

District of Ontario
Division No. 08 - Waterloo
Court File No. 35-2227642
Estate File No. 35-2227642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY COURT)**

**IN THE MATTER OF THE PROPOSAL OF STEVE'S T.V. &
APPLIANCES LIMITED of the City of KITCHENER, in the
Province of ONTARIO**

MOTION RECORD

April 6, 2017

SimpsonWigle LAW LLP
390 Brant Street, Suite 501
Burlington, ON L7R 4J4

Bart Sarsh (LSUC# 59208N)
Email: sarshb@simpsonwigle.com
Tel: (905) 639-1052
Fax: (905) 333-3960

Lawyers for the Applicant Debtor

TO: **See Service List Attached**

Schedule "A"
Service List

	Creditor	Address
1.	Avad	Suite 103 205 Courtneypark Drive West Mississauga ON L5W OA5
2.	Baass Business Solutions Inc.	1200 Centre Street Suite 200 Thornhill ON L4J 3M9
3.	Beverly Tire & Auto Service	700 Education Rd Cornwall ON K6H 6B8
4.	Canadian Imperial Bank of Commerce	6th Floor 305 Milner Avenue Scarborough ON M1B 3V4
5.	Cantrex Wells Fargo	2-285 Frederick Street Kitchener, ON N2H 2P2
6.	Comtronic	Unit 1 30 Kinnear Court Richmond Hill ON L4B 1K8
7.	Consumer Parts Source Inc.	Unit 203 16 Rutherford Road South Brampton ON L6W 3J1
8.	CTV Television Inc.	864 King Street West Kitchener ON N2G 1E8
9.	D&M Canada Inc.	PO Box 4918, Stn A Toronto ON M5W OC9
10.	Daveco Ltd	5720 Rue Ferrier Street Montreal QC H4P 1M7
11.	EIWO Canadian Management Ltd.	82 Weber Street East Kitchener ON N2H 1C7
12.	Entertainment One	Unit 1 70 Driver Rd Brampton ON L6T 5V2
13.	Equity International Inc. C/O T9954	233 Alden Rd. Markham, ON L3R 3W6

14.	Erickson Consumer Jam Industries	21000 Trans-Canada Hwy Bale D'Urfe QC H9X 4B7
15.	Evolution Home Entertainment	266 Applewood Crescent Concord ON L4K 4B4
16.	Gemsen	266 Applewood Crescent Concord ON L4K 4B4
17.	Hydro Electric Commission	301 Victoria Street South Kitchener ON N2G 4L2
18.	KRK Media Corp	90 Cameron St N Kitchener ON N2H 3A4
19.	Lenbrook Industries	633 Granite Court Pickering ON L1W 3K1
20.	LG Electronics Canada., Inc.	20 Nore Ico Drive North York, ON M9L 2X6
21.	Martin, Randy	2-285 Frederick Street Kitchener, ON N2H 2P2
22.	Middle Atlantic Products	113 Iber Rd Ottawa ON K2S 1E7
23.	Ontario Electric Stewardship	5750 Explorer Drive Mississauga ON L4W 0A9
24.	Panasonic Canada Inc.	5770 Ambler Drive Mississauga ON L4W 2T3
25.	Plurison	313 Rue Marion Repentigny, QC J52 4W8
26.	Provo	620 Rowntree Dairy Rd Woodbridge ON L4L 5T8
27.	Purolator Courier	PO Box 7006 31 Adelaide St E Toronto ON M5C 3E2
28.	Rentrak	6705 Tenth Line W. Mississauga, ON L5N 5L4
29.	Riordan Leasing Inc.	1158 King Street East

		Kitchener ON N2G 2N4
30.	Samsung Electronics Canada (Seca)	2050 Derry Road West Mississauga ON L5N 0B9
31.	SF Marketing	325 Boul Bouchard Dorval QC H9S 1A9
32.	Solutions 2Go Inc.	190 Statesman Drive Mississauga ON L5S 1X7
33.	Staples Advantage Canada	550 Pendant Dr. Mississauga, Ontario L5t 2w6
34.	Staub Electronic Ltd	Unit 160 11791 Hammersmith Way Richmond BC V7A 5C6
35.	Tailbase Retail Services (Webpage)	Unit 350 4650 Boulevard Des Laurentides Laval QC H7K 2J4
36.	The Record	160 King Street E. Kitchener, ON N2G 4E5
37.	Transamer Comm (IngramMicro)	55 Standish Crt Mississauga ON L5R 4A1
38.	Transamer Comm (Gentec)	90 Royal Crest Court Markham ON L3R 9X6
39.	Transamer Comm (Samsung)	PO Box 303 Stn Streetsville Mississauga ON L5M 9Z9
40.	Trends Electronics Int Inc.	Unit 202 2999 Underhill Avenue Burnaby BC V5A 3C2
41.	Tyco Integrated Security Canada Inc.	40 Sheppard Avenue West Toronto ON M2N 6K9
42.	Win-Leader Corp	Unit 1 50 Shoemaker St Kitchener ON N2E 3E2

43.	Yellow Pages Group	16, Place du Commerce Île des Soeurs Verdun, Québec H3E 2A5
44.	Office of the Superintendent / of Bankruptcy	55 Bay St. N 9 th Floor Federal Building HAMILTON ON L8R3P7

District of Ontario
Division No. 08 - Waterloo
Court File No. 35-2227642
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY COURT)**

**IN THE MATTER OF THE PROPOSAL OF STEVE'S T.V. &
APPLIANCES LIMITED of the City of KITCHENER, in the
Province of ONTARIO**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY COURT)**

**IN THE MATTER OF THE PROPOSAL OF STEVE'S T.V. &
APPLIANCES LIMITED of the City of KITCHENER, in the Province of
ONTARIO**

NOTICE OF MOTION

Deloitte Restructuring Inc. (the "**Proposal Trustee**") in its capacity as Proposal Trustee of Steve's T.V. & Appliances Limited (the "**Company**"), will make a Motion to the Court on April 12, 2017 at 10:00 a.m., or as soon after that time as the motion can be heard, at

80 Dundas Street, Ground Floor, Unit A London, ON N6A 6A3

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR AN ORDER:

1. An Order:
 - i. Abridging the time for service and filing of the Motion Record
 - ii. Validating service of the Motion Record in the manner effected and dispensing with any further or other service of the Motion Record on any other person other than those served

2. An Order under section 50.4(9)(a) of the *Bankruptcy and Insolvency Act* (**BIA**) extending the time to file the proposal for a period of 45 days from April 12, 2017, being

May 27, 2017

3. such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

4. Steve's T.V. & Appliances Limited (o/a Steve's TV and Audio) ("**Steve's TV**" or the "**Company**") operates an independent retail electronic business from two leased retail units in Kitchener, Ontario.

5. The Company operates 3 divisions: (1) the electronics sales division which is retail sales of video and audio equipment, (2) the DVD division which is retail sales and rentals of DVDs, BluRay, and (3) the custom audio and video division, which provides customized installation of home theatres, audio and home automation.

6. On March 13, 2017, Steve's TV filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the ("**BIA**"). Deloitte Restructuring Inc. ("**Deloitte**") was appointed as the trustee (the "**Proposal Trustee**") under the NOI.

7. The Proposal Trustee has been advised by CIBC that it has agreed not to exercise its enforcement rights at this time and has allowed the Company to continue with the NOI proceedings.

8. On March 21, 2017, the Company filed a cash flow projection and related documents pursuant to s. 50.4(2) of the BIA (the "**Cash Flow Projection**").

9. During the post-NOI period, the Company has continued business operations. Operating activities have included completed new sales, realizing on outstanding accounts receivable balances and sale of existing inventory.

10. The Company has undertaken certain operating cost reductions and restructuring activities during the NOI period in an attempt to restructure its business and maximize value for the creditors, including:

- a. Reducing the operating workforce to (following the filing of the NOI, the Company terminated 8 employees);
- b. Liquidating excess electronic inventories through the retail store;
- c. Proposing and successfully negotiating a lower rent structure and exploring other premises options with the landlord;
- d. Contacting prospective customers about custom audio and video opportunities; and
- e. Reviewing operating alternatives for the DVD and custom audio and video businesses.

11. The Company and the Proposal Trustee have been in regular communications with the key stakeholders, including CIBC, Wells Fargo, Entertainment One, certain suppliers and former employees. To date, the Company advises the Proposal Trustee that there have been no objections to the Company's business plans and activities since the NOI proceedings.

12. To date, due to the relatively low secured debt levels and proactive steps taken by the Company, the secured creditors have not proposed any alternative enforcement remedies (e.g. receivership or bankruptcy).

DEBTOR'S REQUEST FOR AN EXTENSION

13. The initial 30-day stay period under the NOI expires on April 12, 2017. The Company is seeking a 45-day extension of the stay in order to continue reducing inventories and to provide additional time to explore available alternatives to maximize recoveries to the creditors. If the requested extension is not granted, the Company will be automatically deemed bankrupt.

14. The Proposal Trustee has been monitoring the Company and the actual cash flows have been comparable to the Cash Flow Projection.

15. The Proposal Trustee is satisfied that the Company has acted and is acting in good faith and with due diligence in these proceedings, which addresses s. 50.4 (9)(a) of the BIA.

16. The Proposal Trustee's view is that it is difficult to predict the likelihood of creditors accepting a proposal from the Company as of the date of this report; however, a deemed bankruptcy after the initial stay would likely result in lower recoveries to creditors since net asset realizations in a bankruptcy liquidation are generally lower than asset realizations in a going concern or an orderly wind-down. This fact addresses s. 50.4 (9)(b) of the BIA.

17. The Proposal Trustee is satisfied that none of the Company's creditors will be materially prejudiced by the extension of time sought by the Company to make a proposal in light of the supportive communications to date and the value enhancement opportunities currently being undertaken by the Company.

18. Sections 50.4(9) of BIA.

19. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*; and

20. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

21. The report of Deloitte LLP, Proposal Trustee dated April 5, 2017; and such further and other evidence as counsel may advise and this Honourable Court may permit.

Dated: April 7, 2017

SimpsonWigle LAW LLP
390 Brant Street, Suite 501
Burlington, ON L7R 4J4

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Fax: (905) 333-3960

Lawyers for the Applicant Debtor

IN THE MATTER OF THE PROPOSAL OF STEVE'S T.V. &
APPLIANCES LIMITED of the City of KITCHENER, in the
Province of ONTARIO

District of Ontario
Division No. 08 - Waterloo
Court File No. 35-2227642
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**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(BANKRUPTCY COURT)**

PROCEEDING COMMENCED IN WATERLOO

NOTICE OF MOTION

SimpsonWigle LAW LLP
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Tel: (905) 639-1052
Fax: (905) 333-3960

Lawyers for the Applicant Debtor

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF
THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
STEVE'S T.V. & APPLIANCES LIMITED
OF THE CITY OF KITCHENER
IN THE PROVINCE OF ONTARIO**

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

APRIL 5, 2017

INTRODUCTION

1. Steve's T.V. & Appliances Limited (o/a Steve's TV and Audio) ("Steve's TV" or the "Company") operates an independent retail electronic business from two leased retail units in Kitchener, Ontario.
2. The Company operates 3 divisions: (1) the electronics sales division which is retail sales of video and audio equipment, (2) the DVD division which is retail sales and rentals of DVDs, BluRay, and (3) the custom audio and video division, which provides customized installation of home theatres, audio and home automation.
3. The Company's primary lender is the Canadian Imperial Bank of Commerce ("CIBC"). CIBC provided the Company with a revolving line of credit loan, secured by a first-ranking security over all of the Company's assets (the "CIBC Loan").
4. On March 13, 2017, Steve's TV, with advance notice to CIBC, filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the Part III, Division I of the *Bankruptcy and Insolvency Act* ("BIA"). Deloitte Restructuring Inc. ("Deloitte") was appointed as the trustee (the "Proposal Trustee") under the NOI.

5. Over the past several years, Steve's TV has experienced declining sales due to lower sales volumes in its electronic division as a result of increased competition from 'big-box' stores and lower sales volumes for the DVD rental and sales division as a result of increased video-on-demand and streaming.
6. Prior to the NOI filing, the Company employed 16 employees.
7. Last year, on April 14, 2016, CIBC issued demand for payment to Steve's TV in respect of all indebtedness due under the CIBC Loan.
8. On May 11, 2016, CIBC entered into a forbearance agreement with Steve's TV which was later amended in August, 2016 and November, 2016 (collectively, the "**Original Forbearance Agreement**"). The Company continued to operate under the Original Forbearance Agreement until early 2017. The Company breached the conditions of the Original Forbearance Agreement in the early months of 2017 and entered into a revised forbearance agreement with CIBC on February 14, 2017 ("**Revised Forbearance Agreement**").
9. The Revised Forbearance Agreement contained terms that effectively entitled CIBC to fully enforce its credit agreement, security and guarantee in the event of a NOI filing.
10. The Proposal Trustee has been advised by CIBC that it has agreed not to exercise its enforcement rights at this time and has allowed the Company to continue with the NOI proceedings.
11. Attached hereto as **Appendix "A"** is a copy of the NOI notice to creditors, including the creditor listing and the Certificate of Filing an NOI.
12. On March 21, 2017, the Company filed a cash flow projection and related documents pursuant to s. 50.4(2) of the BIA (the "**Cash Flow Projection**"). Attached hereto as **Appendix "B"** is a copy of the Cash Flow Projection.

PURPOSE OF REPORT

13. The purpose of this report is to provide the Court with a report of the activities of the Company since the inception of the NOI in support of its application for an extension of time for proposal filing from the expiry of the initial 30-day period (i.e. from April 11, 2017) to May 26, 2017 pursuant to s. 50.4(9) of the BIA.

COMPANY'S ACTIVITIES

14. During the post-NOI period, the Company has continued business operations. Operating activities have included completed new sales, realizing on outstanding accounts receivable balances and sale of existing inventory.
15. The Company has undertaken certain operating cost reductions and restructuring activities during the NOI period in an attempt to restructure its business and maximize value for the creditors, including:
 - a. Reducing the operating workforce to (following the filing of the NOI, the Company terminated 8 employees);
 - b. Liquidating excess electronic inventories through the retail store;
 - c. Proposing and successfully negotiating a lower rent structure and exploring other premises options with the landlord;
 - d. Contacting prospective customers about custom audio and video opportunities; and
 - e. Reviewing operating alternatives for the DVD and custom audio and video businesses.
16. The Company and the Proposal Trustee has been in regular communications with the key stakeholders, including CIBC, Wells Fargo, Entertainment One, certain suppliers and former employees. To date, the Company advises the Proposal Trustee that there have been no objections to the Company's business plans and activities since the NOI proceedings.

17. To date, due to the relatively low secured debt levels and proactive steps taken by the Company, the secured creditors have not proposed any alternative enforcement remedies (e.g. receivership or bankruptcy).

DEBTOR'S REQUEST FOR AN EXTENSION

18. The initial 30-day stay period under the NOI expires on April 12, 2017. The Company is seeking a 45-day extension of the stay in order to continue reducing inventories and to provide additional time to explore available alternatives to maximize recoveries to the creditors. If the requested extension is not granted, the Company will be automatically deemed bankrupt.
19. The Proposal Trustee has been monitoring the Company and the actual cash flows have been comparable to the Cash Flow Projection.
20. Enclosed as **Appendix "C"** is a copy of actual cash flows of the Company.
21. Enclosed as **Appendix "D"** is a revised cash flow statement incorporating the actual results to date and projected results for the extended weeks up to and beyond the proposed 45-day extension period.

CONCLUSION

22. The BIA sets out criteria under s. 50.4 (9) for the Court to consider in granting the extension:
- a. The Proposal Trustee is satisfied that the Company has acted and is acting in good faith and with due diligence in these proceedings, which addresses s. 50.4 (9)(a) of the BIA .
 - b. The Proposal Trustee's view is that it is difficult to predict the likelihood of creditors accepting a proposal from the Company as of the date of this report; however, a deemed bankruptcy after the initial stay would likely result in lower recoveries to creditors since net asset realizations in a bankruptcy liquidation are generally lower than asset realizations in a going concern or an orderly wind-down. This fact addresses s. 50.4 (9)(b) of the BIA.
 - c. The Proposal Trustee is satisfied that none of the Company's creditors will be materially prejudiced by the extension of time sought by the Company to make a proposal in light of the supportive communications to date and the value enhancement opportunities currently being undertaken by the Company.

All of which is respectfully submitted this 5th day of April, 2017.

DELOITTE RESTRUCTURING INC.
in its capacity as the Proposal Trustee under NOI
filed by Steve's T.V. & Appliances Limited
and not in its personal capacity



Per: Rob Biehler, CPA, CA, CIRP, LIT
Senior Vice President

District of:
Division No.
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, Steve's T.V. & Appliances Limited o/a Steve's TV and Audio, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Deloitte Restructuring Inc. of 4210 King Street East, Kitchener, ON, N2P 2G5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Kitchener in the Province of Ontario, this 13th day of March 2017.

Randy Martin PRESIDENT

Steve's T.V. & Appliances Limited o/a Steve's TV and Audio
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Avad	Suite 103 205 Courtneypark Drive West Mississauga ON L5W 0A5		8,922.04
Baass Business Solutions Inc	1200 Centre Street Suite 200 Thornhill ON L4J 3M9		2,130.05
Beverly Tire & Auto Service	700 Education Rd Cornwall ON K6H 6B8		338.47
Canadian Imperial Bank of Commerce	6th Floor 305 Milner Avenue Scarborough ON M1B 3V4		118,000.00
Cantrex Wells Fargo	PO Box 8782, Stn A Toronto ON M5W 3C2		566.33
Comtronic	Unit 1 30 Kinnear Court Richmond Hill ON L4B 1K8		1,148.08
Consumer Parts Source Inc	Unit 203 16 Rutherford Road South Brampton ON L6W 3J1		323.31
CTV Television Inc	864 King Street West Kitchener ON N2G 1E8		10,134.53
D&M Canada Inc	PO Box 4918, Stn A Toronto ON M5W 0C9		6,327.17
Daveco Ltd	5720 Rue Ferrier Street Montreal QC H4P 1M7		2,997.82
EIWO Canadian Management Ltd.	82 Weber Street East Kitchener ON N2H 1C7		24,000.00
Entertainment One	Unit 1 70 Driver Rd Brampton ON L6T 5V2		34,230.51
Equity International Inc C/O T9954	PO Box 9954, Stn A Toronto ON M5W 2J2		13,719.49
Erickson Consumer Jam Industries	21000 Trans-Canada Hwy Baie D'Urfe QC H9X 4B7		1,010.32

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Evolution Home Entertainment Corp	266 Applewood Crescent Concord ON L4K 4B4		687.04
Gemsen	266 Applewood Crescent Concord ON L4K 4B4		1,160.51
Hydro Electric Commission	301 Victoria Street South Kitchener ON N2G 4L2		1,104.09
KRK Media Corp	90 Cameron St N Kitchener ON N2H 3A4		5,254.09
Lenbrook Industries	633 Granite Court Pickering ON L1W 3K1		8,582.71
LG Electronics Canada., Inc	PO Box 2490, Stn A Toronto ON M5W 2K6		61,164.86
Martin, Randy			29,957.47
Middle Atlantic Products	113 Iber Rd Ottawa ON K2S 1E7		1,452.57
Ontario Electric Stewardship	5750 Explorer Drive Mississauga ON L4W 0A9		1,346.64
Panasonic Canada Inc.,	5770 Ambler Drive Mississauga ON L4W 2T3		45,766.49
Plurison	313 Rue Marion Repentigny QC J5Z 4W8		5,073.09
Provo	620 Rowntree Dairy Rd Woodbridge ON L4L 5T8		519.96
Purolator Courier	PO Box 7006 31 Adelaide St E Toronto ON M5C 3E2		740.83
Rentrak	PO Box 4591, Stn A Toronto ON M5W 4X5		535.98
Riordan Leasing Inc.	1158 King Street East Kitchener ON N2G 2N4		17,106.00
Samsung Electronics Canada (Seca)	2050 Derry Road West Mississauga ON L5N 0B9		324.69

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SF Marketing	325 Boul Bouchard Dorval QC H9S 1A9		5,592.56
Solutions 2Go Inc	190 Statesman Drive Mississauga ON L5S 1X7		913.90
Staples Advantage Canada	PO Box 4446, Stn A Toronto ON M5W 4A2		901.12
Staub Electronic Ltd	Unit 160 11791 Hammersmith Way Richmond BC V7A 5C6		26,554.40
Tailbase Retail Services (Webpage)	Unit 350 4650 Boulevard Des Laurentides Laval QC H7K 2J4		971.78
The Record	PO Box 300 Hamilton ON L8N 3G3		8,994.80
Transamer Comm (Ingram Micro)	55 Standish Crt Mississauga ON L5R 4A1		3,092.18
Transamer Comm (Gentec)	90 Royal Crest Court Markham ON L3R 9X6		368.53
Transamer Comm (Samsung)	PO Box 303 Stn Streetsville Mississauga ON L5M 9Z9		33,104.94
Trends Electronics Int Inc	Unit 202 2999 Underhill Avenue Burnaby BC V5A 3C2		3,258.62
Tyco Integrated Security Canada Inc	40 Sheppard Avenue West Toronto ON M2N 6K9		2,274.69
Win-Leader Corp	Unit 1 50 Shoemaker St Kitchener ON N2E 3E3		2,762.85
Yellow Pages Group	PO Box 11788 Succursale Centre Ville Montreal QC H3C 0C2		600.48
Total			494,015.99

District of:
Division No.
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

Laudy Martur **PRESIDENT**

Steve's T.V. & Appliances Limited o/a Steve's TV and Audio
Insolvent Person



Industry Canada

Industrie Canada

Office of the Superintendent
of Bankruptcy Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 08 - Waterloo
Court No. 35-2227642
Estate No. 35-2227642

In the Matter of the Notice of Intention to make a
proposal of:

Steve's T.V. & Appliances Limited
Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION
DELOITTE INC
Licensed Insolvency Trustee

Date of the Notice of Intention: March 13, 2017

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 13, 2017, 14:39

E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902

Canada

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT

Steve's T.V. & Appliances Limited
In the City of Kitchener
In the Province of Ontario

CONSENT OF TRUSTEE

WE, DELOITTE RESTRUCTURING INC., of the City of Kitchener, in the Province of Ontario hereby consent to being appointed as Trustee under the Notice of Intention to Make a Proposal of Steve's T.V. & Appliances Limited.

Dated at Burlington, this 27th day of February, 2017



DELOITTE RESTRUCTURING INC.

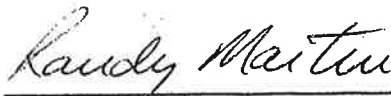
District: Ontario
 Division: 08 - Waterloo
 Court #: 35-2227642
 Estate #: 35-2227642

Steve's T.V. & Appliances Limited (o/a Steve's TV and Audio)
Cash Flow Projection
For the six weeks ended April 23, 2017

(all amounts in CDN dollars)

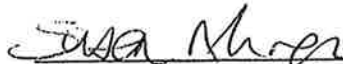
	Week (ended)						Total
	1 (Mar 19/17)	2 (Mar 26/17)	3 (Apr 2/17)	4 (Apr 9/17)	5 (Apr 16/17)	6 (Apr 23/17)	
Opening Cash Balance	\$ 23,000	\$ 45,175	\$ 58,025	\$ 98,875	\$ 122,725	\$ 129,575	
Cash Receipts							
Sales	49,000	44,000	54,000	51,000	23,000	22,000	243,000
Collection of receivables	3,000	15,000	5,000	-	-	-	23,000
	<u>52,000</u>	<u>59,000</u>	<u>59,000</u>	<u>51,000</u>	<u>23,000</u>	<u>22,000</u>	<u>266,000</u>
Cash Disbursements							
Purchases	12,000	9,000	2,000	11,000	-	-	34,000
Payroll	-	20,625	9,625	9,625	9,625	9,625	59,125
Advertising	400	400	400	400	400	400	2,400
Vehicle	600	600	600	600	600	600	3,600
Supplies	650	650	650	650	650	650	3,900
Building	3,950	3,950	3,950	3,950	3,950	3,950	23,700
Professional fees	11,300	10,000	-	-	-	5,650	26,950
HST remittance (recovery)	-	-	-	-	-	10,000	10,000
Telephone	325	325	325	325	325	325	1,950
Interest and bank charges	500	500	500	500	500	500	3,000
Miscellaneous	100	100	100	100	100	100	600
	<u>29,825</u>	<u>46,150</u>	<u>18,150</u>	<u>27,150</u>	<u>16,150</u>	<u>31,800</u>	<u>169,225</u>
Net Cash Flow	22,175	12,850	40,850	23,850	6,850	(9,800)	
Closing Cash Balance	<u>\$ 45,175</u>	<u>\$ 58,025</u>	<u>\$ 98,875</u>	<u>\$ 122,725</u>	<u>\$ 129,575</u>	<u>\$ 119,775</u>	

As prepared by:



Randy Martin, President

Trustee:



Susan Mingle, CPA, CA, CIRP
 Deloitte Restructuring Inc.

District of: Ontario
Division No. 08 - Waterloo
Court No. 35-2227642
Estate No. 35-2227642

-- FORM 29 --

Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

The attached statement of projected cash flow of Steve's T.V. & Appliances Limited, as of the 21st day of March 2017, consisting of projections for the 6 week period March 13, 2017 through April 23, 2017, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Kitchener in the Province of Ontario, this 21st day of March 2017.

Deloitte Restructuring Inc.



4210 King Street East
Kitchener ON N2P 2G5
Phone: (519) 650-7600 Fax: (519) 650-7601

District of: Ontario
Division No. 08 - Waterloo
Court No. 35-2227642
Estate No. 35-2227642

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

Purpose:

Steve's T.V. and Appliances Limited filed a Notice of Intention to Make a Proposal on March 13, 2017. This Statement of Projected Cash Flow has been prepared by management in accordance with section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period March 13, 2017 to April 23, 2017, considering the economic conditions that are considered the most probably by Management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

(a) Projected Cash Receipts

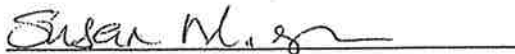
The projected cash receipts consist of sales and collections of accounts receivable which are based on Management's best estimate and historical data.

(b) Projected Cash Disbursements

The projected cash disbursements are based on historical data adjusted to reflect the current level of activity and the filing of the Notice of Intention to Make a Proposal.

Dated at the City of Kitchener in the Province of Ontario, this 21st day of March 2017.

Deloitte Restructuring Inc.



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District of: Ontario
Division No. 08 - Waterloo
Court No. 35-2227642
Estate No. 35-2227642

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

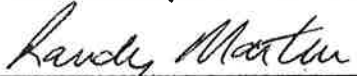
The Randy Martin, President of Steve's T.V. & Appliances Limited, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 21st day of March 2017, consisting of projections for the 6 week period March 13, 2017 through April 23, 2017.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Kitchener in the Province of Ontario, this 21st day of March 2017.



Steve's T.V. & Appliances Limited
Debtor

Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 08 - Waterloo
Court No. 35-2227642
Estate No. 35-2227642

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

Purpose:

Steve's T.V. and Appliances Limited filed a Notice of Intention to Make a Proposal on March 13, 2017. This Statement of Projected Cash Flow has been prepared by management in accordance with section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period March 13, 2017 to April 23, 2017, considering the economic conditions that are considered the most probably by Management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

(a) Projected Cash Receipts

The projected cash receipts consist of sales and collections of accounts receivable which are based on Management's best estimate and historical data.

(b) Projected Cash Disbursements

The projected cash disbursements are based on historical data adjusted to reflect the current level of activity and the filing of the Notice of Intention to Make a Proposal.

Dated at the City of Kitchener in the Province of Ontario, this 21st day of March 2017.


Steve's T.V. & Appliances Limited

Steve's T.V. & Appliances Limited
Comparison of Projection to Actuals
For the three weeks ended April 2, 2017

(all amounts in CDN dollars)

	<u>Projection</u>	<u>Actual</u>	<u>Variance</u>
Opening Cash Balance	\$ 23,000	\$ 24,000	\$ 1,000
Cash Receipts			
Sales	147,000	152,000	(5,000)
Collection of receivables	23,000	-	23,000
	<u>170,000</u>	<u>152,000</u>	<u>(18,000)</u>
Cash Disbursements			
Purchases	23,000	60,500	(37,500)
Payroll	30,250	25,800	4,450
Advertising	1,200	100	1,100
Vehicle	1,800	1,500	300
Supplies	1,950	400	1,550
Building	11,850	1,100	10,750
Professional fees	21,300	11,300	10,000
HST remittance (recovery)	-	-	-
Telephone	975	-	975
Interest and bank charges	1,500	1,000	500
Miscellaneous	300	1,300	(1,000)
	<u>94,125</u>	<u>103,000</u>	<u>(8,875)</u>
Net Cash Flow	<u>75,875</u>	<u>49,000</u>	<u>(26,875)</u>
Closing Cash Balance	<u>\$ 98,875</u>	<u>\$ 73,000</u>	<u>\$ (25,875)</u>

Steve's T.V. & Appliances Limited
Cash Flow Projection
For the eleven weeks ended May 28, 2017

(all amounts in CDN dollars)

	Actual 3	Week (ended)								Total
	weeks ended	4	5	6	7	8	9	10	11	
	April 2/17	(Apr 9/17)	(Apr 16/17)	(Apr 23/17)	(Apr 30/17)	(May 7/17)	(May 14/17)	(May 21/17)	(May 28/17)	
Opening Cash Balance	\$ 24,000	\$ 73,000	\$ 88,460	\$ 103,945	\$ 112,655	\$ 152,515	\$ 164,990	\$ 187,750	\$ 161,240	
Cash Receipts										
Sales	152,000	51,000	26,000	38,000	38,000	26,000	20,000	10,000	10,000	371,000
Collection of receivables	-	-	6,250	6,250	6,250	6,250	6,250	6,250	-	37,500
	152,000	51,000	32,250	44,250	44,250	32,250	26,250	16,250	10,000	408,500
Cash Disbursements										
Purchases	60,500	11,000	3,000	1,000	500	500	-	-	-	76,500
Payroll	25,800	19,250	-	19,250	-	15,785	-	12,320	-	92,405
Advertising	100	1,400	1,400	1,400	-	-	-	-	-	4,300
Vehicle	1,500	600	600	600	600	200	200	200	200	4,700
Supplies	400	475	475	475	475	475	475	475	475	4,200
Building	1,100	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	16,220
Professional fees	11,300	-	8,475	-	-	-	-	16,950	-	36,725
HST remittance (recovery)	-	-	-	10,000	-	-	-	10,000	-	20,000
Telephone	-	325	325	325	325	325	325	325	325	2,600
Interest and bank charges	1,000	500	500	500	500	500	500	500	500	5,000
Miscellaneous	1,300	100	100	100	100	100	100	100	100	2,100
	103,000	35,540	16,765	35,540	4,390	19,775	3,490	42,760	3,490	264,750
Net Cash Flow	49,000	15,460	15,485	8,710	39,860	12,475	22,760	(26,510)	6,510	
Closing Cash Balance	\$ 73,000	\$ 88,460	\$ 103,945	\$ 112,655	\$ 152,515	\$ 164,990	\$ 187,750	\$ 161,240	\$ 167,750	

IN THE MATTER OF THE PROPOSAL OF STEVE'S T.V. &
APPLIANCES LIMITED of the City of KITCHENER, in the
Province of ONTARIO

District of Ontario
Division No. 08 - Waterloo
Court File No. 35-2227642
Estate File No. 35-2227642

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(BANKRUPTCY COURT)**

PROCEEDING COMMENCED IN WATERLOO

MOTION RECORD

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