writing, to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each Person on the Service List has elected to be served by email or facsimile, and failing such election the Service List shall indicate service by email. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 27 herein. **For greater certainty, creditors and other interested Persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List, shall not be required to be further served in these proceedings.**

27. THIS COURT ORDERS that the Applicant, the Receiver, and any party on the Service List may serve any court materials in these proceedings by facsimile or by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at [www.insolvencies.deloitte.ca/ca-en/6106234](http://www.insolvencies.deloitte.ca/ca-en/6106234) Service shall be deemed valid and sufficient if sent in this manner.

#### **GENERAL**

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms

of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a solicitor-client basis<sup>1</sup> to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

[DATE]

**Ted Bock** Digitally signed by Ted Bock  
Date: 2021.10.29 15:29:39  
-05'00'

---

I, DAVID R.M. JACKSON, OF THE FIRM OF TAYLOR McCAFFREY LLP HEREBY CERTIFY THAT I HAVE RECEIVED THE CONSENTS AS TO FORM OF THE FOLLOWING PARTIES: Deloitte Restructuring Inc represented by Anjali Sandhu of MLT Aikins LLP AS DIRECTED BY THE HONOURABLE MR.JUSTICE BOCK.

---

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 6106234 Manitoba Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of The Queen's Bench, Winnipeg Centre (the "**Court**") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Order**") made in an action having Court file number \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \*\*\*, \*\*\*.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**DELOITTE RESTRUCTURING INC.**, solely  
in its capacity as Receiver of the Property,  
and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**Appendix B – Inventory Repurchase Agreement**



Home Hardware Stores Limited  
34 Henry Street West, St. Jacobs, Ontario, Canada N0B 2N0

T 519 664 2252 F 519 664 2865

DIRECT LINE 519-664-4950  
DIRECT FAX 519-664-1441

**FAXED**

February 18, 2014

BY FAX: 204-778-4257

Royal Bank of Canada  
23 Selkirk Avenue  
Thompson, Manitoba  
R8N 0M5

ATTENTION: Mr. Ken Dick

Dear Mr. Dick:

RE: 6106234 Manitoba Ltd., The Pas, Manitoba (the "Dealer")

Note: This Inventory Repurchase Agreement replaces the undertaking dated December 20, 2013 - \$1,200,000.00

Enclosed please find our Inventory Repurchase Agreement in the amount of \$1,200,000.00, issued in support of the approved financing for the above-noted Dealer. We understand that you will continue to monitor the account to ensure that loans do not exceed 80% of the 'Home' sourced inventory at cost, plus 75% of good accounts receivable 90 days and under.

Enclosed please find two (2) copies of the fully executed Priorities Agreement between Home Hardware Stores Limited and the Royal Bank of Canada.

We trust that the above and enclosed will meet with your approval; however, if we can be of any further assistance, please do not hesitate to contact us.

Yours truly,

HOME HARDWARE STORES LIMITED

Dianne McTavish (Mrs.)  
Vice-President and Corporate Secretary

DM/cs

Enclosures

c.c. Royal Bank of Canada – Toronto  
Paul Straus  
Terry Davis  
Heather Brincheski  
Lance Shipley  
6106234 Manitoba Ltd.

100% Dealer Owned

Home Hardware • Home Hardware Building Centre • Home Building Centre • Home Furniture

[www.homehardware.ca](http://www.homehardware.ca)



Home Hardware Stores Limited  
34 Henry Street West, St. Jacobs, Ontario, Canada N0B 2N0

T 519 664 2252 F 519 664 2865

DIRECT LINE 519-664-4950  
DIRECT FAX 519-664-1441

February 18, 2014

BY FAX: 204-778-4257

Royal Bank of Canada  
23 Selkirk Avenue  
Thompson, Manitoba  
R8N 0M5

ATTENTION: Mr. Ken Dick

Dear Mr. Dick:

RE: 6106234 Manitoba Ltd., The Pas, Manitoba (the "Dealer")

Note: This Inventory Repurchase Agreement replaces the undertaking dated December 20, 2013 - \$1,200,000.00

We understand that the Bank has approved a proposal for loans totalling a maximum of \$1,200,000.00, (the "Loans"), to the Dealer on the condition that we execute and deliver this agreement. Pursuant to your request and in consideration of the Bank providing Loans to the Dealer, we agree with you as follows:

(a) If the Dealer defaults in repayment of the Loans, we will repurchase free from prior encumbrances, the Dealer's Home Hardware-sourced hardware inventory at 100% of Cost (with "Cost" being defined as the suggested retail price of such inventory as published by Home Hardware Stores Limited less 40%), less 10% for discontinued, obsolete and shopworn merchandise, less an additional 5% for handling charges. In such event, we will also purchase the Dealer's Home Hardware-sourced building supply and carpeting inventory, if any, at the Home Hardware's supplier's invoice cost, net of rebates and reasonable allowance for weathered inventory, less 10% for discontinued, obsolete and shopworn merchandise, less an additional 5% for handling charges. With respect to our repurchase obligations under this agreement, we also waive our rights under Section 81.1 of the *Bankruptcy and Insolvency Act*.

(b) We will pay the purchase price of the above inventory directly to you in accordance with the calculations set out in paragraph (a). Such purchase price shall not exceed the amount then owing to the Bank by the Dealer in respect of principal and accrued interest of the Loans. We will make this payment to the Bank within 10 business days of the date on which Home Hardware receives the documents effecting conveyance of the Bank's interest to Home Hardware.

cont'd

100% Dealer Owned

Home Hardware • Home Hardware Building Centre • Home Building Centre • Home Furniture

www.homehardware.ca

**FAKED**

(c) If the Home Retailer Dealer Agreement is terminated, we will notify the Bank by registered mail. Upon receipt of such notice, the Bank shall advise Home Hardware Stores Limited within 30 days as the Bank's intentions with respect to continuing to make Loans available to the Dealer or that the Bank will be asking Home Hardware to honour its obligation under the repurchase agreement. Home Hardware Stores Limited may extend such response time for an additional 10 days upon written request by the Bank providing this request is received and approved by Home Hardware prior to the expiry of the 30 day period. Unless a written request is received from the Bank for implementation of the inventory repurchase obligations as set out in paragraph (a) above within 90 days from the date of receipt of registered notice by the Bank, all obligations of Home Hardware Stores Limited to repurchase the inventory will cease to exist.

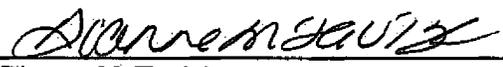
(d) This agreement may be revocable by Home Hardware Stores Limited at any time with written notice and the written concurrence of the Royal Bank of Canada.

(e) We agree to arrange periodic examinations of the Dealer's inventory, not less frequently than semi-annually, and advise the Bank should its estimated value fall below the value being reported by the Dealer on the monthly reports. The inspections will be conducted by our Area Managers. Also, if in the opinion of the Bank or Home Hardware Stores Limited, a physical inventory verification is warranted it will be conducted at the Dealer's expense and supervised by a representative of Home Hardware Stores Limited.

The Bank will advise Home Hardware Stores Limited within 60 days following the date the Dealer has defaulted on repayment of the Loans to the Bank.

Yours truly,

HOME HARDWARE STORES LIMITED

Per:   
Dianne McTavish  
Vice-President and Corporate Secretary

DM/cs

c.c. Royal Bank of Canada - Toronto  
Paul Straus  
Terry Davis  
Heather Brincheski  
Lance Shipley  
6106234 Manitoba Ltd.



THIS PRIORITIES AGREEMENT dated this 14 day of February 2014. 

AMONG:

HOME HARDWARE STORES LIMITED, a corporation  
incorporated under the laws of the Province  
of Ontario,

("Home Hardware")  
OF THE FIRST PART

- and -

ROYAL BANK OF CANADA, a chartered bank incorporated  
under the laws of Canada,

(the "Bank")  
OF THE SECOND PART

WHEREAS:

- A. 6106234 MANITOBA LTD., The Pas, Manitoba, (the "Dealer") has granted security (collectively, the "Home Hardware Security") over certain assets of the Dealer to Home Hardware which Home Hardware Security is more particularly described in Schedule "A" attached hereto.
- B. The Dealer has also granted security (collectively, the "Bank Security") to the Bank, which Bank Security is more particularly described in Schedule "B" attached hereto.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises herein and other good and valuable consideration, the Parties hereto covenant, undertake, declare and agree as follows.

#### ARTICLE 1 - SUBORDINATION

- 1.01 Home Hardware and the Bank declare, covenant and agree that the interests of Home Hardware in any present or after acquired personal property of the Dealer (the "Assets"), excluding the Dealer's equity investment in Home Hardware consisting of shares and notes and the proceeds thereof (collectively, the "Equity Investment"), shall be and are hereby postponed and subordinated in all respects to the interests (the "Bank Security Interests") of the Bank in the Assets arising out of or created by the Bank's Security.
- 1.02 The Bank and Home Hardware declare, covenant and agree that the interests of the Bank, if any, in the Dealer's Equity Investment in Home Hardware and the proceeds thereof shall be and are hereby postponed and subordinated in all respects to the interests of Home Hardware in the aforesaid Equity Investment.



- 1.03 The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:
- (a) the dates of execution, attachment, registration or perfection of any security interests held by Home Hardware or the Bank; or
  - (b) the date of any advance or advances made to the Dealer by Home Hardware or the Bank; or
  - (c) the date of any default by the Dealer under the Home Hardware Security or the Bank Security; or
  - (d) any priority granted by any principle of law or any statute.
- 1.04 Any insurance proceeds received by Home Hardware or the Bank in respect of the collateral charged by the Home Hardware Security or the Bank Security shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they are intended to compensate.
- 1.05 If any of the Home Hardware Security or the Bank Security is claimed or found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of the Article 1 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party.

## ARTICLE 2 - GENERAL

- 2.01 Each of Home Hardware and the Bank shall do, perform, execute and deliver such acts, deeds and documents as may be necessary from time to time to give full force and effect to the intent of this Agreement.
- 2.02 The Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the date hereof.
- 2.03 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

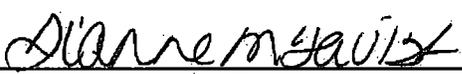


- 2.04 This Agreement shall be governed by and construed in accordance with the laws of the Province under which laws the Home Hardware Security is registered or otherwise perfected.
- 2.05 This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior or contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth herein.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement under the hands of their duly authorized officers.

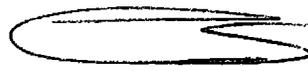
HOME HARDWARE STORES LIMITED

by:   
Authorized Signing Officer

by:  c/s  
Authorized Signing Officer 02/14/2014

I / We have the authority to bind the Corporation

ROYAL BANK OF CANADA

by:  K. Dick  
Authorized Signing Officer

by:  J. Schulz c/s  
Authorized Signing Officer



SCHEDULE "A"

Home Hardware Security

<u>Grantor</u>	<u>Grantee</u>	Description of Security Agreement	Date of Registration	Registration Number
----------------	----------------	---	-------------------------	------------------------

6106234 MANITOBA LTD.

HOME HARDWARE STORES LIMITED

GENERAL SECURITY AGREEMENT

DECEMBER 13, 2013

201322564509



SCHEDULE "B"

Bank Security

<u>Grantor</u>	<u>Grantee</u>	<u>Description of Security Agreement</u>	<u>Date of Registration</u>	<u>Registration Number</u>
----------------	----------------	--	---------------------------------	--------------------------------

6106234 MANITOBA LTD.

ROYAL BANK OF CANADA

GENERAL SECURITY AGREEMENT

November 12, 2013 201320387600

**Appendix C – Dealer Agreement**

**DEALER AGREEMENT**

**THIS AGREEMENT** made in quadruplicate this 20<sup>th</sup> day  
of November, 2013.

**BETWEEN:**

**6106234 MANITOBA LTD.**

hereinafter referred to as the "Dealer",

OF THE FIRST PART,

**AND**

**HOME HARDWARE STORES LIMITED**, a Corporation  
amalgamated under the laws of the Province  
of Ontario, having its Head Office at St. Jacobs,  
in the Township of Woolwich, in the  
Regional Municipality of Waterloo,

hereinafter referred to as the "Corporation",

OF THE SECOND PART,

**AND**

**ANN MARIE CLARK  
VEITCH HOLDINGS LTD.**

hereinafter referred to as the "Guarantor(s)",

OF THE THIRD PART.

WHEREAS the Dealer of the First Part has applied to become a Shareholder of the Corporation of the Second Part and the Corporation of the Second Part has agreed to accept the Dealer's application and subscription provided that all the Dealer's commitments to the Corporation be guaranteed by the Guarantor(s) of the Third Part;

AND WHEREAS the Guarantor(s) of the Third Part has (have) agreed to execute this Agreement for making specific guarantees as hereinafter provided;

AND WHEREAS the parties hereto have agreed to enter into this Agreement for the purpose of setting out all of the agreements and arrangements between them with respect to their dealings and shareholdings between them;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter contained the parties hereto covenant and agree as follows:

1. The Corporation agrees to sell merchandise and furnish services to the Dealer in accordance with its usual terms as approved by the Board of Directors of the Corporation from time to time and the Dealer shall be entitled to all benefits arising out of being a Dealer and Shareholder of the Corporation in accordance with the provisions of the Corporation's By-laws as existing from time to time during the currency of this Agreement. The Dealer agrees that he / she will comply with the rules and regulations regarding the operations of the Corporation from time to time as laid down and promulgated by the Board of Directors of the Corporation.

2. The Corporation agrees with the Dealer to bill by way of invoice for all products and merchandise purchased by the Dealer in accordance with the pricing structure as adopted from time to time by the Board of Directors of the Corporation and the Dealer agrees to pay such invoices in accordance with the terms thereof. In the event that any such invoices are not paid in accordance with the terms thereof, the Dealer and Guarantor(s) acknowledge and agree to pay interest on all overdue accounts including interest accruing on such overdue accounts at the rate of eighteen per centum (18%) per annum charged monthly.

3. The parties hereto further agree that all shares, notes and any other sums at any time issued to or accruing due to the Dealer are hereby specifically mortgaged and pledged to the Corporation as security for any existing or ongoing indebtedness of the Dealer and the Dealer hereby authorizes and directs the Corporation upon approval by the Board of Directors to apply the proceeds of all such shares, notes and any other sums at any time owing or accruing due to the Dealer in satisfactory or partial satisfaction of any amount owing by the Dealer to the Corporation.

4. The Dealer agrees with the Corporation to deposit with the Corporation \$1,500.00 which the Corporation shall apply to the purchase of fifteen (15) common shares without nominal or par value of the Corporation on the expiration of the Dealer's probationary period. The Dealer agrees to accept the said shares as allotted by the Board of Directors of the Corporation subject to the following specific restrictions on the issuance and transfer thereof:

- (a) Shares of the Corporation shall be allotted by resolution of the Board of Directors upon such terms and conditions and to such persons, firms or Corporations as the Board of Directors shall deem advisable;

- (b) No shares shall be transferred, sold or assigned without the express consent and approval of the said Board of Directors by a resolution passed by at least two-thirds of the votes of those present at a meeting of the Board of Directors considering such transfer, sale or assignment;
- (c) The Board of Directors of the Corporation shall at all times have the right by resolution passed by at least two-thirds of the votes cast at a meeting of those present of the Directors to direct that any of the said shares shall be offered for sale to any other person, firm or Corporation so approved by the Board of Directors as aforesaid by the reason of the non-cooperation of any shareholder respecting the affairs of the Corporation;
- (d) The Dealer further agrees to execute the form of Power of Attorney annexed hereto as Schedule "A" to this Agreement.

5. The Dealer agrees to pay the Corporation the sum of \$3,000.00 as a fee or charge to cover a portion of the costs incurred by the Corporation in the establishment of the Dealer's account. The said fee shall also be payable on any application for additional locations to be operated by the Dealer, and on any subsequent transfer of an ownership interest in the Dealer and shall be pro rated for any subsequent partial change in ownership. The Dealer hereby agrees that he / she will pay the said sum at the time of the Dealer's application or at the time of any subsequent transfers of an ownership interest.

6. The Dealer agrees that he / she will within one year following the execution of this Agreement display a current prevailing exterior sign at his / her place or places of business showing the "Home Hardware", "Home Hardware Building Centre", "Home Building Centre", "Home Furniture" symbol or logo pertinent to the business operation, the size and location of the said signs to be approved by the Corporation.

7. The Dealer agrees to provide the Corporation with a copy of the financial statements within 120 days of the end of each fiscal year.

8. In consideration of the Corporation executing this Agreement and being bound by the terms hereof and for other good and valuable consideration, the Guarantor(s) of the Third Part hereby covenant(s), promise(s) and agree(s) to guarantee all accounts invoiced by the Corporation to the Dealer and in all respects to save the Corporation harmless respecting any such accounts as and when the same accrue due and payable. The Guarantor(s) shall remain liable on a continuing basis and it shall not be a condition precedent to liability under this guarantee that a claim be made or suit commenced against the Dealer. This guarantee shall remain in full force and effect until such time as the Corporation consents in writing to the termination of the guarantee provided by the Guarantor(s). The Guarantor(s) hereby agree(s) to have his / her guarantee acknowledged, such acknowledgment to be in the form attached hereto as Schedule "B".

9. Nothing in this Agreement shall be construed as authority by the Corporation for the Dealer to in any manner act as an agent of the Corporation and the Dealer hereby expressly undertakes and agrees that he / she will not incur any debt or obligation on behalf of the Corporation.

10. The Dealer acknowledges and agrees that he / she will at all times during the currency of this Agreement conform with all directions of the Board of Directors of the Corporation with respect to the operation of his / her business and will regard such directions and his / her duty and obligation to pay all accounts and invoices rendered in accordance with their terms as "commitments of a Dealer". The Corporation shall at all times during the currency of this Agreement have the absolute right and privilege of terminating this agreement in the event that the Dealer fails to live up to his "commitments as a Dealer".

11. The Dealer and the Guarantor(s) hereby jointly and severally covenant and agree that, in the event that they are desirous of selling all or substantially all of the Dealer's assets used in its Home Hardware business (the "Assets") or a majority of the issued and outstanding shares of the Dealer (if the Dealer is a corporation) (the "Shares"), they shall notify the Corporation's Secretary in writing as soon as possible of their intention to sell the said assets or shares.

12. a) If the Dealer or the Guarantor(s) receive an offer to purchase or a letter of intent (the "Offer") in which an offer is made to purchase:

(i) the Assets; or

(ii) the Shares;

which the Dealer or the Guarantor(s) wish to accept, then the Dealer and the Guarantor(s) shall provide a notice (the "Notice") thereof to the Corporation forthwith. A copy of the Offer shall be provided to the Corporation with the Notice.

b) The Dealer and the Guarantor(s) hereby grant to the Corporation a right of first refusal to purchase the Assets or the Shares (as the case may be) on substantially the same terms as those set forth in the Offer. Such right of first refusal is exercisable within 60 days of the Corporation's receipt of the Notice. The Dealer and the Guarantor(s) agree that the Corporation shall not in any event be obligated to purchase the Assets or the Shares, as the case may be.

13. Notwithstanding anything hereinbefore contained the parties hereto shall have the right and privilege of terminating this Agreement by giving to the other of the parties hereto written notice of termination addressed to the Dealer at his last known address and to the Corporation at its Head Office, 34 Henry Street, St. Jacobs, Ontario, Canada N0B 2N0. This termination shall be deemed to be effective forty-eight (48) hours subsequent to registered mailing. Upon termination of this Agreement as hereinbefore provided all benefits and obligations assumed by the parties hereto shall forthwith cease and determine except that all obligations assumed by the parties hereto prior to termination shall remain in full force and effect. The Dealer upon termination expressly agrees to cease to use all distinguishing signs, insignia or other designation and to return to the Corporation all catalogues, price books, order forms and any other materials supplied to the Dealer by the Corporation within seven (7) days from the date of termination.

14. Upon termination of this Agreement as hereinbefore provided and subject to the approval by the Board of Directors, the Dealer shall be entitled to such benefits as they accrue and have been credited to the Dealer by the Board of Directors of the Corporation provided, however, that the Corporation shall have the absolute right and privilege of deducting from all benefits accruing all sums owing to it. The Corporation agrees to purchase the said common shares of Dealer subject, however, to the consent and approval of the Board of Directors of the Corporation by resolution passed by at least two-thirds of the Directors present at such meeting considering such purchase.

15. The Dealer further agrees with the Corporation and by execution of this Agreement acknowledges that the Dealer shall not acquire any proprietary interest in the name of Home Hardware Stores, Link Hardware Stores, HomeAll, Homeland, Home Hardware Building Centre, Home Building Centre, Home Furniture or in any trade-mark of the Corporation or any derivation thereof and agrees that it will not incorporate a corporation subsequent to the date hereof using the name of Home Hardware, Link Hardware, HomeAll, Homeland, Home Hardware Building Centre, Home Building Centre, Home Furniture or in any trade-mark of the Corporation or any derivations thereof.

16. During the currency of this Agreement, the Corporation grants to the Dealer a licence to use the trade-marks of the Corporation. The Dealer acknowledges and agrees that it shall adhere to the standards governing the character and quality of the wares and services offered under the trade-marks that may be set from time to time by the Corporation. The Dealer shall use the trade-marks only in the form and manner approved from time to time by the Corporation. The Dealer shall attribute ownership of the trade-marks to the Corporation in the manner directed by the Corporation. The Dealer acknowledges and agrees that the Corporation is the owner of all right, title and interest in and to the trade-marks and agrees that all use of the trade-marks and any goodwill generated by the Dealer's use of the trade-marks shall enure solely to the benefit of the Corporation. The Dealer agrees that it shall not (during or subsequent to the term of this Agreement), do anything inconsistent with the validity of the trade-marks or inconsistent with the Corporations ownership of the trade-marks. The Dealer shall not (during or subsequent to the term of this Agreement) attempt to register the trade-marks (or any trade-mark confusingly similar thereto) in Canada as a trade-mark.

17. This Agreement shall supersede and replace all previous Agreements entered into by the Dealer with the predecessor Corporations, Home Hardware Stores Limited and Link Hardware Company Ltd. and in all respects to be in substitution for all such previous Agreements.

18. This Agreement shall be binding upon and enure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns respectively.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and month first above written.

SIGNED, SEALED AND DELIVERED  
in the presence of

**DEALER**

(corporate seal)

**6106234 MANITOBA LTD.**

Per: Ann Marie Clark  
Authorized Signing Officer

Per: \_\_\_\_\_  
Authorized Signing Officer

I / We have the authority to bind the Corporation.

SIGNED, SEALED AND DELIVERED  
in the presence of

**GUARANTOR(S)**

[Signature]  
Witness to Signature

Ann Marie Clark ●  
Ann Marie Clark

**VEITCH HOLDINGS LTD.**

[Signature]  
Witness to Signature

Per: Walter J. Veitch ●  
Authorized Signing Officer

I have the authority to bind the Corporation

\_\_\_\_\_  
Witness to Signature

SIGNED, SEALED AND DELIVERED  
in the presence of

**HOME HARDWARE STORES LIMITED**

Per: [Signature]  
President and Chief Executive Officer

Per: Dianna Mequise  
Vice-President and Corporate Secretary

01/02/2014

We have the authority to bind the Corporation.

SCHEDULE "A"  
POWER OF ATTORNEY

FOR VALUE RECEIVED **6106234 MANITOBA LTD.**

do (does) hereby assign, transfer and set over to Home Hardware Stores Limited

- i) all shares of Home Hardware Stores Limited, all notes and any other instruments of indebtedness of the Corporation.

And the undersigned hereby appoints Home Hardware Stores Limited as attorney irrevocably, for the undersigned and in its name, to transfer and set over all or any part of the said shares, notes, or instruments of other indebtedness or to whom it may appoint and for that purpose to make and execute all necessary acts of assignments and transfer on behalf of the undersigned.

DATED this *20* day of *November*, 2013.

SIGNED, SEALED AND DELIVERED )  
in the presence of )

DEALER (corporate seal)

6106234 MANITOBA LTD.

Per: *Annamaree Clark*  
Authorized Signing Officer

Per: \_\_\_\_\_  
Authorized Signing Officer

I / We have the authority to bind the Corporation.

SCHEDULE "B"

CERTIFICATE OF NOTARY PUBLIC

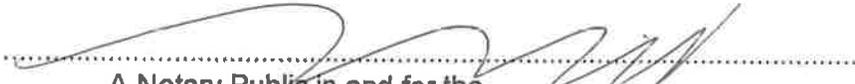
I HEREBY CERTIFY THAT:

- 1. Ann Marie Clark..... of .....
- ..... of .....

the Guarantor(s) in the guarantee dated the 20...day of ...November....., 2013, and made between Home Hardware Stores Limited and 6106234 MANITOBA LTD. which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she/they has/have executed the guarantee.

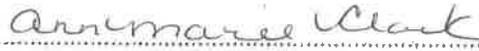
2. I satisfied myself by examination of him/her/them that he/she/they is/are aware of the contents of the guarantee and understands it.

GIVEN at Town of The Pias in Manitoba  
this 20<sup>th</sup> day of November, 2013, under my hand and seal of office.

  
A Notary Public in and for the Province of Manitoba

STATEMENT OF GUARANTOR (S)

I am the person(s) named in this certificate.

  
.....  
(Ann Marie Clark)  
.....  
.....  
.....  
.....  
.....

Signature of Guarantor(s)

DATED November 20<sup>th</sup>, 2013

**6106234 MANITOBA LTD**

-- and --

**HOME HARDWARE STORES LIMITED**

-- and --

**ANN MARIE CLARK  
VEITCH HOLDINGS LTD.**

## **A G R E E M E N T**

Gowling Lafleur Henderson  
Barristers and Solicitors  
50 Queen Street North  
Suite 1020  
Kitchener, Ontario N2H 6M2

## **Appendix D – Fees and Disbursements of the Receiver**

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)**

**SUMMARY OF RECEIVER FEES AND DISBURSEMENTS**

<b>Date</b>	<b>Invoice #</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>Total</b>	<b>Hours</b>
25-Nov-21	8002224595	\$ 54,933	\$ 504	\$ 2,772	58,208	134.6
11-Jan-22	8002324457	27,069	-	1,353	28,422	67.3
3-Mar-22	8002439035	19,930	-	996	20,926	44.6
4-May-22	8002585004	8,918	-	446	9,363	19.7
<b>Total</b>		<b>\$ 110,849</b>	<b>\$ 504</b>	<b>\$ 5,568</b>	<b>\$ 116,920</b>	<b>266.2</b>



**Invoice 8002224595**

**Deloitte Restructuring Inc.**

360 Main St  
Suite 2300  
Winnipeg MB R3C 3Z3

ATTN: Jay Dee Hall  
Royal Bank of Canada  
614 4 Ave S.  
Lethbridge AB T1J 0N7  
Canada

Tel: (204) 942-0051  
Fax: (204) 947-9390  
www.deloitte.ca

Date: November 25, 2021  
Client No.: 1136959  
WBS#: ROY00990  
Engagement Partner: Brent Warga  
GST Registration: 122893605RT0001

**For professional services rendered**

**Fees**

In accordance with the Court Appointed Receivership proceedings of 6106234 Manitoba Ltd. (O/A The Pas Home Hardware) for the period October 26, 2021 to November 23, 2021:

B. Warga - Partner (29.5 hrs): 15,045.00  
R. Adlington - Partner (0.5 hrs): 255.00  
J. Fritz - Senior Manager (90.3 hrs): 36,120.00  
T. Dew - Senior Associate (11.9 hrs): 3,272.50  
R. Florea - Technician (2.4 hrs): 240.00

Total (134.6 hrs): 54,932.50

GST applicable 54,932.50

**Expense**

Travel : 236.71  
Mail Re-direction : 267.29

GST applicable 504.00

**Sales Tax**

GST at 5.00 % 2,771.83

**Total Amount Due (CAD) 58,208.33**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)  
RECEIVERSHIP TIME SUMMARY  
INVOICE NO: 8002224595**

Date	Name	Hours	Total	Description
10/26/2021	Warga, Brent	1.6	\$ 816.00	Review and edits to Draft Order; review of application materials; execution of Consent.
10/27/2021	Warga, Brent	0.3	153.00	E-mail correspondence with RBC and counsel re: appointment; review of e-mail from J. Fritz re: onsite logistics.
10/28/2021	Warga, Brent	1.6	816.00	Drafting of Notice and Statement of the Receiver; drafting of website posting; drafting of Demand Notice; call with MLT Aikins re: hearing; e-mail correspondence with RBC.
10/29/2021	Fritz, John	13.5	5,400.00	Attendance at client site; meeting with principal and certain related parties; initial records collection and discussions with principal; secured site; photographed assets and inventory.
10/29/2021	Warga, Brent	2.1	1,071.00	Attendance at Court hearing; website posting; various calls with J. Fritz re: file matters and on-site attendance.
10/30/2021	Fritz, John	1.1	440.00	Drafting and provision of information requests to principal of the Company.
11/1/2021	Dew, Todd	1.0	275.00	Open bank account; open Receivership file in Ascend; input creditor information.
11/1/2021	Fritz, John	6.2	2,480.00	Correspondence with primary secured creditor; compilation of onsite photographs; call with Home Hardware; call with landlord; direction to T. Dew re: new accounts, etc.; call and correspondence with A. Clarke re: outstanding information.
11/1/2021	Warga, Brent	2.4	1,224.00	Call with Home Hardware re: inventory count and file matters; drafting of Notice and Statement of the Receiver; review of e-mail correspondence from A. Clarke; call with landlord.
11/2/2021	Florea, Ramona	1.0	100.00	Website creation and document uploads.
11/2/2021	Dew, Todd	2.5	687.50	Update creditor listing; request MB Hydro account(s) and Town of The Pas new water accounts; mail re-direction; trust administration.
11/2/2021	Fritz, John	6.6	2,640.00	Creditor list compilation; correspondence with principal re: information requests; employee records review and compilation of outstanding termination and vacation pay; interested party calls; insurance review and call; ongoing supply arrangements.
11/2/2021	Warga, Brent	1.3	663.00	Updates to Receiver Notice; calls to interested parties; review of various e-mail correspondence re: file matters.
11/3/2021	Florea, Ramona	0.8	80.00	Website updates.
11/3/2021	Fritz, John	5.5	2,200.00	Correspondence with Home Hardware; insurance broker call and correspondence; review of information from principal; finalize statutory notices; interested party discussions.
11/3/2021	Warga, Brent	1.2	612.00	Discussions with J. Fritz re: file matters; finalization of Notice and Statement of the Receiver.
11/4/2021	Dew, Todd	1.4	385.00	Emails re: utilities and alarms; prepare for mailing to creditors.
11/4/2021	Fritz, John	6.9	2,760.00	Calls and correspondence with Home Hardware and counsel; calls and correspondence with interested parties; call and correspondence with principal re: Receivership information requests; finalize statutory reporting.
11/4/2021	Warga, Brent	2.4	1,224.00	Call with Home Hardware re: financial reporting; call with Home Hardware re: termination notice; drafting of letter correspondence to Home Hardware.
11/4/2021	Adlington, Ryan	0.5	255.00	QAR Notice and Statement of the Receiver.
11/5/2021	Dew, Todd	1.4	385.00	Emails to Protelec re: new account; phone call and emails to MTS re: new accounts; mailing to creditors.
11/5/2021	Fritz, John	2.9	1,160.00	Correspondence with principal re: Receiver information requests; Wage Earner Protection Program compilation of information and direction to T. Dew; calls to and correspondence with interested parties; direction to T. Dew re: statutory notices.
11/5/2021	Warga, Brent	0.8	408.00	Discussion with J. Fritz re: file matters and interested parties; review of e-mail correspondence from A. Clarke.
11/7/2021	Fritz, John	0.3	120.00	Interested party correspondence.
11/8/2021	Fritz, John	4.9	1,960.00	Correspondence with principal re: outstanding information requests; correspondence with HH Stores Ltd. re: pending orders; inventory matters; interested party correspondence; review of inventory information from principal; call with counsel.
11/8/2021	Warga, Brent	2.1	1,071.00	Review of e-mail correspondence from Home Hardware; call with MLT Aikins re: lease and customer deposits; discussion with D. Jackson re: file matters; calls with J. Fritz re: auctioneers and interested parties.
11/9/2021	Florea, Ramona	0.2	20.00	Website updates.
11/9/2021	Dew, Todd	0.4	110.00	Trust administration.
11/9/2021	Fritz, John	6.7	2,680.00	Correspondence and calls with interested parties re: information requests and site attendance; life insurance enquiry; ongoing supply and payment logistics; call and correspondence with Home Hardware Stores Limited re: dealer account, order matters; drafting of A/R notices.
11/9/2021	Warga, Brent	1.2	612.00	Review of various e-mail correspondence from interested parties and auctioneers; review of e-mail correspondence from HHSL re: open orders; discussion of file matters with J. Fritz.
11/10/2021	Dew, Todd	2.0	550.00	Trust administration; WEPP claims; telephone call and fax to the OSB re: appointment document.
11/10/2021	Fritz, John	2.1	840.00	Calls and correspondence with potential interested parties; call with A. Clarke re: accounts receivable; review of life insurance policy documents; correspondence to primary secured creditors re: life insurance policies.
11/10/2021	Warga, Brent	1.4	714.00	Discussion with J. Fritz re: file matters; review of various e-mail correspondence re: file matters; discussions with T. Dew re: WEPP.
11/11/2021	Florea, Ramona	0.1	10.00	Website update.
11/11/2021	Fritz, John	2.2	880.00	Preparation of update to primary secured creditor; review of interested parties' status; identification of outstanding information from principal.
11/11/2021	Warga, Brent	1.0	510.00	Draft agenda for call with RBC; review of file summary from J. Fritz; review of various e-mail correspondence.
11/12/2021	Fritz, John	2.5	1,000.00	Call with primary secured creditor; calls and correspondence re: interested parties; call with S. Veitch re: site visits; insurance correspondence.
11/12/2021	Warga, Brent	1.6	816.00	Call with RBC re: file status and detailed update; execution of Receiver's Certificate and provision to RBC; discussions with J. Fritz re: file matters.
11/15/2021	Florea, Ramona	0.1	10.00	Website update.
11/15/2021	Dew, Todd	0.3	82.50	Trust administration.
11/15/2021	Fritz, John	6.3	2,520.00	Identification and compilation of removed inventory; correspondence with principal re: inventory, open orders and compilation of documents; correspondence to Home Hardware re: buyback agreement; interested parties correspondence; buyback recalculation.
11/15/2021	Warga, Brent	1.2	612.00	Discussion of file matters with J. Fritz; review of inventory list; call with MLT Aikins re: lease assignment and open orders.
11/16/2021	Dew, Todd	0.3	82.50	Trust administration.
11/16/2021	Fritz, John	4.6	1,840.00	Call with Home Hardware Stores Limited re: buyback agreement; WEPP filing review and letter execution; call with counsel re: confidentiality terms; creditor enquiries.
11/16/2021	Warga, Brent	1.1	561.00	Call with Home Hardware re: inventory buyback; review of auction proposals; discussion with MLT Aikins re: same;
11/17/2021	Florea, Ramona	0.1	10.00	Website update.
11/17/2021	Dew, Todd	2.0	550.00	Finalize WEPP claims; mailing to employees; open file with WEPP; input employee claims.
11/17/2021	Fritz, John	4.8	1,920.00	Accounts receivable notices; finalize WEPP correspondence and direction to T. Dew; WCB correspondence; creditor correspondence and third party claims review; T4 review and correspondence to A. Clarke; correspondence with Home Hardware Stores Limited re: inventory.

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)  
RECEIVERSHIP TIME SUMMARY  
INVOICE NO: 8002224595**

<b>Date</b>	<b>Name</b>	<b>Hours</b>	<b>Total</b>	<b>Description</b>
11/17/2021	Warga, Brent	0.8	408.00	E-mail correspondence to Home Hardware re: auction proposal and confidentiality undertaking; discussion of file matters with J. Fritz.
11/18/2021	Fritz, John	2.9	1,160.00	Correspondence and call with Home Hardware Stores Limited re: Buyback agreement; correspondence and call with primary secured creditor re: file update; correspondence with principal re: information requests and life insurance matters; creditor enquiries.
11/18/2021	Warga, Brent	1.2	612.00	Call with Home Hardware re: auction proposal; discussion with J. Fritz re: file matters; call with RBC re: status update.
11/19/2021	Fritz, John	3.1	1,240.00	Third party goods review; correspondence to counsel; call and correspondence with interested parties.
11/19/2021	Warga, Brent	0.6	306.00	Review of third party lease; correspondence to/from J. Fritz re: same.
11/22/2021	Dew, Todd	0.6	165.00	Trust administration; calls from creditors; calls from employee's WEPP.
11/22/2021	Fritz, John	3.3	1,320.00	Correspondence and call with Home Hardware Stores Ltd. re: documentation provided and buyback arrangements; call with interested parties re: sales process; update to primary secured creditor.
11/22/2021	Warga, Brent	2.4	1,224.00	Review of e-mail correspondence from Home Hardware re: buy back; discussion with J. Fritz re: file matters; call with RBC re: HHSL proposal; call with HHSL; drafting of e-mail correspondence to HHSL re: Buy Back proposal.
11/23/2021	Florea, Ramona	0.1	10.00	Website update.
11/23/2021	Fritz, John	3.9	1,560.00	A/R enquiries; correspondence to HHSL re: dealer account; follow-up with interested parties; call with Counsel re: third party goods and potential liquidation process; calls to third parties; correspondence with principal/insurer re: life insurance.
11/23/2021	Warga, Brent	1.2	612.00	Discussion of file matters with J. Fritz re: equity / dealer accounts; call with MLT Aikins re: court proceedings.
<b>Total</b>		<b>134.6</b>	<b>\$ 54,932.50</b>	



**Invoice 8002324457**

**Deloitte Restructuring Inc.**

360 Main St  
Suite 2300  
Winnipeg MB R3C 3Z3

ATTN: Jay Dee Hall  
Royal Bank of Canada  
614 - 4 Ave. S.  
Lethbridge AB T1J 0N7  
Canada

Tel:(204)942-0051  
Fax:(204)947-9390  
www.deloitte.ca

Date: January 11, 2022  
Client No.: 1136959  
WBS#: ROY00990  
Engagement Partner: Brent Warga  
GST Registration: 122893605RT0001

**For professional services rendered**

**Fees**

In accordance with the Court Appointed Receivership proceedings of 6106234 Manitoba Ltd. (O/A The Pas Home Hardware) for the period November 24, 2021 to January 9, 2022:

B. Warga - Partner (14.4 hrs): 7,344.00  
J. Fritz - Senior Manager (42.4 hrs): 16,960.00  
T. Dew - Senior Associate (9.8 hrs): 2,695.00  
L. Conorton - Technician (0.7 hrs): 70.00  
Total (67.3 hrs): 27,069.00

**Sales Tax**

GST applicable 27,069.00

GST at 5.00 % 1,353.45

**Total Amount Due (CAD) 28,422.45**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)  
RECEIVERSHIP TIME SUMMARY  
INVOICE NO: 8002324457**

Date	Name	Hours	Total	Description
11/24/2021	Dew, Todd	0.5	\$ 137.50	Trust administration.
11/24/2021	Fritz, John	1.9	760.00	Call with principal re: information requests; correspondence with Home Hardware re: dealer account and buyback; creditor enquiries.
11/25/2021	Fritz, John	2.7	1,080.00	Correspondence with Home Hardware re: buyback agreement; correspondence re: payables and outstanding invoices; A/R correspondence to outstanding accounts; correspondence with interested parties.
11/25/2021	Warga, Brent	1.1	561.00	Various e-mail correspondence with HHSL re: buy back settlement; e-mail correspondence with RBC re: HHSL update.
11/26/2021	Dew, Todd	1.0	275.00	Verify new utility accounts; trust administration.
11/26/2021	Fritz, John	2.8	1,120.00	Correspondence with Home Hardware re: buyback agreement; T. Dew direction; McDougall Auctioneers logistics arrangements re: site visit for auction; call with S. Veitch re: McDougall attendance.
11/26/2021	Warga, Brent	0.8	408.00	E-mail correspondence with HHSL re: file matters and engagement of McDougall Auctioneers; e-mail correspondence and call with RBC re: same; call with J. Fritz re: file matters.
11/29/2021	Dew, Todd	0.4	110.00	WEPP proof of claims; phone calls and emails re: A/R collections.
11/29/2021	Fritz, John	1.3	520.00	Correspondence with McDougall Auctioneers re: site visit and additional items for sale; A/R enquiries.
11/29/2021	Warga, Brent	0.6	306.00	Call with RBC re: buyback agreement with Home Hardware; discussion of file matters with J. Fritz.
11/30/2021	Dew, Todd	1.0	275.00	WEPP proofs of claim; enter WEPP claims; trust administration.
11/30/2021	Fritz, John	1.7	680.00	Home Hardware sale matters; direction to McDougall Auctioneers; direction to T. Dew re: payables; A/R correspondence; interested party correspondence; correspondence with principal.
11/30/2021	Warga, Brent	0.5	255.00	Review of email correspondence re: file matters; review and execution of cheques.
12/1/2021	Conorton, Laura	0.1	10.00	Website update.
12/1/2021	Dew, Todd	0.8	220.00	Trust administration; telephone call to CRA re: AUT-01 access; telephone call to CRA re: payroll audit.
12/1/2021	Fritz, John	1.4	560.00	Correspondence with suppliers; creditor enquiries; A/R correspondence.
12/2/2021	Conorton, Laura	0.1	10.00	Website update.
12/2/2021	Fritz, John	3.9	1,560.00	Third-party correspondence; compilation of pending order information and correspondence to primary secured creditor; correspondence to Home Hardware Stores Ltd.
12/2/2021	Warga, Brent	0.5	255.00	Review and edits to e-mail correspondence to RBC re: pending orders; e-mail correspondence to/from RBC and HHSL re: buy back agreement.
12/3/2021	Dew, Todd	0.6	165.00	Trust administration.
12/3/2021	Fritz, John	1.9	760.00	Correspondence with principal; direction to T. Dew re: payables and receipts; third-party calls and correspondence; call and correspondence with Home Hardware Stores Limited re: ongoing interest charges.
12/3/2021	Warga, Brent	0.5	255.00	Call with HHSL re: Dealer Account and freezing interest; discussion of file matters with J. Fritz.
12/6/2021	Fritz, John	3.9	1,560.00	Correspondence to counsel re: 3rd party goods; auctioneer correspondence; pending order correspondence with Home Hardware; addressing landlord information requests.
12/6/2021	Warga, Brent	1.0	510.00	Review of various e-mail correspondence from McDougall Auctioneers; review of correspondence re: life insurance CSV's; review of release correspondence to MLT Aikins; discussion of file matters with J. Fritz.
12/8/2021	Dew, Todd	1.0	275.00	Trust administration; upload WEPP claims; A/R matters.
12/8/2021	Fritz, John	0.2	80.00	Third-party goods correspondence.
12/9/2021	Dew, Todd	0.3	82.50	Trust administration.
12/9/2021	Fritz, John	1.1	440.00	Accounts receivable correspondence; third-party goods follow-up.
12/9/2021	Warga, Brent	0.4	204.00	Review of e-mail correspondence from Home Hardware; call and e-mail correspondence to D. Jackson.
12/10/2021	Dew, Todd	0.8	220.00	Input WEPP claims; trust administration.
12/10/2021	Fritz, John	1.9	760.00	Correspondence with A. Clark re: assets; correspondence with L. McDougall re: sale and additional assets; call with S. Veitch re: site visits; third party goods correspondence with counsel; life insurance correspondence re: Cash surrender value; payables processing.
12/10/2021	Warga, Brent	0.4	204.00	Review and signing of cheques; review of various e-mail correspondence to/from McDougall Auctioneers.
12/13/2021	Conorton, Laura	0.4	40.00	Trust accounting.
12/13/2021	Dew, Todd	0.1	27.50	A/R collection telephone calls.
12/13/2021	Fritz, John	0.7	280.00	Correspondence with principal and McDougall Auctioneers re: auction process and assets.
12/13/2021	Warga, Brent	0.8	408.00	Calls with D. Jackson re: Home Hardware release; review of various email correspondence re: file matters.
12/14/2021	Fritz, John	1.9	760.00	Call and correspondence with principal re: information requests, share certificates, and records; call and correspondence with Home Hardware Stores Limited re: dealer termination procedures and equity balance.
12/14/2021	Warga, Brent	0.7	357.00	Call with Home Hardware re: dealer closing matters; review of various e-mail correspondence re: file matters.
12/15/2021	Fritz, John	1.1	440.00	Correspondence with principal re: share certificates; third-party goods correspondence; correspondence with Auctioneer re: sale.
12/15/2021	Warga, Brent	0.3	153.00	Review of various e-mail correspondence re: file matters.
12/16/2021	Dew, Todd	0.5	137.50	WEPP claims processing.
12/16/2021	Warga, Brent	0.2	102.00	Review of various e-mail correspondence re: file matters.
12/17/2021	Conorton, Laura	0.1	10.00	Website update.
12/17/2021	Dew, Todd	1.1	302.50	Trust administration; review utility bills; e-mails re: outstanding water bills; A/R collections.
12/17/2021	Fritz, John	1.3	520.00	Call with HHSL re: dealer closure procedures and net equity position; call with L. McDougall re: auction process update.
12/17/2021	Warga, Brent	1.0	510.00	Call with Home Hardware re: termination matters and equity account close out; edits to e-mail correspondence to Home Hardware; call with J. Fritz re: auction update.
12/20/2021	Dew, Todd	0.5	137.50	Trust administration; telephone call to Manitoba Hydro re: utility bills.
12/20/2021	Fritz, John	1.3	520.00	Correspondence with principal re: HHSL items; correspondence from HHSL; draft correspondence to HHSL re: share certificates; correspondence with McDougall Auctioneers re: auction process and vacating building.
12/20/2021	Warga, Brent	0.8	408.00	Updates to First Report; call with D. Jackson re: auction results; review of e-mail correspondence to/from McDougall Auctioneers Ltd.
12/21/2021	Fritz, John	1.5	600.00	Landlord correspondence; McDougall Auctioneers call and correspondence; HHSL site requests and correspondence.
12/22/2021	Fritz, John	1.0	400.00	Call and correspondence with McDougall Auctioneers re: settlement proceeds, vacating property, etc.
12/22/2021	Warga, Brent	0.6	306.00	Review of McDougall auction results; discussions with J. Fritz re: same and landlord matters.
12/23/2021	Dew, Todd	1.0	275.00	Close utility accounts.
12/23/2021	Fritz, John	2.1	840.00	Correspondence and calls with landlord and McDougall Auctioneers re: building matters; HHSL correspondence; direction to T. Dew re: close utility accounts.
12/23/2021	Warga, Brent	1.5	765.00	Review of various e-mail correspondence from McDougall; calls with J. Fritz re: vacating the premises and correspondence to HHSL; updates to R&D; drafting of First Report.
12/29/2021	Warga, Brent	0.2	102.00	Review of e-mail correspondence from HHSL and RBC.

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)**  
**RECEIVERSHIP TIME SUMMARY**  
**INVOICE NO: 8002324457**

<b>Date</b>	<b>Name</b>	<b>Hours</b>	<b>Total</b>	<b>Description</b>
1/4/2022	Fritz, John	1.3	520.00	Correspondence with principal re: website posting removals and records; correspondence with L. McDougall re: settlement proceeds; correspondence with counsel.
1/4/2022	Warga, Brent	0.6	306.00	Review of McDougall Auctioneer results; drafting of schedule re: allocation of sale proceeds with HHSL; review of various e-mail correspondence re: file matters.
1/5/2022	Dew, Todd	0.2	55.00	Trust administration.
1/5/2022	Fritz, John	1.7	680.00	Correspondence with counsel re: security opinion; auctioneer correspondence re: settlement, etc.; correspondence with principal re: HHSL requirements and records; insurer correspondence re: CSV proceeds; A/R correspondence.
1/5/2022	Warga, Brent	1.0	510.00	Call with RBC re: file matters; review of final settlement documents from McDougall Auctioneers; review of equity / dealer account statements from HHSL; discussion with J. Fritz re: file matters.
1/6/2022	Fritz, John	2.1	840.00	Draft correspondence to primary secured creditor and counsel re: auction proceeds and HHSL allocation; A/R correspondence; security opinion review; review of expenditures and direction to T. Dew.
1/6/2022	Warga, Brent	0.2	102.00	Review of various e-mail correspondence re: file matters.
1/7/2022	Fritz, John	1.7	680.00	Call with principal re: website postings, A/R, and records; A/R telephone correspondence; drafting of First report; correspondence with counsel; meeting with Auctioneer re: computers.
1/7/2022	Warga, Brent	0.7	357.00	Review and edits to draft e-mail correspondence to RBC re: auction proceed allocation; review and edits to security opinion.
<b>Total</b>		<b>67.3</b>	<b>\$ 27,069.00</b>	



**Invoice 8002439035**

**Deloitte Restructuring Inc.**

360 Main St  
Suite 2300  
Winnipeg MB R3C 3Z3

ATTN: Jay Dee Hall  
Royal Bank of Canada  
614 - 4 Ave. S.  
Lethbridge AB T1J 0N7  
Canada

Tel: (204) 942-0051  
Fax: (204) 947-9390  
www.deloitte.ca

Date: March 03, 2022  
Client No.: 1136959  
WBS#: ROY00990  
Engagement Partner: Brent Warga  
GST Registration: 122893605RT0001

**For professional services rendered**

**Fees**

In accordance with the Court Appointed Receivership proceedings of 6106234 Manitoba Ltd. (O/A The Pas Home Hardware) for the period January 10, 2022 to February 28, 2022:

B. Warga - Partner (16.7 hrs): 9,018.00  
J. Fritz - Senior Manager (20.9 hrs): 9,091.50  
T. Dew - Senior Associate (6.4 hrs): 1,760.00  
L. Conorton - Technician (0.6 hrs): 60.00  
Total (44.6 hrs)

**Sales Tax**

GST applicable 19,929.50

GST at 5.00 % 996.48

**Total Amount Due (CAD) 20,925.98**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)**  
**RECEIVERSHIP TIME SUMMARY**  
**INVOICE NO: 8002439035**

Date	Name	Hours	Total	Description
1/10/2022	Fritz, John	2.6	\$ 1,131.00	HHSL matters re: auction result reporting, dealer account and equity balance review; correspondence with primary secured creditor; arrangements with principal re: records; correspondence with former landlord.
1/10/2022	Warga, Brent	0.6	324.00	Edits to e-mail correspondence to HHSL re: auction results and Veitch Holdings re: landlord issues; review of RBC/HHSL Release and e-mail correspondence from D. Jackson and J. Hall.
1/11/2022	Dew, Todd	0.4	110.00	Review of incoming mail; review of final utility accounts.
1/11/2022	Fritz, John	1.4	609.00	Correspondence with HHSL re: termination procedures; direction to T. Dew re: payables; insurer correspondence re: outstanding credits; review of R&D.
1/11/2022	Warga, Brent	0.8	432.00	E-mail correspondence to/from RBC; review and edits to e-mail correspondence to HHSL re: Dealer termination requirements; call with J. Fritz re: landlord matters.
1/12/2022	Dew, Todd	0.3	82.50	Phone call to CRA re: AUT-01 and payroll audit.
1/12/2022	Fritz, John	0.9	391.50	Correspondence with landlord; CRA matters and correspondence to/from T. Dew.
1/12/2022	Warga, Brent	2.4	1,296.00	Drafting of First Report; review and edits to e-mail correspondence to Veitch Holdings re: residual premises matters.
1/13/2022	Conorton, Laura	0.4	40.00	Trust accounting.
1/13/2022	Dew, Todd	0.6	165.00	Trust administration.
1/13/2022	Fritz, John	2.1	913.50	Correspondence from HHSL re: IRA Settlement; review and recalculation of IRA Settlement; correspondence with primary secured creditor and its counsel; insurance CSV correspondence from broker and correspondence to primary secured creditor.
1/13/2022	Warga, Brent	1.0	540.00	Review of e-mail correspondence from HHSL re: Settlement Agreement; review of e-mail correspondence to/from RBC re: same; review of e-mail correspondence to RBC re: life insurance CSV; review and signing of cheques.
1/14/2022	Dew, Todd	0.4	110.00	Open RT0002 GST account.
1/14/2022	Fritz, John	0.4	174.00	Life and property insurance correspondence with broker and primary secured creditor.
1/17/2022	Dew, Todd	0.4	110.00	Trust administration.
1/17/2022	Warga, Brent	0.4	216.00	Discussion with J. Fritz re: file matters and Court reporting.
1/18/2022	Fritz, John	0.6	261.00	Call with primary secured creditor's counsel re: HHSL; correspondence to HHSL re: revised IRA settlement calculation.
1/18/2022	Warga, Brent	0.3	162.00	Review of e-mail correspondence to/from RBC and Home Hardware; correspondence with D. Jackson.
1/19/2022	Dew, Todd	0.3	82.50	Trust administration.
1/19/2022	Fritz, John	2.2	957.00	Correspondence with counsel to the primary secured creditor re: HHSL agreement as to inventory repurchase settlement quantum; Dealer and Equity Account review; correspondence to B. Warga re: Dealer and Equity Accounts; draft correspondence to HHSL.
1/19/2022	Warga, Brent	0.8	432.00	Updates to First Report; review of e-mail correspondence to/from HHSL re: IRA.
1/20/2022	Fritz, John	1.4	609.00	Dealer Account review and correspondence with HHSL re: support for post filing adjustments; calls and correspondence re: A/R collection.
1/20/2022	Warga, Brent	2.3	1,242.00	Review of Dealer Account / Equity account offsets; review and edits to e-mail correspondence to HHSL; updates to First Report.
1/21/2022	Fritz, John	2.3	1,000.50	Draft correspondence to primary secured creditor re: Debtor's net equity and priority creditors; priority creditors and records review; direction to T. Dew re: outstanding GST filings; review of Dealer Account information from HHSL.
1/21/2022	Warga, Brent	3.0	1,620.00	Drafting of First Report; edits to e-mail correspondence to RBC.
1/24/2022	Fritz, John	0.3	130.50	Correspondence with primary secured creditor re: banking information and historical statements.
1/27/2022	Fritz, John	1.6	696.00	Correspondence with HHSL re: Equity Account; CRA Audit matters; compilation of audit documents for CRA; direction to T. Dew.
1/27/2022	Warga, Brent	0.6	324.00	Call with D. Jackson re: HHSL release; review of e-mail correspondence from HHSL; discussion of file matters with J. Fritz.
1/31/2022	Warga, Brent	0.4	216.00	Updates to R&D; e-mail correspondence to/from RBC re: borrowing certificate payout.
2/1/2022	Dew, Todd	0.3	82.50	Trust administration.
2/3/2022	Dew, Todd	0.2	55.00	Trust administration.
2/3/2022	Warga, Brent	0.2	108.00	Review of e-mail correspondence re: HHSL IRA payout and life insurance proceeds.
2/4/2022	Dew, Todd	0.2	55.00	Trust administration.
2/4/2022	Warga, Brent	0.2	108.00	Accounts receivable collection matters.
2/7/2022	Warga, Brent	0.2	108.00	E-mail correspondence to HHSL re: Equity Account.
2/8/2022	Dew, Todd	0.2	55.00	Trust administration.
2/8/2022	Fritz, John	0.9	391.50	Correspondence with broker re: life insurance CSV; review of property payable accounts; accounts receivable calls and correspondence.
2/8/2022	Warga, Brent	0.2	108.00	Review of e-mail correspondence re: life insurance proceeds.
2/9/2022	Dew, Todd	0.4	110.00	Trust administration.
2/9/2022	Warga, Brent	0.3	162.00	E-mail correspondence to HHSL re: Equity Account; review of e-mail correspondence from HHSL re: insurance credits.
2/10/2022	Fritz, John	0.3	130.50	Direction to T. Dew re: CRA.
2/10/2022	Warga, Brent	1.3	702.00	Drafting of First Report of the Receiver; e-mail correspondence with HHSL re: Equity Account.
2/11/2022	Warga, Brent	0.5	270.00	Review of e-mail correspondence from HHSL re: net equity position.
2/14/2022	Fritz, John	0.4	174.00	A/R correspondence and tracking updates.
2/15/2022	Fritz, John	0.3	130.50	Correspondence to HHSL re: Dealer Account charges and net equity balance.
2/15/2022	Warga, Brent	0.5	270.00	Review of proposed net equity payout from HHSL.
2/16/2022	Conorton, Laura	0.2	20.00	Trust accounting.
2/16/2022	Fritz, John	1.6	696.00	Review of HHSL correspondence re: Dealer Account charges and compilation of supporting documentation and draft response; A/R follow-up correspondence; direction to T. Dew re: CRA Audit.
2/16/2022	Warga, Brent	0.5	270.00	Review of e-mail correspondence from HHSL re: net equity account; review of correspondence to HHSL re: Dealer Account charges.
2/17/2022	Dew, Todd	0.7	192.50	Prepare and fax payroll audit documents to CRA; trust administration.
2/17/2022	Fritz, John	0.6	261.00	Call with principal; review of file re: specific asset enquiry.
2/18/2022	Dew, Todd	1.0	275.00	Telephone call to CRA re: GST access code; file GST return; e-mail invoices to A/R client.
2/18/2022	Fritz, John	0.7	304.50	A/R correspondence and review of supporting documentation; correspondence with primary secured creditor re: cash on hand and bankruptcy proceedings.
2/22/2022	Dew, Todd	0.1	27.50	Review proof of claim.

6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)  
RECEIVERSHIP TIME SUMMARY  
INVOICE NO: 8002439035

Date	Name	Hours	Total	Description
2/23/2022	Dew, Todd	0.6	165.00	Trust accounting; telephone call with CRA and with principal re: payroll audit.
2/23/2022	Warga, Brent	0.2	108.00	Review of e-mail correspondence to/from HHSL re: Equity Account.
2/25/2022	Fritz, John	0.3	130.50	Discussion with T. Dew re: file matters and payroll audit.
2/28/2022	Dew, Todd	0.3	82.50	Review payroll notices of assessment.
<b>Total</b>		<b>44.6</b>	<b>\$ 19,929.50</b>	



**Invoice 8002585004**

**Deloitte Restructuring Inc.**

360 Main St  
Suite 2300  
Winnipeg MB R3C 3Z3

ATTN: Jay Dee Hall  
Royal Bank of Canada  
614 - 4 Ave. S.  
Lethbridge AB T1J 0N7  
Canada

Tel: (204) 942-0051  
Fax: (204) 947-9390  
www.deloitte.ca

Date: May 04, 2022  
Client No.: 1136959  
WBS#: ROY00990  
Engagement Partner: Brent Warga

GST/HST Registration: 133245290RT0001  
QST Registration: 1012314163TQ0001

**For professional services rendered**

**Fees**

In accordance with the Court Appointed Receivership proceedings of 6106234 Manitoba Ltd. (O/A The Pas Home Hardware) for the period March 1, 2022 to April 30, 2022:

B. Warga - Partner (8.2 hrs): 4,428.00  
J. Keeble - Partner (0.2 hrs): 108.00  
J. Fritz - Senior Manager (8.4 hrs): 3,654.00  
T. Dew - Senior Associate (2.5 hrs): 687.50  
L. Conorton - Technician (0.4 hrs): 40.00

Total (19.7 hrs) - 8,917.50

GST applicable 8,917.50

**Sales Tax**

GST at 5.00 % 445.88

**Total Amount Due (CAD) 9,363.38**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)  
RECEIVERSHIP TIME SUMMARY  
INVOICE NO: 8002585004**

Date	Name	Hours	Total	Description
3/2/2022	Fritz, John	0.6	\$ 261.00	Review of correspondence from HHSL re: net equity and compilation of update correspondence to primary secured creditor.
3/2/2022	Warga, Brent	1.0	540.00	Review of correspondence from HHSL re: net equity account; updates to R&D; edits to RBC correspondence re: equity account.
3/3/2022	Fritz, John	0.7	304.50	Call and correspondence with primary secured creditor re: HHSL net equity; A/R correspondence.
3/3/2022	Warga, Brent	0.5	270.00	Review of correspondence to MLT Aikins re: release; e-mail correspondence to RBC re: accounts.
3/4/2022	Fritz, John	0.3	130.50	Third-party asset correspondence.
3/7/2022	Dew, Todd	1.0	275.00	Corporate income tax amendments; e-filing inquiries; trust administration.
3/9/2022	Conorton, Laura	0.2	20.00	Trust accounting.
3/9/2022	Fritz, John	0.2	87.00	Call with counsel and correspondence to HHSL re: Release.
3/9/2022	Warga, Brent	0.3	162.00	Review of HHSL Release and discussion with MLT Aikins re: same.
3/11/2022	Dew, Todd	0.4	110.00	Trust administration; GST filing.
3/11/2022	Fritz, John	0.3	130.50	Call and correspondence with HHSL re: Release.
3/14/2022	Dew, Todd	0.2	55.00	Trust administration.
3/14/2022	Fritz, John	0.4	174.00	Correspondence with HHSL re: Release.
3/14/2022	Warga, Brent	0.2	108.00	Review of e-mail correspondence to/from Home Hardware re: Release.
3/17/2022	Fritz, John	0.6	261.00	Call with A. Clarke; correspondence re: asset matter; review of spreadsheet and call with J. Thomson re: WEPPA legislative change revised information.
3/22/2022	Fritz, John	0.3	130.50	Correspondence with HHSL re: equity account.
3/22/2022	Warga, Brent	0.5	270.00	E-mail correspondence to/from HHSL re: Dealer Agreement Termination.
3/29/2022	Fritz, John	0.5	217.50	Correspondence with HHSL re: equity account and pending refunds; withholding tax confirmation.
3/29/2022	Warga, Brent	0.6	324.00	Review of e-mail correspondence to/from HHSL re: Release and final amounts owing to the estate.
3/31/2022	Fritz, John	0.3	130.50	Correspondence with J. Thomson re: CRA priority claims.
4/4/2022	Warga, Brent	0.1	54.00	Review of e-mail correspondence to HHSL re: residual Dealer Account rebates/refunds.
4/5/2022	Warga, Brent	0.2	108.00	Review of e-mail correspondence from HHSL re: Dealer accounts.
4/6/2022	Fritz, John	0.5	217.50	Correspondence with HHSL re: equity/dealer account release.
4/6/2022	Warga, Brent	0.4	216.00	Review of correspondence to/from HHSL re: finalization of Dealer account; review of Release.
4/8/2022	Conorton, Laura	0.1	10.00	Trust accounting.
4/11/2022	Dew, Todd	0.3	82.50	GST returns.
4/11/2022	Warga, Brent	0.9	486.00	Drafting of 246(2) Report; updates to First Report.
4/13/2022	Warga, Brent	0.1	54.00	Review of e-mail correspondence to HHSL re: Release.
4/19/2022	Fritz, John	0.2	87.00	Creditor enquiry from A. Clark; creditor correspondence; correspondence to HHSL re: Release.
4/19/2022	Warga, Brent	1.6	864.00	Drafting of First Report.
4/20/2022	Fritz, John	1.2	522.00	Review of updated Release; correspondence to primary secured creditor and HHSL re: form of Release and equity payment logistics.
4/20/2022	Warga, Brent	0.3	162.00	Review of Release; review of e-mail correspondence to/from HHSL re: same.
4/21/2022	Fritz, John	0.7	304.50	Correspondence with HHSL and counsel re: finalized release and logistics for the payment of the net equity.
4/21/2022	Warga, Brent	0.3	162.00	Review of various e-mail correspondence re: HHSL Release.
4/22/2022	Warga, Brent	0.2	108.00	E-mail correspondence to/from HHSL and MLT Aikins re: Release.
4/25/2022	Fritz, John	0.1	43.50	Direction to T. Dew re: A/R.
4/25/2022	Warga, Brent	0.2	108.00	Review of e-mail correspondence to/from MLT Aikins and HHSL re: Release and wire transfer.
4/26/2022	Fritz, John	0.9	391.50	Creditor enquiry; call with creditor's counsel; statutory reporting 246(2) report edits and internal review.
4/26/2022	Warga, Brent	0.5	270.00	Drafting of 246(2) statutory reporting; updates to R&D.
4/27/2022	Keeble, Jeff	0.2	108.00	QAR report.
4/28/2022	Dew, Todd	0.2	55.00	Trust administration.
4/29/2022	Conorton, Laura	0.1	10.00	Website update.
4/29/2022	Dew, Todd	0.4	110.00	Trust administration.
4/29/2022	Fritz, John	0.6	261.00	Correspondence with HHSL and counsel; confirmation of equity balance.
4/29/2022	Warga, Brent	0.3	162.00	Review of various e-mail correspondence re: Release and final wire transfer from HHSL; updates to First Report.
<b>Total</b>		<b>19.7</b>	<b>\$ 8,917.50</b>	

## **Appendix E – Fees and Disbursements of the Receiver’s Legal Counsel**

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)**

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS  
MLT AIKINS LLP**

<b>Date</b>	<b>Invoice #</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>PST</b>	<b>Total</b>	<b>Hours</b>
30-Nov-21	6250850	\$ 9,154	\$ 387	\$ 462	\$ 641	\$ 10,644	23.1
31-Jan-22	6265165	6,792	24	341	475	7,632	13.6
31-Mar-22	6280771	500	-	25	35	560	0.8
<b>TOTAL</b>		<b>\$ 16,446</b>	<b>\$ 411</b>	<b>\$ 828</b>	<b>\$ 1,151</b>	<b>\$ 18,836</b>	<b>37.5</b>

November 30, 2021  
Invoice #6250850**INVOICE****Deloitte Restructuring Inc.  
2300 - 360 Main Street  
Winnipeg, MB R3C 3Z3  
Brent Warga****TO PROFESSIONAL SERVICES RENDERED TO AND INCLUDING 11/30/21 AS FOLLOWS****RE: 6106234 Manitoba Ltd.  
MLT Aikins File No: 0135165-00009**

<b>Date</b>	<b>Initials</b>	<b>Hours</b>	<b>Narrative</b>	<b>Amount</b>
Oct 28/2021	AS	0.86	Run compare document; emails to JJ Burnell; Phone calls with JJ Burnell; Review pleadings	172.00
Oct 28/2021	JJBB	1.60	Review order; correspondence with Anjali Sandhu re: order; correspondence with client re: receivership, hearing & order; correspondence with counsel re: order & hearing; conference call with client re: receivership proceedings; review pleadings; telephone to Jeff Lee re: order; telephone to Anjali Sandhu re: attending hearing; telephone call with counsel re: order	856.00
Oct 29/2021	AS	0.43	Court appearance	86.00
Oct 29/2021	JJBB	0.80	Correspondence with Anjali Sandhu re: hearing & order; correspondence with counsel re: order; correspondence with Jeff Lee re: order; review order; telephone to Anjali Sandhu re: order & hearing	428.00
Nov 01/2021	JJBB	0.10	Correspondence with client re: insurance	53.50
Nov 08/2021	JJBB	1.20	Correspondence with counsel re: service list; review lease; review dealer agreement; correspondence with client re: supply of fully paid product; telephone call with client re: fully paid product & lease	642.00
Nov 09/2021	JJBB	0.50	Correspondence with Anjali Sandhu re: lease term; correspondence with client re: service list;	267.50

<b>Date</b>	<b>Initials</b>	<b>Hours</b>	<b>Narrative</b>	<b>Amount</b>
			correspondence with counsel re: service list; correspondence with Amber Harms re: stay	
Nov 10/2021	AS	0.09	Review service list; email to L. Toews	18.00
Nov 10/2021	JJBB	0.30	Correspondence with counsel re: service list; correspondence with Anjali Sandhu re: service list; correspondence with client re: service list	160.50
Nov 11/2021	AS	2.59	Research and draft memo on term of lease agreement	518.00
Nov 11/2021	JJBB	0.50	Correspondence with Amber Harms re: transfer of title; correspondence with Anjali Sandhu re: lease term; attend to service list issues; correspondence with client re: transfer of title	267.50
Nov 12/2021	AS	1.30	Research on term of lease	260.00
Nov 12/2021	AS	0.09	Update service list; email to B. Warga and J. Fritz	18.00
Nov 12/2021	JJBB	1.00	Correspondence with Amber Harms re: transfer of title; review memos re: lease, stay & setoff; correspondence with Anjali Sandhu re: lease term & service list; correspondence with counsel re: service list; conference call with Amber Harms re: setoff	535.00
Nov 15/2021	JJBB	1.30	Review lease, stay, disclaim & setoff matters; correspondence with counsel re: service list; correspondence with Amber Harms re: transfer of title; correspondence with client re: transfer of title & lease; conference call with client re: transfer of title & lease; conference call with Anjali Sandhu re: lease	695.50
Nov 16/2021	AS	0.09	Update service list	18.00
Nov 16/2021	JJBB	0.60	Correspondence with Anjali Sandhu re: service list; correspondence with counsel re: service list; conference call with client re: lease & fully paid items	321.00
Nov 17/2021	AS	0.09	Update service list	18.00
Nov 17/2021	JJBB	0.20	Correspondence with counsel re: Dyna-Pro assets; correspondence with Anjali Sandhu re: service list; correspondence with client re:	107.00

<b>Date</b>	<b>Initials</b>	<b>Hours</b>	<b>Narrative</b>	<b>Amount</b>
			disclosure of confidential documents	
Nov 19/2021	JMG	0.30	Email from and to JJ. Burnell, to conducting Company office and PPR searches	46.50
Nov 19/2021	JJBB	0.20	Correspondence with Jennifer Goncalves re: PPR searches; correspondence with client re: security review; review PPR searches	107.00
Nov 22/2021	JJBB	0.20	Correspondence with client re: service list & security opinion; correspondence with Anjali Sandhu re: service list	107.00
Nov 23/2021	MAP	2.10	Instructions from J. Burnell. Review supporting documents. Draft opinion.	892.50
Nov 23/2021	JJBB	0.30	Correspondence with Maria Penner re: security opinion	160.50
Nov 24/2021	SY	0.20	Email from M. Penner; attend to due diligence searches, update Opinion;	25.00
Nov 24/2021	APP	0.50	Receipt of instructions; review corporate search of 6106234 Manitoba Ltd.; prepare 2020 and 2021 Annual Returns, and Articles of Revival; related matters	105.00
Nov 24/2021	AS	0.86	Research on Receiver's ability to revive a corporation; email to JJ Burnell	172.00
Nov 24/2021	JJBB	0.20	Correspondence with Anjali Sandhu re: dissolved corp; correspondence with Maria Penner re: reviving corporation	107.00
Nov 24/2021	MAP	0.20	Correspondence with S. Young with respect to due diligence searches. Correspondence with A. Sandhu and J. Burnell with respect to articles of revival.	85.00
Nov 25/2021	MAP	1.70	Further security review. Further revisions to opinion. Telephone call with J. Burnell with respect to security review.	722.50
Nov 25/2021	JJBB	0.40	Correspondence with client re: dissolved corp; telephone call from Maria Penner re: security review & corp revival; correspondence with Maria Penner re: corp revival	214.00
Nov 26/2021	MAP	0.50	Telephone call with B. Warga. Review and	212.50

Date	Initials	Hours	Narrative	Amount
			revise annual returns. Telephone call to companies office.	
Nov 26/2021	JJBB	0.10	Correspondence with client re: revival of corporation	53.50
Nov 27/2021	JJBB	0.10	Correspondence with Maria Penner re: revival of corporation	53.50
Nov 30/2021	MAP	0.70	Emails and to and from Corporate Services with respect to filing articles of revival and companies office. Email to B. Warga. Review due diligence searches. Meeting with S. Young.	297.50
Nov 30/2021	APP	0.40	Filing Articles of Revival and related documents at Companies Office; various emails	84.00
Nov 30/2021	JJBB	0.50	Correspondence with Maria Penner re: articles of revival & security opinion; correspondence with Nadine Sydor re: reviving corp; correspondence with Arlene Phillips re: articles of revival	267.50
<b>Total Fees:</b>				<b>9,154.00</b>

### SUMMARY OF PROFESSIONAL SERVICES

	HOURS	HOURLY RATE	AMOUNT
Sarah Young	0.20	125.00	25.00
Jennifer Goncalves	0.30	155.00	46.50
Anjali Sandhu	6.40	200.00	1,280.00
Arlene P. Phillips	0.90	210.00	189.00
Maria A. Penner	5.20	425.00	2,210.00
JJ B. Burnell	10.10	535.00	5,403.50
	23.10		9,154.00

### DISBURSEMENTS AND OTHER CHARGES

File Summary	5.00
PPR Online Search	12.00
ESC - Standard Searches - MB - Debtor Search (Certified) - 6106234 MANITOBA LTD.	25.80
ESC - Standard Searches - MB - Certified Search Notice of Intention (s. 427) - 6106234 MANITOBA LTD.	23.42
ESC - Standard Searches - MB - Nationwide - 6106234 Manitoba Ltd.	0.20

## DISBURSEMENTS AND OTHER CHARGES

ESC - Standard Searches - MB - Corporate Profile - 6106234 MANITOBA LTD.	15.80
Total Taxable	82.22
Manitoba Corporate Registry	175.00
Manitoba Corporate Registry	130.00
Total Non-Taxable	305.00
<b>Sub-Total Disbursements:</b>	<b>387.22</b>

## BILL SUMMARY

Total Fees	9,154.00
GST	457.70
MB PST	640.78
Total Disbursements	387.22
GST	4.11
Subtotal	<u>10,643.81</u>
<b>TOTAL AMOUNT DUE CDN DOLLARS:</b>	<b>\$ <u>10,643.81</u></b>

JJBB/ LT

### **MLT Aikins LLP**

To the extent possible, we have made every effort to include fees and disbursements for the current billing period. In the event further fees or disbursements are incurred on your behalf, a subsequent account will be forwarded.

"Other Charges" are based on rates established by MLT AIKINS LLP and may change from time to time. A schedule of those rates is available on request.

### **TERMS: DUE UPON RECEIPT**

Interest at the rate of 14% per annum is added to all amounts overdue by 30 days or more.

January 31, 2022  
Invoice #6265165**INVOICE****Deloitte Restructuring Inc.**  
**2300 - 360 Main Street**  
**Winnipeg, MB R3C 3Z3**  
**Brent Warga****TO PROFESSIONAL SERVICES RENDERED TO AND INCLUDING 01/31/22 AS FOLLOWS****RE: 6106234 Manitoba Ltd.**  
**MLT Aikins File No: 0135165-00009**

<b>Date</b>	<b>Initials</b>	<b>Hours</b>	<b>Narrative</b>	<b>Amount</b>
Dec 01/2021	SY	0.20	Revision to Opinion	25.00
Dec 02/2021	JJBB	0.10	Correspondence with Anjali Sandhu re: service list	53.50
Dec 02/2021	AS	0.10	Update service list	20.00
Dec 06/2021	JJBB	0.10	Correspondence with client re: creditors with security interests	53.50
Dec 07/2021	MAP	2.70	Revisions to Opinion. Email to J. Burnell.	1,147.50
Dec 07/2021	JJBB	0.20	Correspondence with Arlene Phillips re: articles of revival; correspondence with Maria Penner re: security opinion	107.00
Dec 08/2021	JJBB	0.20	Correspondence with Maria Penner re: revival of corporation; telephone call with Maria Penner re: security review	107.00
Dec 10/2021	JJBB	1.00	Review leases & PPR registration; correspondence with client re: priority issues; prepare summary of priority issues	535.00
Dec 13/2021	JJBB	0.10	Correspondence with client re: priorities & title	53.50
Dec 14/2021	APP	0.20	Receipt of Certificate of Revival and filed copies of Annual Returns; email to Maria Penner	42.00
Dec 14/2021	JJBB	0.10	Correspondence with Arlene Phillips re: articles	53.50

<b>Date</b>	<b>Initials</b>	<b>Hours</b>	<b>Narrative</b> of revival	<b>Amount</b>
Dec 15/2021	JJBB	0.10	Correspondence with Arlene Phillips re: CSD reporting	53.50
Dec 16/2021	JJBB	0.10	Correspondence with Maria Penner re: CSD reporting	53.50
Dec 17/2021	AS	0.10	Update service list; Email to B. Warga and J. Fritz	20.00
Dec 17/2021	JJBB	0.10	Correspondence with Anjali Sandhu re: service list; correspondence with counsel re: service list	53.50
Jan 04/2022	MAP	2.50	Telephone call with J. Burnell. Further review or priority agreement and GSA and PPR search results. Review and revise opinion.	1,187.50
Jan 04/2022	JJBB	1.00	Telephone call with Maria Penner re: security opinion; correspondence with client re: security opinion; correspondence with Maria Penner re: security opinion	625.00
Jan 05/2022	MAP	0.90	Review correspondence from J. Burnell. Telephone call with J. Burnell. Telephone call with J. Burnell and D. Sigurdson. Further review of Opinion.	427.50
Jan 05/2022	JDS	0.50	ef et MAP, JJBB; tc MAP, JJBB	312.50
Jan 05/2022	JJBB	1.40	Correspondence with Maria Penner/Doug Sigurdson re: perfection of security & revisions to opinion; review PPSA; conference call with Maria Penner re: security opinion; conference call with Doug Sigurdson & Maria Penner re: security opinion	875.00
Jan 06/2022	JJBB	0.20	Correspondence with client re: security opinion	125.00
Jan 07/2022	JJBB	0.40	Correspondence with client re: security opinion; review revisions to draft opinion & BIA	250.00
Jan 08/2022	JJBB	0.30	Correspondence with client re: security opinion; correspondence with Maria Penner re: security opinion	187.50
Jan 10/2022	MAP	0.70	Instructions to S. Young. Review revised searches. Review and finalize form of opinion.	332.50

Date	Initials	Hours	Narrative	Amount
Jan 10/2022	SY	0.20	Email from M. Penner re searches for opinion;	29.00
Jan 10/2022	JJBB	0.10	Correspondence with client re: security opinion; correspondence with Maria Penner re: security opinion & searches; correspondence with Sarah Young re: searches	62.50

**Total Fees: 6,792.00**

### SUMMARY OF PROFESSIONAL SERVICES

	HOURS	HOURLY RATE	AMOUNT
Sarah Young	0.20	125.00	25.00
Sarah Young	0.20	145.00	29.00
Anjali Sandhu	0.20	200.00	40.00
Arlene P. Phillips	0.20	210.00	42.00
Maria A. Penner	2.70	425.00	1,147.50
Maria A. Penner	4.10	475.00	1,947.50
JJ B. Burnell	2.10	535.00	1,123.50
JJ B. Burnell	3.40	625.00	2,125.00
J. Douglas Sigurdson	0.50	625.00	312.50
	<u>13.60</u>		<u>6,792.00</u>

### DISBURSEMENTS AND OTHER CHARGES

ESC - Standard Searches - MB - Nationwide - 6106234 Manitoba Ltd.	0.20
ESC - Standard Searches - MB - Certified Search Notice of Intention (s. 427) - 6106234 MANITOBA LTD.	23.42

Total Taxable 23.62

**Sub-Total Disbursements: 23.62**

### BILL SUMMARY

Total Fees	6,792.00
GST	339.60
MB PST	475.44
Total Disbursements	23.62
GST	1.18
Subtotal	<u>7,631.84</u>

**TOTAL AMOUNT DUE CDN DOLLARS: \$ 7,631.84**

JJBB/ LT

**MLT Aikins LLP**

To the extent possible, we have made every effort to include fees and disbursements for the current billing period. In the event further fees or disbursements are incurred on your behalf, a subsequent account will be forwarded.

"Other Charges" are based on rates established by MLT AIKINS LLP and may change from time to time. A schedule of those rates is available on request.

**TERMS: DUE UPON RECEIPT**

Interest at the rate of 14% per annum is added to all amounts overdue by 30 days or more.

March 31, 2022  
Invoice #6280771**INVOICE****Deloitte Restructuring Inc.**  
**2300 - 360 Main Street**  
**Winnipeg, MB R3C 3Z3**  
**Brent Warga****TO PROFESSIONAL SERVICES RENDERED TO AND INCLUDING 03/31/22 AS FOLLOWS****RE: 6106234 Manitoba Ltd.**  
**MLT Aikins File No: 0135165-00009**

<b>Date</b>	<b>Initials</b>	<b>Hours</b>	<b>Narrative</b>	<b>Amount</b>
Mar 03/2022	JJBB	0.10	Correspondence with Deloitte re: release	62.50
Mar 07/2022	JJBB	0.10	Correspondence with Deloitte re: release	62.50
Mar 09/2022	JJBB	0.20	Review release; correspondence with Deloitte re: release; telephone call with Deloitte re: release	125.00
Mar 09/2022	JJBB	0.20	Review release; correspondence with Deloitte re: release; telephone call with Deloitte re: release	125.00
Mar 11/2022	JJBB	0.20	Telephone call with client re: release	125.00
<b>Total Fees:</b>				<b>500.00</b>

**SUMMARY OF PROFESSIONAL SERVICES**

	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>AMOUNT</b>
JJ B. Burnell	0.80	625.00	500.00
	<u>0.80</u>		<u>500.00</u>

**BILL SUMMARY**

Total Fees	500.00
GST	25.00
MB PST	35.00
Total Disbursements	0.00
Subtotal	<u>560.00</u>

<b>TOTAL AMOUNT DUE CDN DOLLARS:</b>	<b>\$</b>	<b>560.00</b>
--------------------------------------	-----------	---------------

JJBB/ KEK

**MLT Aikins LLP**

To the extent possible, we have made every effort to include fees and disbursements for the current billing period. In the event further fees or disbursements are incurred on your behalf, a subsequent account will be forwarded.

"Other Charges" are based on rates established by MLT AIKINS LLP and may change from time to time. A schedule of those rates is available on request.

**TERMS: DUE UPON RECEIPT**

Interest at the rate of 14% per annum is added to all amounts overdue by 30 days or more.

**Appendix F – Statement of Receipts and Disbursements for the period October 29, 2021 to May 27, 2022**

**6106234 MANITOBA LTD. (O/A THE PAS HOME HARDWARE)**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
for the period of October 29, 2021 to May 27, 2022

	<b>Amount</b>	<b>Notes</b>
<b>Receipts</b>		
Accounts receivable	\$ 30,888	
Auction sale proceeds	290,621	
Cash on hand	3,944	
GST Refund	7,173	
Home Hardware Stores Limited net equity	248,492	
Life insurance proceeds	95,629	
Receiver's borrowings	75,000	
Refunds (and other miscellaneous receipts)	2,848	
<b>Total Receipts</b>	<b>754,595</b>	
<b>Disbursements</b>		
Bank fees	17	
Canada Revenue Agency priority	-	(1)
Consulting fees	1,633	
Filing fee	73	
GST paid on disbursements	740	
GST paid on legal fees and disbursements	828	
GST paid on Receiver fees and disbursements	5,568	
Legal fees and disbursements	16,857	
Locks	549	
Occupation rent	8,000	
Property taxes (in accordance with the facility lease)	6,000	
PST paid on disbursements	362	
PST paid on legal fees and disbursements	1,151	
Receiver's fees and disbursements	111,353	(2)
Repayment of Receiver's borrowings	75,000	
Security	73	
Transfer to Bankruptcy Trustee	30,000	
Utilities	4,643	
Wage Earner Protection Program priority	-	(3)
<b>Total Disbursements</b>	<b>262,847</b>	
<b>Excess of Receipts over Disbursements - Funds Held in Trust as at May 27, 2022</b>	<b>\$ 491,748</b>	

**Notes:**

- (1) CRA deemed trust (source deduction) priority claim in the amount of \$30,638.46 to be paid subsequent to Court approval.
- (2) Includes Receiver fees and disbursements to April 30, 2022.
- (3) WEPP priority claim in the amount of \$7,363.40 to be paid subsequent to Court approval.