

Court File No. CV-19-00618506-00CL

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

**BETWEEN:**

**BANK OF MONTREAL**

Applicant

**-and-**

**BEST MADE TOYS INTERNATIONAL, ULC, BEST MADE TOYS LLC,  
BEST MADE TOYS GLOBAL ENTERPRISES LIMITED and BEST MADE TOYS  
HOLDING LLC**

Respondents

**FIRST REPORT OF DELOITTE RESTRUCTURING INC. IN ITS CAPACITY AS  
RECEIVER OF BEST MADE TOYS INTERNATIONAL ULC AND ITS AFFILIATES**

**DATED JULY 22, 2020**

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## INTRODUCTION AND PURPOSE OF THIS REPORT

1. Best Made Toys International, ULC (“**BMT**” or the “**Company**”) and its affiliates, was a global provider of plush toys, pet toys, and pet beds. Bank of Montreal (“**BMO**”) provided term loan (the “**Term Loan**”) and operating financing (the “**Revolver Facility**”) to BMT. On April 30, 2018, BMT was indebted to BMO for USD12.1 million (consisting of the Term Loan in the amount of USD8.6 million and the Revolver Facility in the amount of USD3.5 million). On May 4, 2018, BMO engaged Deloitte Restructuring Inc. (“**Deloitte**”) to perform an independent business review with respect to BMT's affairs and financial position, including an assessment of BMO's collateral position. BMO continued to support BMT until late February 2019 when BMO determined that it could not provide an additional USD8.0 million of liquidity for BMT to complete production of open orders. By April 5, 2019, BMT was no longer able to meet its liabilities in the ordinary course without third party capital injections. Neither BMO nor BMT's shareholders were willing to make further advances or equity injections. As of April 10, 2019, advances made by BMO under the Credit Agreement were approximately USD22.4 million, (consisting of the Term Loan in the amount of USD8.6 million and the Revolver Facility in the amount of USD13.8 million).
2. On April 25, 2019, Deloitte was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of BMT and its subsidiaries set out in the corporate organization chart in **Appendix “A”** hereto pursuant to an Order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order is attached hereto as **Appendix “B”**.
3. On April 23, 2019, the proposed Receiver issued a pre-filing report (the “**Pre-Filing Report**”) to the Court to provide information with respect to the background of the BMT

business, the financial difficulties facing the BMT business and to support the application made by BMO for the Appointment Order. A copy of the Pre-Filing Report is attached hereto as **Appendix “C”**.

4. The Appointment Order, the Pre-Filing Report, and other relevant information filed in connection with the receivership proceedings can be accessed on the Receiver’s website at [www.insolvencies.deloitte.ca/en-ca/bmt](http://www.insolvencies.deloitte.ca/en-ca/bmt) (the “**Website**”).
5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
  - a. provide an update in respect of the activities of the Receiver since its appointment, including an update on the marketing and sale of the BMT assets, and the recovery of accounts receivable of BMT;
  - b. provide the Court with an update regarding the status of certain BMT entities which are domiciled in Hong Kong and China;
  - c. provide the Court with an update on the security opinions rendered to the Receiver by its independent counsel, Dentons Canada LLP (“**Dentons**”), in respect of the security granted by BMT to BMO and, based on such opinion, seek the Court’s approval to make distributions to BMO on account of its security interests;
  - d. advise the Court of contracts terminated by the Receiver and other lien matters;
  - e. advise the Court of the bankruptcy of BMT;
  - f. provide the Court with an update on the Receiver’s receipts and disbursements for the period of April 25, 2019 to July 21, 2020;

- g. provide the Court with the necessary information to support making an Order (the “**Distribution and Discharge Order**”) that, among other things:
- i. approves the Receiver’s actions and activities to date;
  - ii. approves the Receiver’s statement of receipts and disbursements for the period April 25, 2019 to July 21, 2020 (the “**Receiver’s R&D**”), attached hereto as **Appendix “D**”;
  - iii. authorizes the Receiver to make distributions to certain employees of Best Made Toys Global Enterprises Limited (“**BMTGE**”) on account of limited employee priority claims (the “**BMTGE Employee Claims**”);
  - iv. authorizes the Receiver to make distributions to BMO as follows:
    - an interim distribution in the amount of USD4.4 million (the “**Interim BMO Distribution**”); and
    - a final distribution of the remaining cash in the receivership estate to BMO following (the “**Final BMO Distribution**”):
      - the payment of the Remaining Fees (as defined herein), plus any other amounts outstanding pursuant to the Receiver’s charge; and
      - the payment of priority claims which include the WEPPA Claim (as defined herein) and the BMTGE Employee Claims, such claims to be delivered and paid within 45 days after the granting of the proposed

Distribution and Discharge Order with any residual proceeds being paid to BMO;

- v. approves the Receiver's activities and the fees and costs of the Receiver and its legal counsel as described in this First Report, together with the estimated Remaining Fees; and
  - vi. discharges the Receiver upon the filing of a Receiver's discharge certificate, attached as Schedule "A" to the proposed Distribution and Distribution Order (the "**Receiver's Discharge Certificate**"), certifying that the Remaining Activities (as defined herein) have been completed to the satisfaction of the Receiver.
6. Capitalized terms not defined herein shall have the meaning ascribed to them in the Appointment Order.

#### **TERMS OF REFERENCE**

7. In preparing this First Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, BMT's books and records, discussions with management of BMT, discussions with BMO and its legal counsel, and information from third-party sources (collectively, the "**Information**"). Except as described in the Pre-Filing Report and this First Report:
- a. Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that

would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, Deloitte expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

- b. Deloitte has prepared this First Report in its capacity as Receiver to provide background to the Court for its consideration of the relief being sought. Parties using the First Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
8. Unless otherwise stated, all dollar amounts contained in the Report are expressed in USD, the Company’s reporting currency. Financial information reported herein is presented on a consolidated basis and not at the individual operating company level.

## **UPDATE ON THE RECEIVER’S ACTIVITIES TO DATE**

### *Creditor Communications*

9. Shortly after the Receiver’s appointment, the Receiver:
  - a. completed and mailed out the notice and statement of the Receiver as required by the Bankruptcy and Insolvency Act (the “BIA”);
  - b. established the Website and posted relevant receivership materials (including the Court Orders, motion materials, Receiver’s reports, notices to creditors and service lists, and bankruptcy materials); and
  - c. responded to employee and other stakeholder questions. This activity has been ongoing

throughout the receivership administration.

*Wage Earner Protection Program Administration*

10. The Receiver has undertaken steps to comply with its responsibilities under the *Wage Earner Protection Program Act* (“**WEPPA**”), including:
  - a. calculating unpaid wage amounts for each employee;
  - b. assessing each employee’s eligibility for a claim for termination notice and severance pay;
  - c. calculating the vacation entitlement owed to each employee; and
  - d. entering all of this information into the Service Canada website used to administer WEPPA.
11. On May 3, 2019, the Receiver mailed packages to 16 former employees so that they could file WEPPA claims for amounts due to them as a result of their termination. This mailing contained the claim summary for each employee, a proof of claim and an instruction letter advising claimants how to submit their WEPPA claim to receive payment thereunder. As of July 21, 2020, the Receiver has received proofs of claim from all 16 employees in respect of their WEPPA entitlement. The Receiver required the assistance of 15 of these former employees and paid their outstanding wages and vacation pay; accordingly, these former employees’ WEPPA claims are only in respect of unsecured termination notice pay and severance pay.
12. The Receiver determined and Service Canada has confirmed that the quantum of the super-priority payable to Service Canada for unpaid wages and vacation pay pursuant to section



81.4 of the BIA to be approximately CAD2,000 (the “**WEPPA Claim**”). The WEPPA Claim ranks in priority to all creditors and will be paid to Service Canada following the issuance of the proposed Distribution and Discharge Order.

*Safeguarding the Company’s premises – Insurance*

13. The Company’s premises consisted of two leased warehouses which were used for production, storage and shipping. The Company’s main operating premises was located at 120 St. Regis Crescent North, Toronto, ON, and included an office area for approximately 20 people (the “**St. Regis Facility**”). The second facility was located at 53 Bakersfield Street, North York, ON (the “**Bakersfield Warehouse**”) which was used primarily for warehousing and storage.
14. On April 25, 2019, following the issuance of the Appointment Order, the Receiver changed the locks on both of the Company’s leased premises.
15. The Receiver vacated the premise at St. Regis Facility on October 31, 2019 in accordance with the requirements of the lease. The Receiver settled a portion of the landlord’s claim in respect of damage to the building (most of which pre-existed the Receiver’s appointment) from the security deposit held by the landlord in the amount of CAD25,000.
16. The Receiver vacated the Bakersfield Warehouse on November 30, 2019.
17. The Receiver also obtained insurance coverage for BMT’s various leased and owned assets. The insurance coverage was later amended as the insured vehicles were returned and the quantum of required insurance decreased.

*Recovery of books and records*

18. The Receiver took possession of hard copy records in order to collect BMT's accounts receivable and to prepare relevant tax filings. Such records are boxed, inventoried and stored at off-site storage.
19. The Receiver engaged BMT's former IT contractor to backup BMT's document and email servers, including any accounting systems and electronic records.

*BMT Bankruptcy*

20. Paragraph 3(r) of the Appointment Order authorized the Receiver to "execute an assignment into bankruptcy, assigning the Debtors into bankruptcy, or to consent to an application for the making of a bankruptcy Order against the Debtors", which includes BMT.
21. On November 5, 2019, the Receiver received notice from Canada Revenue Agency that, following its audit of BMT's HST account, BMT had an unremitted HST liability of CAD235,614.86.
22. On December 20, 2019, the Receiver filed an assignment in bankruptcy in respect of BMT, only. Since the BMT bankruptcy estate has no funding or assets to fund the bankruptcy administration costs, BMO, as the first secured creditor (as discussed further below), agreed that the costs of the BMT bankruptcy are to be funded from the receivership estate.
23. Since the date of Bankruptcy, the Trustee has complied with the notice requirements set out in the BIA. The first meeting of creditors of BMT (the "FMOC") was held on January 8, 2020. Deloitte's appointment as trustee in bankruptcy was affirmed at the FMOC.

*EDC*

24. As detailed in the Pre-Filing Report, EDC guaranteed 50% of any shortfall (the “**EDC Guarantee**”) on a new BMO revolving facility granted in favour of BMT (the “**EDC Revolver**”).
25. Deloitte, with BMO’s assistance, submitted a claim to EDC on February 11, 2020, with the expectation that BMO would receive approximately USD2,000,000 pursuant to the EDC Guarantee. The claim package delivered to EDC included various supporting schedules, as required by EDC. Deloitte, BMO and EDC held various calls to discuss the claim and complete amendments as required by EDC. On April 9, 2020, a claim payout figure of USD1,556,214 and CAD339,004 was agreed to by all parties (the “**EDC Payment**”). EDC has paid the EDC Payment to BMO.
26. EDC will therefore have a subrogated unsecured claim against BMT to the extent of the EDC Payment.

**STATUS OF THE BUSINESS AND MARKETING OF THE CANADIAN ASSETS***Open orders*

27. Immediately following the Appointment Order, the Receiver determined BMT had approximately USD23.0 million of booked open orders due to ship to customers for the remainder of 2019 (the “**Open Order Book**”). The Receiver issued notices to BMT’s global customers and Chinese-based contract manufacturers on April 26, 2019, advising of the Appointment Order and the Receiver’s intention to provide a further update on the status of customer orders by no later than May 3, 2019.

28. If BMT's customer shipping windows were not met, those customers could cancel orders or otherwise demand set-offs for late delivery. As shipping windows are pushed further into the future, the risk of losing the order or otherwise delivering the order late for no profit is greatly increased. BMT did not have sufficient cash flow to fund current orders on hand, and BMO was not willing to fund the completion of open orders.
29. The time sensitive nature of these open orders (i.e. production and shipping time to meet fall delivery dates) required the Receiver needed to market the Open Order Book expeditiously. The specialized nature of the plush toy industry meant that direct competitors with the operational, product specification and financial wherewithal to reconfirm and execute the orders for customers were the most likely potential purchasers for BMT's open orders.
30. Prior to the Receiver's appointment, Deloitte, in its capacity as financial advisor to BMO ran an informal process to solicit investment in or the sale of BMT between January and March, 2019. During that process, Deloitte contacted 97 potentially interested parties (i.e. toy manufacturers/competitors), however, none were interested in acquiring BMT or providing an investment on terms that were acceptable to BMT or BMO. In the summer of 2018, Deloitte also had discussions with 25 potential investors/purchasers to canvass their interest in acquiring or investing in BMT. No acceptable expressions of interest were received at that time.
31. Following its appointment, the Receiver held discussions with eleven parties to determine their interest in acquiring some or all of the assets of BMT from the Receiver. The Receiver also contacted three liquidators to obtain assessments of BMT's assets in a liquidation. The

only offer the Receiver obtained that attributed value to the Open Order Book was from KellyToy Worldwide Inc. (“**KellyToy**”). After consultation with BMO, the Receiver entered into an agreement with KellyToy, as amended (the “**KellyToy Agreement**”) that provided for a USD50,000 non-refundable deposit in exchange for the exclusive rights to the Open Order Book, a USD50,000 amount to be held in escrow (the “**Open Order Escrow**”), plus a percentage of the gross margin realized by KellyToy on completed orders (a “**Gross Margin Payment**”). A copy of the KellyToy Agreement is attached hereto as **Appendix “E”**.

32. The Receiver understands that in working the Open Order Book, KellyToy experienced considerable difficulty working with BMT’s Chinese manufacturers for the following reasons:
- a. BMO’s security did not extend over BMT’s Chinese operations, and therefore the Receiver did not have authority to effect control over these operations;
  - b. BMT’s other direct competitors were actively working to undermine the completion of the orders in China;
  - c. certain of BMT’s Chinese employees were actively working to undermine the sale of the Open Order Book notwithstanding the Receiver’s correspondence to them and direction to cease such activities; and
  - d. BMT’s indebtedness to Chinese manufacturers was approximately USD4.9 million at the time of the Appointment Order and many factories were unwilling to take any further risks by dealing with KellyToy or be affiliated with BMT in any way.

33. On August 20, 2019, the Receiver was informed by KellyToy that the open order book sales had been disappointing for them, and they had only been able to complete one order at that time. As a result of the foregoing, no Gross Margin Payment was paid by KellyToy to the Receiver.
34. The Receiver did not return the Open Order Escrow and negotiated with KellyToy to apply this amount to fund reimbursable expenses due from KellyToy, as further described below.

*Inventory and warehouse equipment*

35. Following the execution of the KellyToy Agreement, the Receiver began marketing the sale of BMT's excess inventory and warehouse equipment. Based on a review of the BMT current inventory, the Receiver determined that (as at May 9, 2019), BMT had approximately USD3.152 million of inventory located in the St Regis Facility, the Bakersfield Warehouse and two third-party storage facilities. A summary of inventory value (in USD) by location is provided below:

Location/Possession	Address	Finished		Total Cost
		Skin Cost	Goods Cost	
Best Made Toys*	120 St Regis Crescent North, North York, Ontario	92,236	36,116	128,352
Best Made Toys*	53 Bakersfield Street, North York, Ontario	336,040	56,847	392,887
Simtech Supply Chain Management Ltd.	Cambridge, Ontario	1,522,251	19,421	1,541,672
Crossdock Systems	Mississauga, Ontario	946,245	142,976	1,089,221
<b>Total</b>		<b>2,896,772</b>	<b>255,359</b>	<b>3,152,132</b>

36. The vast majority of inventory on hand in the abovementioned facilities was work-in-process (otherwise know as the "skin" or "shell" of the toy). Any potential purchaser would require the expertise and equipment to complete the inventory for sale to the public. Given the sale and investment solicitation processes undertaken by Deloitte in 2018 and 2019 described above, the Receiver's renewed marketing efforts targeted various direct competitors and third-party fibre stuffing facilities with the expertise to complete the inventory. The Receiver received indications of the forced liquidation value of the

warehouse assets from various liquidators. The inventory was marketed alongside warehouse equipment required for production on an en bloc basis which would give a purchaser the inventory and the equipment required to convert that inventory into finished goods (the “**En Bloc Assets**”).

37. The Receiver communicated with 11 potential purchasers of the En Bloc Assets. Interested parties were provided with a listing of inventory counts, value and locations, as well as pictures and specification for the warehouse equipment. Several interested parties travelled to Toronto from Ottawa, Montreal, Los Angeles, New York and Rotterdam to inspect the En Bloc Assets, and to discuss the potential purchase of same with the Receiver.
38. The Receiver obtained four separate bids for the purchase of the En Bloc Assets. An offer presented by KellyToy represented the best value and fairest sale conditions. On June 4, 2019, the Receiver signed a non-binding term sheet with KellyToy for the acquisition of the En Bloc Assets, which culminated in the parties executing an asset purchase agreement dated June 27, 2019 (the “**APA**”). A copy of the APA is attached hereto as **Appendix “F”**.
39. Pursuant to the APA, the Receiver:
  - a. facilitated the completion of several work in process items to deliver finished goods to KellyToy. KellyToy was to reimburse the Receiver for expenses incurred by the Receiver for the benefit of the Purchaser. The total of such amount was USD458,981;
  - b. maintained employment of warehouse and production staff to facilitate completion of the sale (occupation and staff costs were reimbursed by the Purchaser); and
  - c. sold the assets as per the APA for USD670,000, subject to a damaged goods adjustment

(USD55,000 threshold).

40. The Receiver collected USD615,000 in consideration for the En Bloc Assets as the goods delivered included damaged goods whose value exceeded USD55,000.

*Furniture, fixtures and fittings*

41. Deloitte engaged Platinum Assets Services Inc. to sell various remaining fixed assets which had been excluded from the APA for total consideration of USD6,412.

**STATUS OF HONG KONG OPERATIONS**

42. On April 25, 2019, following the issuance of the Appointment Order, the Receiver attended a teleconference with BMT's CEO and all of BMT's Hong Kong-based employees during which the Receiver advised the employees that there was an immediate closure of the BMT business and termination of all BMT staff (in Canada, the U.S., Hong Kong and China). The Receiver effected termination of all employees by way of writing to them immediately following the teleconference.
43. BMT's Hong Kong entity did not have any significant assets, with the exception of accounts receivable that are collected and paid into a Canadian bank account held with BMO.
44. BMO issued a Statutory Demand on BMTGE (Hong Kong entity) on May 26, 2019 in preparation for a possible insolvency proceeding in Hong Kong (the "**HK Demand**"). No payment was made by BMTGE to BMO pursuant to the HK Demand.
45. The Receiver was of the view that an insolvency proceeding in Hong Kong would not secure any material realizations for the benefit of BMO and/or other creditors and it would add further unnecessary costs to the receivership. The Receiver understands that no creditor



groups would be prejudiced by the lack of formal insolvency proceeding in Hong Kong, save for any potential employee priority entitlements arising from the closure of BMTGE. In this regard, the Receiver has reviewed and considered any priority entitlements to Hong Kong employees as mandated by Hong Kong laws.

46. The Receiver is seeking an Order of this Court to facilitate the payment of the BMTGE Employee Claims which total approximately USD20,000 (as discussed below).

### **ACCOUNTS RECEIVABLE COLLECTION EFFORTS**

47. As at the date of the Appointment Order, BMT had third party customer accounts receivable of approximately USD6.8 million, of which approximately USD6.0 million was due to BMT and approximately USD0.8 million was due to BMTGE. As noted above, BMTGE operates a bank account with BMO domiciled in Canada.
48. Since the date of the Appointment Order through July 21, 2020, the Receiver collected approximately USD4.5 million from customers, of which USD3.8 million is held in the Receiver's trust account and USD712,000 is held in BMTGE's BMO bank account.
49. BMT's customers consisted primarily of major North American retailers. Due to the operational issues facing BMT over the last two years, as outlined in the Pre-Filing Report, many customers with significant accounts receivable balances claimed set-offs for the following reasons:
  - a. Product was delivered late or not at all thereby missing key promotional windows such as Black Friday and Valentines Day which resulted in customers incurring costs and losing profits;

- b. Incorrect product quantities were delivered to customers, with some customers receiving too much product and others receiving too little product;
  - c. Poor sell-through rates realized by the customer which typically resulted in markdowns on product delivered;
  - d. Original paperwork provided to the customer as evidence for collection was missing or incomplete; and
  - e. BMT had other arrangements with customers whereby BMT committed to pay amounts for specific charity programs (e.g. BMT agrees to participate in a charity teddy bear program and therefore had a payable to the customer) and/or marketing arrangements (e.g. BMT agrees to pay for shelving space and therefore has a payable due to a customer), which subsequently set-off against the account receivable.
50. As a result of the above noted set-offs, approximately USD2.3 million of accounts receivable were deemed by the Receiver to be uncollectable.

#### **STATUS OF STORAGE FACILITIES AND AGREEMENTS**

51. Following the Appointment Order, the Receiver undertook a review of BMT's third-party storage agreements to determine whether there was any value in negotiating a settlement for pre-filing arrears and release of the inventory for realization purposes since all third-party storage providers asserted a storage lien over the inventory demanding payment of pre-filing accounts.
52. BMT had four different third-party storage and/or fulfilment contracts, of which the Receiver determined in consultation with BMO that:

- a. Two storage facilities located in Ontario were commercially viable to continue while the Receiver marketed the sale of inventory held in those facilities; and
  - b. Two storage facilities located in Buffalo, New York were not commercially viable to continue and were terminated by the Receiver and inventory was abandoned as the outstanding storage costs and costs to recover such inventory was less than the realizable value of the inventory.
53. The Receiver paid approximately CAD20,000 in arrears to each of the two storage facilities that were continued.

#### **OTHER TRUST AND LIEN CLAIMS**

54. On May 22, 2019, the Receiver received a trust claim from PSMA Inc. (“**PSMA**”), which is a former sales agent of BMT. In essence, PSMA claims that it is owed sales commissions in the amount of USD82,194.03 in respect of a payment made by Walgreen Inc. to BMT and USD7,694.23 in respect of a payment made by “LTD” to BMT (collectively, the “**Claimed Commissions**”) and that BMT holds the Claimed Commissions pursuant to a “constructive trust in favour of PSMA”.
55. Following receipt of PSMA’s trust claim, Dentons, on behalf of the Receiver, engaged in various discussions with BMT and with PSMA’s counsel to determine the nature and validity of PSMA’s asserted trust claim.
56. By letter dated June 26, 2019, Dentons, on behalf of the Receiver, advised PSMA’s counsel that:
- a. the Receiver accepts that there was a verbal agreement in place between BMT and

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PSMA relating to the payment of sales commissions and that BMT has in the past paid commissions to PSMA pursuant to such agreement;

- b. the Receiver is not satisfied that the Claimed Commissions are impressed with a trust in favour of PSMA because: (i) the documentation provided by PSMA does not evidence the clear intention to create a trust and indeed does not reference any trust agreement between BMT and PSMA; (ii) BMT advised the Receiver that there was no trust arrangement between BMT and PSMA; (iii) as a general practice, BMT did not hold commissions payable to PSMA in a trust account or otherwise segregate the funds in any way; (iv) PSMA has not established a proprietary interest in the goods sold by BMT to Walgreens or LTD, nor in the proceeds of the sale of such goods; and (v) as a result of the receivership proceedings and the shortfall to BMT's secured creditors, BMT will not be benefit from, nor be unjustly enriched by, the collection accounts receivable from Walgreens and LTD; and
- c. Accordingly, the Receiver denied PSMA's trust claim.

57. By email dated July 8, 2019, PSMA's counsel advised Dentons that PSMA would not be challenging the Receiver's position regarding PSMA's trust claim but that PSMA still wished to assert an unsecured claim against BMT in respect of the Claimed Commissions. By email dated July 14, 2018, Dentons responded advising PSMA's counsel that the Receiver is aware of PSMA's unsecured claim but would not formally review such claim unless there was the prospect of a distribution to unsecured creditors. As noted herein, there are insufficient funds in the receivership estate to support a distribution to BMT's unsecured

creditors. As such, the Receiver has not taken any further action in respect in PSMA's unsecured claim.

## RECEIPTS AND DISBURSEMENTS

58. Attached hereto as **Appendix "D"** is the Receiver's R&D for the period from April 25, 2019 through July 21, 2020. As set out in the Receiver's R&D, the Receiver has realized cash receipts and disbursements from the following sources (note all amounts in USD):

In the Matter of the Receivership of Best Made Toys International, ULC and its affiliates  
Receiver's Interim Statement of Receipts and Disbursements  
For the period April 25, 2019 to July 21, 2020  
*All balances in USD \$*  
*CAD balances converted using the Bank of Canada spot rate as at July 21, 2020 (0.7437)*

### Receipts

Accounts receivable collections	3,805,733
Accounts receivable collections - Hong Kong Account	712,001
Sale of assets to KellyToy	615,000
Income tax refund	594,880
Reimbursement from KellyToy	458,981
HST collected / refunds	147,840
Other	251,528

<b>Total Receipts</b>	<b>\$ 6,585,963</b>
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### Disbursements

Operating expenses	452,362
Occupation rent	203,365
Wages/Employee expenses	219,062
Source deductions	184,490
Insurance	66,087
Taxes paid	90,439
Professional fees	421,050
Advance to BMO (i.e. payment of BMO legal invoices)	107,383
Cumulative effect of foreign exchange	24,845
Other	141,115

<b>Total Disbursements</b>	<b>\$ 1,910,198</b>
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<b>Excess of receipts over disbursements</b>	<b>\$ 4,675,765</b>
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59. As discussed above, pursuant to the APA, KellyToy reimbursed a large portion of the operating disbursements primarily in respect of occupation rent, and employee wages incurred in the production of toys for sale to KellyToy's customers.
60. As of July 21, 2020, the excess of receipts over disbursement is approximately USD4.675 million. As further described below, the Receiver is seeking authorization to distribute the surplus after payment of the Remaining Fees and other amounts identified herein to BMO by way of the Interim BMO Distribution and the Final BMO Distribution.

#### **RECEIVER'S REQUEST FOR APPROVAL TO PAY BMTGE EMPLOYEE CLAIMS**

61. As described herein, accounts receivable collections into the BMTGE bank account at BMO total USD712,000 as at July 21, 2020. The Receiver has not transferred or distributed any funds held in this account.
62. The Receiver understands that the only creditor claims related to BMTGE with any priority that may rank ahead of BMO's security interest are in respect of statutory amounts due to terminated employees. The Receiver understands from Dentons, its independent counsel, that under Hong Kong employment legislation, terminated employees are entitled to a limited priority payment upon their termination and such amounts rank in priority to secured interests governed in Hong Kong. The Receiver enlisted the assistance of its Hong Kong member firm so that the Receiver could estimate the limited priority termination obligations due to BMTGE's former employees. It was determined that a total of 8 employees are owed an aggregate of approximately HKD152,354.25 (approximately USD20,000) (the **"BMTGE Employee Payment"**)

63. BMTGE's operations consisted of a showroom and liaison office to customers and factories. It operated out of leased premises which were seized and re-leased by the landlord shortly after the Receiver's appointment. The Receiver did not seek recognition of its appointment in Hong Kong nor did it initiate insolvency proceedings in Hong Kong in order to preserve costs (as outlined above).
64. The Receiver understands that BMTGE has unsecured trade payables due to creditors, however there is no process to call for such claims, nor any assets of BMTGE in Hong Kong to satisfy such claims following the payment of secured claims.
65. To address the limited priority claims of the BMTGE employees, the Receiver is seeking the Court's approval to pay such priority wage amounts due to them from the funds in BMTGE's Canadian domiciled account at BMO. The Receiver has already attempted on a number of occasions to communicate with the HK Employees with limited success (i.e. three of eight former employees have responded to the Receiver as of the date of this First Report). The Receiver would issue such payments, if approved by the Court, after these former employees execute releases in favour of the Receiver, BMTGE, BMT and their affiliates. As part of that process, the Receiver will need to communicate with the HK Employees and facilitate the delivery of the employee claim in short order. As such, the Receiver is requesting that the Court direct the Receiver to continue attempts to locate and communicate with the HK employees and deliver the BMTGE Employee Payment for an additional 45 day period (the "**Employee Payment Period**"), failing which, the BMTGE Employee Payment, or any part thereof be distributed to BMO pursuant to its secured claim.

**RECEIVER'S REQUEST TO MAKE DISTRIBUTIONS TO BMO**

66. The Receiver obtained a security opinion from Dentons with respect to the BMO security documentation (the "**Security Opinion**") and, subject to the customary qualifications and assumptions contained therein, the Security Opinion opines that: (a) the security held by BMO is valid and legally enforceable against BMT, and (b) BMO has a perfected security interest in all the personal property of BMT (the "**Property**").
67. As of July 20, 2020, BMO is owed approximately USD9,371,583 and CAD693,259 from BMT (the "**BMO Indebtedness**"). BMO will suffer a significant shortfall and aside from certain priority claims discussed herein, is the only economic stakeholder in the BMT realizations.
68. During the receivership, BMO's counsel, Borden Ladner Gervais LLP ("**BLG**") provided legal services to BMO in respect of its loans to BMO during the course of the receivership administration. These fees (totalling CAD126,609.13, inclusive of disbursements and HST, CAD144,390.42) were paid by the Receiver out of realization proceeds of BMT as an advance distribution to BMO and are reflected as such in the Receiver's R&D.
69. There are sufficient funds in the estate as outlined in the Receiver's R&D to support the Interim BMO Distribution, as a partial repayment of the BMO Indebtedness. The Receiver is of the view that the Interim BMO Distribution is appropriate and reasonable in the circumstances.
70. As shown in the Receiver's R&D, as at July 21, 2020, the Receiver is holding approximately USD4.675 million. There will be insufficient funds in the receivership estate to fully repay the BMO Indebtedness. Accordingly, the Receiver is also seeking approval to further



distribute all remaining funds collected by the Receiver to BMO, subject to the payment of the WEPPA Claim, any BMTGE Employee Claims paid within the Employee Payment Period, and the Remaining Fees.

71. Once the WEPPA Claim is paid by the Receiver and the BMTGE Employee Claims are finally addressed (or the 45 days expires), the Receiver proposes to pay the balance of the funds it holds to BMO on account of the BMO Indebtedness (the “**Final BMO Distribution**”).

### **PROFESSIONAL FEES**

72. The Receiver, and its legal counsel, Dentons, have maintained detailed records of their professional time and costs since the date of the Appointment Order.
73. The total fees of the Receiver during the period from April 21, 2019 to July 17, 2020, total CAD496,332.00, together with expenses and disbursements in the sum of CAD12,556.75 and HST in the amount of CAD66,155.61, totalling CAD575,044.36, as more particularly described in the Affidavit of Jordan Sleeth sworn July 22, 2020 (the “**Sleeth Affidavit**”), attached hereto as **Appendix “G”**.
74. The total fees of Dentons, in its capacity as counsel to the Receiver, during the period from April 17, 2019 to July 20, 2020 total CAD134,642.50, together with expenses and disbursements in the sum of CAD35,556.15 and HST in the amount of CAD22,125.83, totalling CAD192,324.48, as more particularly described in the Affidavit of Robert Kennedy sworn July 22, 2020, (the “**Kennedy Affidavit**”, and together with the Sleeth Affidavit, the “**Fee Affidavits**”) attached hereto as **Appendix “H”**.

75. The Receiver estimates that it will incur a further CAD30,000 in fees and disbursements, plus applicable taxes (the “**Remaining Receiver’s Fees**”) to complete the administration of the receivership proceeding. Dentons estimates that it will incur a further CAD20,000 in fees and disbursements, plus applicable taxes (the “**Remaining Legal Fees**” and together with the Remaining Receiver’s Fees, the “**Remaining Fees**”).
76. The Receiver respectfully submits that the Receiver’s fees and disbursements, together with the Dentons fees and disbursements, as set out in the Fee Affidavits, together with the estimated Remaining Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order. Of note, BMO has previously approved all the invoices referenced above.

#### **RECEIVER’S DISCHARGE**

77. The Receiver’s remaining activities and duties will include: (i) the payment of the WEPPA Claim, (ii) continuing attempts to communicate with the BMTGE employees and facilitate the delivery of Employee Payments within the Employee Payment Period, (iii) the payment of the Remaining Fees, (iv) completing the Interim BMO Distribution and Final BMO Distribution, and (v) the filing of the Receiver’s final report pursuant to section 246(3) of the BIA (collectively, the “**Remaining Activities**”). Once the Receiver has completed the Remaining Activities, the Receiver will file the Receiver’s Discharge Certificate with the Court certifying that the Remaining Activities have been completed.
78. To the best of the Receiver’s knowledge and belief, all duties of the Receiver as out in the Appointment Order have been or will be completed and the Receiver respectfully requests

that this Court grant an Order discharging the Receiver, subject to the Receiver completing the Remaining Activities.

### **RECOMMENDATIONS**

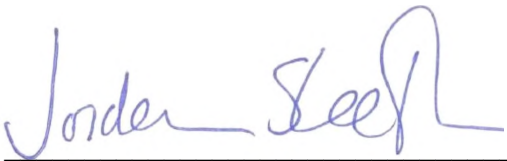
79. For the reasons set out above, the Receiver respectfully requests that the Court approve the Receiver's request for an Order:
- a. approving the Receiver's First Report and the activities and conduct of the Receiver outlined herein;
  - b. approving the Receiver's R&D;
  - c. approving and authorizing the Receiver to pay any BMTGE Employee Claims within the Employee Payment Period, as outlined herein;
  - d. approving and authorizing the Receiver make the Interim BMO Distribution and the Final BMO Distribution, as outlined herein;
  - e. approving the professional fees and disbursements of the Receiver and those of its legal counsel as more particularly described in the Fee Affidavits, and authorizing the Receiver to pay all such fees and disbursements from available funds;
  - f. discharging the Receiver, subject to the Receiver completing the Remaining Activities and the filing of the Receiver's Discharge Certificate; and

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- g. declaring that, upon the filing of the Receiver's Discharge Certificate, Deloitte is released and discharged from any and all liability that Deloitte now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Deloitte while acting in its capacity as Receiver, save and except for the Receiver's gross negligence or wilful misconduct.

All of which is respectfully submitted at Toronto, Ontario this 22<sup>nd</sup> day of July, 2020.

**DELOITTE RESTRUCTURING INC.,**  
as the Receiver of  
Best Made Toys International, ULC and its  
affiliates and not in its personal or corporate  
capacity

Per: 

Jordan Sleeth, CPA, CA, CAIRP, LIT  
Senior Vice-President

**Appendix “A”**  
to the First Report of the Receiver  
dated July 22, 2020

**Appendix “A”  
List of Affiliates**

**Best Made Toys LLC**

**Best Made Toys Global Enterprises Limited**

**Best Made Toys International, ULC**

**Best Made Toys Holding LLC**

**Best Made Toys (Shanghai) Co Ltd\***

\*Not subject to these proceedings

**Appendix “B”**  
to the First Report of the Receiver  
dated July 22, 2020

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

THE HONOURABLE  
JUSTICE

*HAINES*

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)

THURSDAY, THE 25<sup>TH</sup>

DAY OF APRIL, 2019

BETWEEN:

**BANK OF MONTREAL**

Applicant

- and -

**BEST MADE TOYS INTERNATIONAL, ULC, BEST MADE TOYS LLC,  
BEST MADE TOYS GLOBAL ENTERPRISES LIMITED and BEST MADE TOYS  
HOLDING LLC**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION  
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,  
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER  
(Appointing Receiver)**

**THIS APPLICATION** made by Bank of Montreal ("**BMO**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Deloitte Restructuring Inc. as receiver and manager (the "**Receiver**") without security, of all of the property, assets and undertaking of Best Made Toys International, ULC, Best Made Toys LLC, Best Made Toys Global Enterprises Limited and Best Made Toys Holding LLC (collectively the "**Debtors**" or "**BMT**") acquired for, or used in relation to the business



carried on by the Debtors, wherever situate, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Robert Kiefer sworn April 23, 2019 and the Exhibits thereto, (the "**Kiefer Affidavit**") and the Pre-Filing Report of Deloitte Restructuring Inc. dated April 23, 2019 (the "**Pre-Filing Report**") in its capacity as proposed Receiver, and on hearing the submissions of counsel for BMO, the Debtors and the proposed Receiver, no one appearing for any other party although duly served as appears from the affidavits of service of Mariela Adriana Gasparini sworn April 23, 2019 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 and the 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 and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the property, assets and undertaking of the Debtors of every nature and kind whatsoever and wherever situate, acquired for, or used in relation to a business carried on by the Debtors, 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 to carry on the business of the Debtors, including the power to enter in to any agreements, incur any obligations in the ordinary course of business, to cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to, or by the Debtors;
- (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 Debtors, for any purpose pursuant to this Order;
- (i) 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 Debtors, 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;

- (j) 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 otherwise engaging in, or continuing the Sale and Investor Solicitation Process (the “SISP”) as described in the Kiefer Affidavit and the Pre-Filing Report, and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) 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 \$1,00,000 provided that the aggregate consideration for all such transactions does not exceed \$3,500,000; 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 63(4) of the Ontario *Personal Property Security Act* shall not be required.

- (l) 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;
- (m) 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;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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 Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights, or powers which the Debtors may have;
- (r) to execute an assignment into bankruptcy, assigning the Debtors into bankruptcy, or to consent to an application for the making of a bankruptcy order against the Debtors; and,
- (s) 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 Debtors, and without interference from any other Person.

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

4. **THIS COURT ORDERS** that (i) the Debtors, (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, partnerships, 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 Debtors, 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 DEBTORS OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtors, 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 Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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, suspend, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract,

agreement, licence or permit in favour of, for the benefit of, or held by the Debtors, 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 Debtors 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 Debtors 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 Debtors' 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 Debtors 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 Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related

liabilities, or compensation, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, or otherwise, 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 be permitted to 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 Debtors, 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 *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* 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 at law, by section 14.06 of the BIA or by any other applicable legislation.

#### **RETENTION OF COUNSEL**

18. **THIS COURT ORDERS** that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties including, without limitation, those conferred by this Order. Such solicitors may include Borden Ladner Gervais LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

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

19. **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, (including statutory, deemed and constructive 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.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their 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 the Commercial List of the Ontario Superior Court of Justice.

21. **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**

22. **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 \$2,000,000 (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.

23. **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.

24. **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.

25. **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**

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following '<http://www.insolvencies.deloitte.ca>'.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute 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 or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile 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.

#### **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.

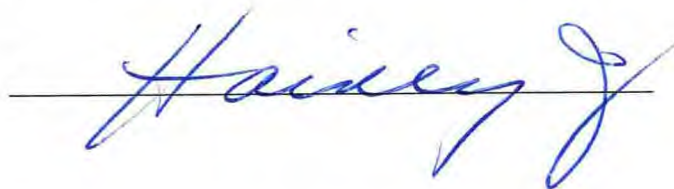
29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Hong Kong, or in the People's Republic of China 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 application, 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 substantial indemnity basis to be paid by the Receiver from the Debtors' 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 two (2) 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.



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

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

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

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver and manager (the "**Receiver**") of the property, assets and undertaking of Best Made Toys International, ULC, Best Made Toys LLC, Best Made Toys Global Enterprises Limited and Best Made Toys Holdings LLC (collectively the "**Debtors**") or acquired for, or used in relation to the business carried on by the Debtors, wherever situate, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 25<sup>th</sup> day of April, 2019 (the "**Order**") made in an application having Court file number \_\_-CL-\_\_\_\_\_, and has received as the 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 and its counsel out of such Property in respect of their 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 Toronto, Ontario.

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 and manager of Best Made Toys International, ULC, Best Made Toys LLC, Best Made Toys Global Enterprises Limited and Best Made Toys Holdings LLC and not in its personal or corporate capacity

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

Name:

Title:

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**BANK OF MONTREAL**

**Applicant**

- and -

**BEST MADE TOYS INTERNATIONAL, ULC et al.**

**Respondents**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
PROCEEDINGS COMMENCED AT TORONTO**

**ORDER  
(Appointing Receiver)**

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Lawyers for the Applicant

**Appendix “C”**  
to the First Report of the Receiver  
dated July 22, 2020



Court File No.

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**BETWEEN:**

**BANK OF MONTREAL**

Applicant

- and -

**BEST MADE TOYS INTERNATIONAL, ULC, BEST MADE TOYS LLC,  
BEST MADE TOYS GLOBAL ENTERPRISES LIMITED and BEST MADE TOYS  
HOLDING LLC**

Respondents

**REPORT OF DELOITTE RESTRUCTURING INC. IN ITS CAPACITY AS PROPOSED  
RECEIVER OF BEST MADE TOYS INTERNATIONAL ULC AND ITS AFFILIATES**

**DATED APRIL 23, 2019**

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**APPENDICES**

<b>APPENDIX "A":</b>	<b>SUBJECT AFFILIATES</b>
<b>APPENDIX "B":</b>	<b>BMT CORPORATE ORGANIZATIONAL STRUCTURE</b>
<b>APPENDIX "C":</b>	<b>FINANCIAL STATEMENTS FOR FISCAL YEARS 2015 - 2018</b>
<b>APPENDIX "D":</b>	<b>CASH FLOW FORECAST</b>

## INTRODUCTION AND PURPOSE OF THIS REPORT

1. Deloitte Restructuring Inc. (“**Deloitte**”) understands that an application (the “**Receivership Application**”) will be made before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) by the Bank of Montreal (“**BMO**”) for an Order (the “**Receivership Order**”), *inter alia*, appointing Deloitte as receiver to exercise the powers and duties set out in the Receivership Order, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended (the “**Receiver**”), without security, of all the assets, properties and undertakings (collectively, the “**Property**”) of Best Made Toys International, ULC (the “**Company**”) and its affiliates set out and attached hereto in **Appendix “A”** (collectively with the Company, “**BMT**”).
2. Deloitte was retained by BMO on May 4, 2018, to act as its financial advisor to review and monitor the current operations and financial position of BMT. Deloitte’s involvement with BMT is further described herein. More recently, Deloitte also worked with BMO and its legal counsel, Borden Ladner Gervais LLP (“**BLG**”), with regard to the proposed receivership proceeding, as discussed below.
3. Deloitte is a licensed insolvency trustee within the meaning of section 2 of the BIA and has consented to act as Receiver in these proceedings in the event that the Court grants the relief sought by BMO. Deloitte has prepared this report as proposed Court-appointed Receiver of BMT (“**Proposed Receiver**”) to provide background to the Court for the pending receivership application and the relief being sought as part of the application (the “**Report**”).

4. Deloitte has also engaged Dentons LLP (“**Dentons**”) to act as the Proposed Receiver’s independent legal counsel.
5. This Report will cover:
  - a) An overview of BMT’s business;
  - b) A summary of BMT’s major stakeholders and creditors;
  - c) Deloitte’s prior involvement with BMT;
  - d) BMT’s current financial position causes of financial difficulty;
  - e) BMT’s immediate cash flow requirements;
  - f) The result of BMO issuing its Notices of Intention to Enforce security;
  - g) Dentons’ preliminary review of the validity and enforceability of BMO’s security;  
and
  - h) Deloitte’s consent to act as Receiver should the Court see fit to grant the Receivership Order.

#### **TERMS OF REFERENCE**

6. In preparing this Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, BMT’s books and records, discussions with management of BMT, discussions with BMO and its legal counsel, and information from third-party sources (collectively, the “**Information**”). Except as described in this Report:

- (a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Proposed Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) Deloitte has prepared this Report in its capacity as Proposed Receiver to provide background to the Court for its consideration of the relief being sought. Parties using the Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
7. Unless otherwise stated, all dollar amounts contained in the Report are expressed in US dollars, as the Company utilizes this convention for internal accounting purposes. Financial information reported herein is presented on a consolidated basis and not at the individual operating company level.
8. The Report has been prepared with reference to the Affidavit of Robert Kiefer sworn April 23, 2019 (the “**Kiefer Affidavit**”) in this matter, a copy of which will be filed separately with the Court by BMO. This Report should be read concurrently with the Kiefer Affidavit which provides further context and background regarding BMT and the activities leading up to the Receivership Application.

## OVERVIEW OF BMT

9. The Company is a privately held company with the registered office located at 1800-355 Burrard Street, Vancouver, British Columbia. The head office is located at 120 St. Regis Crescent North, Toronto, Ontario, with additional production facilities located nearby at 53 Bakersfield Street, North York, Ontario. The Company is a global provider of plush toys, pet toys, and pet beds. BMT's assets mainly consist of accounts receivable, inventory and fixed assets used in the operation of its plush toy manufacturing business.
10. BMT supplies goods to customers in over 50 countries worldwide. Production takes place in both China and Canada through two distinct processes:
  - (a) For larger toys, the shell or "skin" of the toy is manufactured in China, shipped to Toronto for stuffing, and then delivered to North American customers via road transport ("**Domestic Production**"); and
  - (b) For smaller toys, the entire toy is manufactured in China, and then shipped directly to the customer (direct import or "**DI Production**").
11. One prominent North American retailer represents in excess of 33% of BMT's reported revenue for 2018.
12. The Company was founded in 2015 when SJ Capital Partners V LLC, a corporation headquartered in New York, NY, formed the Company to acquire Best Made Toys International Inc. of Toronto and Best Made Toys Global Limited of Hong Kong. Prior to this, BMT's business was operated by Gerald and Anne-Marie Seetner for over 30 years.

13. BMT currently employs approximately 62 employees in total between its various locations. The 17 employees based in Canada are non-unionized. Production staff in Toronto are sourced from staffing agencies and are not BMT employees.
14. A corporate organizational chart setting out the corporate relationships within the BMT structure is included as **Appendix “B”** attached hereto.
15. Pursuant to the terms of an amended and restated credit agreement dated October 4, 2018 (as amended, the “**Credit Agreement**”) between the Company, as borrower, and BMO, revolving credit facility borrowings are subject to a borrowing base limit based on the level of accounts receivable and other working capital balances. The borrowing base is calculated on a monthly basis. As of April 10, 2019, advances made by BMO under the Credit Agreement are approximately \$22.4 million, of which \$8.6 million is in respect of a term loan, with the balance, being approximately \$13.8 million, representing a revolving credit facility.
16. A summary of the credit facilities provided by BMO, their balances and the relevant limits of each facility is set out in the table below.

<b>Facility</b>	<b>Balance as at April 10, 2019</b>	<b>Limit</b>
Facility #1 Revolver (“ <b>Existing Revolver</b> ”)	\$7.4 million	\$10.0 million
Facility #2 Term Loan	\$6.1 million	\$6.1 million
Facility #3 Term Loan	\$2.5 million	\$2.5 million
Facility #4 Revolver (“ <b>EDC Revolver</b> ”)	\$5.8 million	\$10.0 million
Facility #5 Diners Club Card and Professional Fees Payments	\$0.6 million	\$0.3 million
<b>Total</b>	<b>\$22.4 million</b>	<b>\$28.9 million</b>

17. As security for the Company's obligations and liabilities to BMO under the Credit Agreement, BMT executed, among other things, a general security agreement in favour of BMO granting a security interest over BMT's assets.

### BMT'S STAKEHOLDERS

18. The total indebtedness of BMT to its creditors as of March 31, 2019 is approximately \$42.6 million. The following table sets out the nature of the relationship between BMT and each of its major creditors and stakeholders as detailed on the Company's financial statements:

Stakeholder	Nature of relationship	Amount owing at March 31, 2019 <sup>(1)</sup>
BMO	<ul style="list-style-type: none"> <li>Senior secured lender including a term and revolving credit facility</li> </ul>	\$22.4 million
EDC	<ul style="list-style-type: none"> <li>Guaranteed 50% of the EDC Revolver advanced by BMO</li> </ul>	TBD, currently \$5.8 million <sup>(2)</sup>
Gerald and Anne-Marie Seetner	<ul style="list-style-type: none"> <li>Owed \$13.1 million unsecured vendor take-back loan related to the sale of BMT's business in 2015 to the Company</li> <li>Landlord of the Company's North York premises (the lease is current)</li> </ul>	\$13.1 million
SJ Capital Partners V LLC	<ul style="list-style-type: none"> <li>Majority shareholder of BMT, unsecured subordinated notes</li> </ul>	\$1.0 million
Trade creditors	<ul style="list-style-type: none"> <li>\$4.5 million owed to factories located in China</li> <li>\$1.7 million owed to various other trade vendors primarily located in Canada, USA, Hong Kong and Shanghai</li> </ul>	\$6.2 million

(1) All amounts owing as at March 31, 2019, with the exception of BMO and EDC amounts, which are as at April 10, 2019.

(2) The outstanding value of the EDC Revolver is \$5.8 million. EDC has guaranteed 50% of any shortfall on this facility, which can only be determined after realizations are complete, and eligible amounts applied to the EDC Revolver.



**DELOITTE'S PRIOR INVOLVEMENT WITH BMT**

19. On May 4, 2018, BMO engaged Deloitte to perform an independent business review with respect to BMT's affairs and financial position, including an assessment of BMO's collateral position. As part of its scope of work, Deloitte undertook the following:
- (a) a review of BMT's business plan and financial forecast;
  - (b) preparation of an estimate of BMO's security position;
  - (c) a review of the borrowing base certificates provided to BMO; and
  - (d) other matters as directed by BMO.
20. The Company consented and agreed to the engagement by BMO of Deloitte.
21. Deloitte began its work shortly after the execution of its engagement letter by BMO and provided its report to BMO on June 29, 2018 (the "**June 29 Report**"). The June 29 Report highlighted several key issues facing the Company and BMO's loans, including, but not limited to:
- (a) Production issues in 2017 which led to a \$4.3 million EBITDA loss;
  - (b) Key issues as they relate to BMT's turnaround plan for the remainder of 2018;
  - (c) A working capital shortfall of approximately \$10.2 million for the remainder of the 2018 production season; and
  - (d) A material impairment of BMO's Term Loan facilities.

22. A chronology of certain subsequent post-report events as they related to Deloitte's engagement is set out below:

- (a) In July 2018, Deloitte assisted BMO in canvassing several prominent local and US-based alternative lenders to gauge interest in refinancing BMT's working capital facilities, and to provide BMT with sufficient working capital for the 2018 production season.
- (b) Over the course of July and August 2018, Deloitte and BMO had discussions with 25 potentially interested parties, with none putting forward a commercially attractive purchase or refinancing offer.
- (c) In August 2018, BMO negotiated with Export Development Canada ("EDC") to obtain a guarantee on an incremental additional working capital facility to fund BMT's 2018 production cycle. The new facility, the EDC Revolver (as defined above) provided for a \$10.0 million limit revolver to fund eligible pre-shipment costs of goods (i.e. to fund purchase orders with Chinese factories). The EDC Revolver was 50% guaranteed by EDC and BMO advanced under the facility on September 5, 2018. Based on the Company's 2018 budget, the EDC Facility and the other pre-existing BMO credit facilities were expected to be repaid in full by January 31, 2019.
- (d) After delivery of the June 29 Report, BMO requested that Deloitte monitor the operations of BMT, which work included, but was not limited to, the following:
  - i. Review of weekly borrowing base reports and EDC facility submissions;

- ii. Review of the Company's 2019 budget and business plan (the "**2019 Forecast**");
  - iii. Assist the Company with cash flow forecasting;
  - iv. Negotiation of CEO compensation; and
  - v. Identification of an incoming Director to oversee corporate governance of the BMT business as the existing directors advised of their intention to resign in the fall of 2018.
- (e) Throughout October and November 2018, the Company's CEO, Mr. Carter Pennington (the "**CEO**"), advised of the declining financial performance of the business. In particular, there were significant production difficulties within the Toronto manufacturing facility, which ultimately led to:
- i. BMT and/or customers cancelling \$11.1 million of their budgeted \$85.3 million sales orders for the remainder of 2018;
  - ii. Increased operating costs of \$4.6 million primarily related to supply chain disruption (\$3.4 million), additional logistics costs (\$0.6 million) and increased production costs (\$0.6 million);
  - iii. Accounts receivable write-downs totalling \$2.4 million; and
  - iv. Inventory write-downs and freight provisions of \$1.4 million directly related to the cost of goods which were paid for, however, the customer orders for the same were ultimately cancelled.

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- (f) In December 2018, the Company began experiencing cash flow difficulties as a result of the cancelled orders and a compressed production window. A Canada Post labour strike in November and December 2018 and disputes with customers compounded this issue as collection of receivables slowed.
- (g) On January 28, 2019, BMO, EDC, the Company and Deloitte attended a meeting at the Company's North York premises to discuss, among other matters, the 2019 Forecast. The outcome of this meeting was for Deloitte to work with the Company to estimate the working capital requirement for the 2019 Forecast.
- (h) On February 15, 2019, Deloitte met with BMO to discuss the 2019 Forecast, which highlighted a peak working capital requirement of \$28.0 million for the 2019 production season. This represented an additional \$8.0 million liquidity requirement for the remainder of 2019, with such amount needed in the spring of 2019 to fund production of fall 2019 deliveries to customers. This also assumed that the EDC Revolver would be renewed for 2019, which was uncertain.
- (i) On February 28, 2019, BMO held a conference call with the CEO and BMT's Director, Mr. Naveed Manzoor (the "**Director**"), as well as Deloitte, to discuss the financial situation and liquidity requirements of the Company. During that conference call, BMO advised the Company that:
- i. It was unable to provide the additional \$8.0 million liquidity required for 2019;

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- ii. It was uncertain whether EDC would renew or extend the EDC Revolver throughout the entire 2019 fiscal year, and unlikely that EDC would guarantee an additional facility that would address BMT's working capital requirements; and
  - iii. Based on Deloitte/BMO's experience in canvassing the refinancing market in the summer of 2018, it seemed unlikely that a third party would provide the additional liquidity requirement given the deteriorating financial performance of the business throughout 2018 and early 2019.
- (j) On that same conference call, it was mutually agreed between BMO and the Company that the best course of immediate action was to engage Deloitte under their existing engagement letter to manage a condensed Sale and Investment Solicitation Process ("SISP").
- (k) The objectives of the SISP were to source additional debt or equity capital and provide the business with the working capital required to continue to operate as a going concern in 2019. The Company did not have sufficient liquidity or time to carry out a lengthy and broad-based sale process. Therefore, a condensed SISP was to be run over the course of several weeks as opposed to months, with initial bids due April 5, 2019.
- (l) On March 14, 2019, Deloitte began contacting parties to gauge their interest in acquiring the equity of BMT, or alternatively, BMO's senior secured creditor position. Throughout the course of several weeks, Deloitte was in

communication with many interested parties, which primarily fell into two distinct buyer categories:

- i. Strategic buyers: direct competitors, well-known toy companies, and private equity groups; and
- ii. Financial buyers: commercial financiers, alternative lenders, distressed debt funds.

(m) Throughout the course of the SISP, Deloitte:

- Distributed 97 teaser documents to potentially interested parties;
- Received 4 executed non-disclosure agreements (“NDAs”) from strategic buyers and 24 NDAs from financial parties;
- Distributed 28 Confidential Information Summaries (“CIS”) to interested parties; and
- Circulated 26 bid instruction and term sheet instruction letters to active parties.

(n) While initial bids/offers were due from interested parties on April 5, 2019, no offers were received by that date or afterwards.

23. By April 5, 2019, BMT was no longer able to meet its liabilities in the ordinary course without third party capital injections. Neither BMO nor BMT’s shareholders were willing to make further advances or equity injections. Accordingly, BMO began evaluating its

alternatives to realize value on its loans to BMO, including an enforcement of security by way of a receivership or liquidation proceeding.

## **BMT'S CURRENT FINANCIAL POSITION**

### *BMT's past performance*

24. A summary of BMT's key financials is provided below. Detailed financials have been included in **Appendix "C"** to this Report.

<b>Best Made Toys International ULC and affiliates</b>				
<b>Summary of Key Financials</b>				
<b>(in USD 000's)</b>				
<b>Fiscal year-end is December 31.</b>				
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Preliminary Draft</b>
	<b><u>FY2015</u></b>	<b><u>FY2016</u></b>	<b><u>FY2017</u></b>	<b><u>FY2018</u></b>
<b>Income Statement</b>				
<b>Select Income Statement Items</b>				
Revenue	81,063	83,330	80,221	74,149
EBITDA	6,510	6,285	(4,253)	(10,054)
Net Income/Loss	4,666	2,368	1,104	(6,261)
<b>Balance Sheet</b>				
<b>Select Balance Sheet Items</b>				
<b>Assets</b>				
<b>Current Assets</b>				
Cash	7,101	-	-	-
Accounts receivable and other receivables	18,075	23,597	18,799	15,365
Prepays and deposits	2,083	1,523	1,938	2,354
Corporate Taxes Recoverable	-	-	1,268	-
Inventory Assets	2,045	3,279	4,932	8,374
<b>Long Term Assets</b>				
Fixed Assets	137	380	367	344
Goodwill and Intangible Assets	13,497	12,357	11,189	10,035
<b>Liabilities</b>				
<b>BMO</b>				
Bank overdraft	-	76	1,289	3,585
Revolver Facilities	5,685	4,000	6,500	14,788
Current Portion of Long Term Loan	644	1,117	8,629	8,606
Long Term Loan	6,760	8,531	-	-
<b>Total BMO Indebtedness</b>	<b>13,089</b>	<b>13,723</b>	<b>16,418</b>	<b>26,979</b>
<b>Other Key Liabilities</b>				
Accounts Payable and Other Payables	7,651	8,021	8,890	12,513
Amounts due to Gerry and Ann-Marie Seetner	16,406	12,407	12,774	13,111
Corporate Taxes Payable	999	1,068	-	61
Shareholder Loan - SJ Capital Partners V, LLC	-	600	1,000	1,000

25. BMT's 2017 financial performance was significantly affected by one-off start-up costs, production issues and incremental financial penalties assessed by BMT's customers as result of delivery delays related to BMT's outsourcing of its Domestic Production facility from Toronto to St. Louis, Missouri, USA. This resulted in cost increases of \$4.3 million. The Company also experienced the following incremental cost increases:



- (a) Productivity issues and incremental customer penalties related to BMT's Domestic Production facility of \$3.3 million;
  - (b) Extraordinary trucking costs related to US hurricanes in late 2017 of \$0.4 million; and
  - (c) Increase of \$2.1 million to selling, general and administration expenses (CEO and management turnover, travel expenses, storage).
26. In 2018, in order to address the delivery delays, BMT brought Domestic Production back to Toronto. However, BMT's performance in 2018 was severely impacted by supply chain disruptions. A liquidity crunch in the summer of 2018 compressed the peak production window from five months to three months. This forced BMT to cancel orders and prioritize the completion of major customer programs, which resulted in:
- (a) Non-compliance charges of \$0.9 million due to late deliveries;
  - (b) \$2.6 million increase to inbound freight costs and inventory provisions related to excess inventory;
  - (c) Outbound logistic cost increase of \$0.6 million to facilitate on-time delivery of orders to customers;
  - (d) Storage costs of \$0.6 million relate to excess inventory; and
  - (e) \$2.4 million in bad debt expenses.

*Current status*

27. BMT's factory relationships have deteriorated materially since the liquidity crunch in the summer of 2018. At the date of this Report, BMT has payables totaling approximately \$4.5

million to various Chinese manufacturers, all of which are past due. BMT was informed by these Chinese manufacturers that non-payment of past due amounts will result in a complete shutdown of production on BMT orders.

28. On February 22, 2019, BMT entered into a margin deficit on the Existing Revolver and continues to remain in a margin deficit position, despite briefly being in a margin surplus for two weeks. BMO approved a \$1 million temporary margin deficit on the Existing Revolver on March 7, 2019, which remains in place. The past seven weeks of margin surplus/(deficit) are listed below.

- (a) February 22, 2019: (\$0.86 million)
- (b) March 1, 2019: (\$0.99 million)
- (c) March 8, 2019: (\$1.38 million)
- (d) March 15, 2019: \$0.04 million
- (e) March 22, 2019: (\$1.04 million)
- (f) March 29, 2019: (\$1.01 million)
- (g) April 5, 2019: (\$1.60 million)

29. As a result of the margin deficit and deteriorating factory relationships describe above, it is the opinion of the Proposed Receiver that, in the absence of a meaningful and immediate capital contribution, BMT is insolvent.

**CASH FLOW FORECAST**

30. Management has prepared a weekly cash flow forecast for the 13-week period April 15, 2019 to July 14, 2019 (the “**Cash Flow Forecast**”) that quantifies BMT’s near-term cash needs. Receipts are projected primarily based on recent customer-specific average collection days, with some adjustment to reflect disputes with customers, or otherwise uncollectable amounts. Deloitte notes that, to date, the Cash Flow Forecast is prepared based on current orders on hand for 2019, which Management has estimated to be at least \$20.0 million. The Cash Flow Forecast is attached hereto as **Appendix “D”**.
31. Notwithstanding the preceding paragraph, Deloitte expects that a receivership cash flow will be materially different than the one prepared by Management as the receivership is implemented and the Receiver is able to determine, with customer and additional Management input, which orders can be completed and which costs must be incurred to do so.
32. The Cash Flow Forecast is premised on ongoing operations and forecasts total receipts of \$8.5 million, total disbursements of \$11.9 million (including \$669,000 of interest and fees payable to BMO in the week ending May 5, 2019) for net cash outflows of approximately \$3.4 million during the 13-week cash flow period. The week ending April 28, 2019 is the largest cash need, as net cash outflows in that week alone are forecast to be approximately \$7.1 million, with \$4.9 million of that amount related to past due Chinese factory payables.
33. BMT does not have sufficient liquidity to fund its operations as it has borrowed to the limit of its revolving credit facilities, and as noted above, the Existing Revolver is currently in a margin deficit position. As noted in the Kiefer Affidavit, BMO is unwilling

to provide such funding to the Company given its current and projected collateral shortfall. Accordingly, BMT is facing a liquidity crisis and cannot continue in its current form. As such, there is an urgent need for a receiver to minimize future operating losses, to collect accounts receivable, and to realize value on inventory as quickly as possible to maximize creditor recoveries for BMT's creditors on a commercially reasonable basis.

34. BMT has borrowed up to its permitted limit and requires a further \$6.8 million in financing in the week ending May 5, 2019. Based on available margin, this financing will not be made available by BMO for reasons discussed above. Accordingly, the Company does not have sufficient available cash nor sufficient borrowing capacity under its revolving credit facility to continue to operate as a going concern.

#### **THE BMO DEMAND**

35. On April 12, 2019, BMO issued its notices of intention to enforce security over BMT's assets. On behalf of BMT, the Director provided a waiver of the required 10-day notice period.

#### **DENTONS PRELIMINARY SECURITY REVIEW**

36. In preparing this Report, Deloitte engaged independent legal counsel to undertake, among other things, a high-level review of BMO's loan documents, including the security granted by BMT in favour of BMO in connection therewith. At this stage, and based on its discussions with Dentons, the Proposed Receiver is of the initial view that BMO holds valid and enforceable security as against BMT. To the extent that the Court grants the Orders sought by BMO in this application, the Proposed Receiver will, in due course, obtain a

formal independent security opinion from Dentons, a copy of which will be made available to the Court upon request and, in any event, prior to any distribution to BMO or any other party.

#### **DELOITTE'S CONSENT TO ACT AS RECEIVER**

37. As mentioned in the Kiefer Affidavit, Deloitte confirms that it is willing to act as Receiver should the Court see fit to grant BMO's request to appoint a receiver over BMT's assets.
38. In light of Deloitte's engagement by BMO to review BMT's operations and financial position, Deloitte possess the knowledge and understanding of the business, including the employees and stakeholders, to administer these proceedings in an efficient manner.
39. Other than the business review and monitoring described in this Report, Deloitte has had no other involvement with BMT and is independent in this regard.
40. Deloitte supports BMO's request for the appointment of a receiver given the urgent need to minimize cash outflows and to realize on the assets for the benefit of the Company's creditors.

All of which is respectfully submitted at Toronto, Ontario this 23<sup>rd</sup> day of April, 2019.

**DELOITTE RESTRUCTURING INC.,**  
as the Proposed  
Receiver of  
Best Made Toys International, ULC and its  
affiliates and not in its personal or corporate  
capacity

Per: Jordan Sleeth  
Jordan Sleeth, CPA, CA, CIRP, LIT  
Senior Vice-President

**Appendix "A"****List of Affiliates**

**Best Made Toys LLC**

**Best Made Toys Global Enterprises Limited**

**Best Made Toys International, ULC**

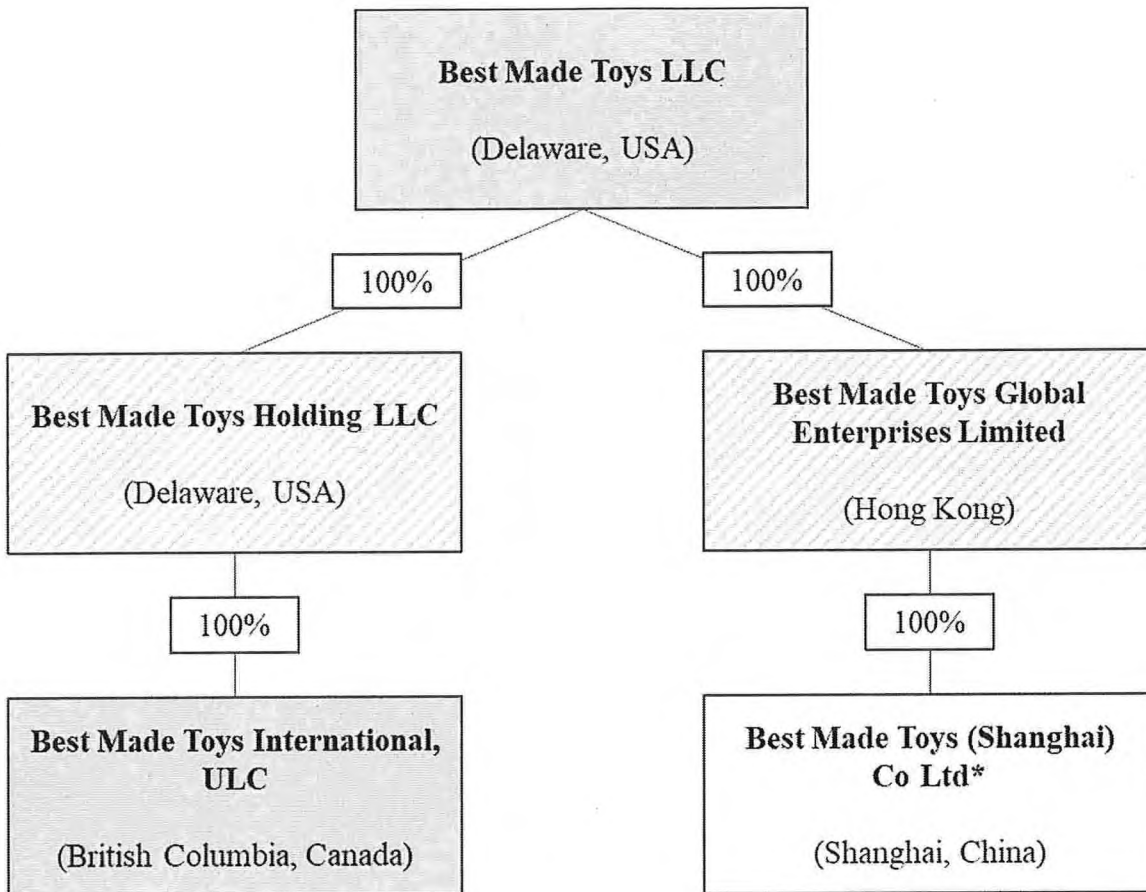
**Best Made Toys Holding LLC**

**Best Made Toys (Shanghai) Co Ltd\***

\*Not subject to these proceedings

Appendix "B"

BMT Organizational Structure

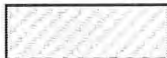


\*Not subject to these proceedings

Legend:



Borrower



Guarantor



## Appendix "C"

## Financial Statements for Fiscal Years 2015 – 2018

Best Made Toys International ULC and affiliates				
Income Statement				
(in USD 000's)				
Fiscal year-end is December 31				
	Audited	Audited	Audited	Preliminary
				Draft
	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
<b>Income Statement</b>				
Revenue	81,063	83,330	80,221	74,149
COGS	69,628	70,880	76,209	73,753
<b>Gross Margin</b>	<b>11,436</b>	<b>12,449</b>	<b>4,012</b>	<b>396</b>
Bank charges	39	53	51	55
Commissions	1,452	1,081	843	689
Delivery and postage	788	891	991	752
Insurance	249	302	240	225
Meals and entertainment	14	10	8	12
Miscellaneous	99	49	335	2,485
Office and general	81	175	258	256
Professional fees	169	313	686	1,013
Rent and utilities	543	607	732	749
Realized exchange losses	(277)	(238)	(90)	(393)
Repairs and maintenance	71	167	153	311
Storage	332	554	862	1,448
Travel	223	347	554	363
Wages and benefits	1,141	1,853	2,643	2,486
SG&A expenses	4,925	6,164	8,265	10,450
<b>EBITDA</b>	<b>6,510</b>	<b>6,285</b>	<b>(4,253)</b>	<b>(10,054)</b>
Amortization	727	1,233	1,361	1,377
Restructuring	-	-	-	868
Consulting	322	396	61	-
Financing Charges	170	235	214	138
Interest	611	680	995	2,259
Accretion interest expense	214	367	367	337
Management fees	107	315	161	-
Management fees - interco.	-	15	55	69
Merger and acquisition	868	3	34	1
Unrealized exchange gains	(206)	558	(360)	819
Gain on interest rate cap	(8)	4	4	46
Stock based compensation	21	192	63	64
Severance	10	157	200	192
Other expenses	2,837	4,156	3,156	6,169
<b>Income before income taxes</b>	<b>3,673</b>	<b>2,129</b>	<b>(7,409)</b>	<b>(16,223)</b>
Income Taxes	1,305	1,025	(1,148)	53
<b>Net Income</b>	<b>2,368</b>	<b>1,104</b>	<b>(6,261)</b>	<b>(16,275)</b>

**Best Made Toys International ULC and affiliates****Balance Sheet****(in USD 000's)****Fiscal year-end is December 31**

	Audited	Audited	Audited	Preliminary Draft
	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
<b>Balance Sheet</b>				
<b>Assets</b>				
<b>Current Assets</b>				
Cash	7,101	-	-	-
Accounts receivable and other receivables	18,075	23,597	18,799	15,365
Prepays and deposits	2,083	1,523	1,938	2,354
Corporate Taxes Recoverable	-	-	1,268	-
Inventory Assets	2,045	3,279	4,932	8,374
Other assets - current	200	200	-	-
<b>Total Current Assets</b>	<b>29,504</b>	<b>28,598</b>	<b>26,937</b>	<b>26,094</b>
Fixed Assets	137	380	367	344
Other Assets:	-	-	-	-
Goodwill and Intangible Assets	13,497	12,357	11,189	10,035
Other Non-Current Assets	280	50	46	0
<b>Total Other Assets</b>	<b>13,777</b>	<b>12,407</b>	<b>11,235</b>	<b>10,035</b>
<b>Total Assets</b>	<b>43,418</b>	<b>41,385</b>	<b>38,538</b>	<b>36,473</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Current Liabilities</b>				
Bank overdraft	-	76	1,289	3,585
Accounts Payable and Other Payables	7,651	8,021	8,890	12,513
Amounts due to former owners	4,366	-	-	-
HST Payable	-	-	-	-
CN VAT	-	-	-	-
Corporate Taxes Payable	999	1,068	-	61
Short Term Loan Payable - BMO	5,685	4,000	6,500	14,788
Current Portion of long-term debt	644	1,117	8,629	8,606
Shareholder Loan - SJ Capital Partners V, LLC	-	600	1,000	1,000
Other current liabilities - Earn Out	-	-	12,774	13,111
<b>Total Current Liabilities</b>	<b>19,346</b>	<b>14,881</b>	<b>39,081</b>	<b>53,664</b>
Long Term Loan - BMO	6,760	8,531	-	-
Other Long Term Debt - Earn Out	12,039	12,407	-	-
<b>Total Long Term Liabilities</b>	<b>18,799</b>	<b>20,937</b>	<b>-</b>	<b>-</b>
<b>Equity</b>				
Members Equity	3,150	3,668	3,626	3,626
Equity Tax Payment	(196)	(1,524)	(1,926)	(2,302)
Contributed Surplus	21	21	130	194
Currency Translation Adjustment	(480)	(480)	7	(54)
Retained Earnings	-	2,777	3,881	(2,380)
Net Income	2,777	1,104	(6,261)	(16,275)
<b>Total Equity</b>	<b>5,272</b>	<b>5,567</b>	<b>543</b>	<b>17,191</b>
<b>Total Liabilities &amp; Equity</b>	<b>43,418</b>	<b>41,385</b>	<b>38,538</b>	<b>36,473</b>

**Appendix "D"**

**Cash Flow Forecast**

Best Made Toys International ULC and affiliates														
Cash Flow Forecast														
(In USD \$000's)														
Management's Forecast as at April 18, 2019														
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending
	21-Apr-19	28-Apr-19	5-May-19	12-May-19	19-May-19	26-May-19	2-Jun-19	9-Jun-19	16-Jun-19	23-Jun-19	30-Jun-19	7-Jul-19	14-Jul-19	Total
<b>Receipts</b>														
Customer collections	516	472	727	892	695	869	699	507	552	799	594	911	249	8,484
HST and Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>516</b>	<b>472</b>	<b>727</b>	<b>892</b>	<b>695</b>	<b>869</b>	<b>699</b>	<b>507</b>	<b>552</b>	<b>799</b>	<b>594</b>	<b>911</b>	<b>249</b>	<b>8,484</b>
<b>Disbursements</b>														
<b>Operating Disbursements</b>														
Salaries and Wages:														
Factory Payments	(402)	(4,876)	(30)	(58)	(51)	(221)	(205)	(58)	(137)	(221)	(58)	(58)	(1,050)	(5,276)
Fiber	-	-	-	-	-	-	-	-	-	(54)	(53)	(53)	(158)	(265)
Finishing & Inspection	(10)	(10)	(6)	(10)	(8)	(13)	(25)	(1)	(8)	(4)	(4)	(7)	(10)	(81)
Storage, Supplies & Testing	(1,364)	(26)	(26)	(14)	(14)	(25)	(2)	(0)	(14)	(14)	(26)	(2)	(23)	(1,524)
Carrier & Freight	(11)	-	(43)	(16)	(0)	(0)	(26)	(0)	(3)	(81)	(68)	(12)	(118)	(379)
Commissions	-	-	(8)	(115)	(4)	-	-	(1)	(0)	-	-	(2)	(0)	(131)
Octagon - Factory Labour	(15)	(3)	(77)	-	-	(113)	(77)	(113)	(113)	(113)	(77)	(113)	(113)	(806)
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	(233)
Telecommunications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	(20)	(0)	(0)	(10)	(0)	(20)	(0)	(10)	(0)	(20)	(0)	(10)	(0)	(59)
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	(31)
Travel & Entertainment - Diner's Club	-	-	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Postage / Couriers	-	-	(5)	-	-	-	-	(5)	-	-	(5)	-	-	(21)
Misc - Petty Cash, Expense Reports, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	(37)	(5)	(5)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(79)
Computers & Electronics (Excl. Internet)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Disbursements</b>	<b>(11)</b>	<b>(6,733)</b>	<b>(206)</b>	<b>(277)</b>	<b>(30)</b>	<b>(489)</b>	<b>(227)</b>	<b>(324)</b>	<b>(143)</b>	<b>(511)</b>	<b>(296)</b>	<b>(260)</b>	<b>(427)</b>	<b>(9,934)</b>
<b>Non-Operating Disbursements</b>														
Recruitment, Legal, Consulting	(14)	(50)	(43)	(1)	(11)	(533)	(43)	(1)	(11)	(1)	(43)	(1)	(11)	(761)
Services Agreement Bills	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Taxes	(272)	-	-	-	-	-	-	-	-	-	-	272	-	(0)
Deposits (Tax Returns Paid Into Bank)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Journal Entries (Excl. Salaries & Wages)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cheques (Incl. Loan Repayment)	-	-	-	-	-	-	-	-	-	-	-	-	(301)	(301)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest forecast	-	-	(669)	-	-	-	-	(110)	-	-	-	-	(108)	(887)
Misc	-	-	-	-	-	-	-	-	-	-	-	-	(0)	(0)
<b>Total Non-Operating Disbursements</b>	<b>(14)</b>	<b>(322)</b>	<b>(712)</b>	<b>(1)</b>	<b>(11)</b>	<b>(533)</b>	<b>(43)</b>	<b>(111)</b>	<b>(11)</b>	<b>(43)</b>	<b>(43)</b>	<b>271</b>	<b>(420)</b>	<b>(1,949)</b>
<b>Total Disbursements</b>	<b>(25)</b>	<b>(7,054)</b>	<b>(918)</b>	<b>(278)</b>	<b>(41)</b>	<b>(1,022)</b>	<b>(269)</b>	<b>(435)</b>	<b>(154)</b>	<b>(511)</b>	<b>(339)</b>	<b>11</b>	<b>(848)</b>	<b>(11,884)</b>
Change in Cash	491	(6,582)	(191)	614	654	(153)	430	72	398	289	256	922	(598)	(3,400)
Beginning Cash Balance	528	18	(6,564)	(6,755)	(6,141)	(5,487)	(5,641)	(5,211)	(5,139)	(4,741)	(4,453)	(4,197)	(3,275)	528
Revolver Draw / (Payments)	(1,002)	-	-	-	-	-	-	-	-	-	-	-	-	(1,002)
<b>Ending Cash Balance</b>	<b>18</b>	<b>(6,564)</b>	<b>(6,755)</b>	<b>(6,141)</b>	<b>(5,487)</b>	<b>(5,641)</b>	<b>(5,211)</b>	<b>(5,139)</b>	<b>(4,741)</b>	<b>(4,453)</b>	<b>(4,197)</b>	<b>(3,275)</b>	<b>(3,873)</b>	<b>(3,873)</b>

Notes

**Notes**

- 1 For the period April 18, 2019 to July 14, 2019, (the "Forecast Period"), Management estimated collections related to accounts receivable balances to be \$8.5 million.
- 2 In the Forecast Period, salaries and wages are estimated to total \$1.1 million between employees located in Canada, Hong Kong and Shanghai.
- 3 Factory payables totaling \$4.9 million are currently due and payable.
- 4 Storage, supplies and testing payables totaling \$1.4 million are currently due and payable.
- 5 Rent is estimated to be \$77,000 per month for premises in Toronto, Hong Kong and Shanghai.
- 6 Recruitment, Legal, Consulting primarily relates to the CEO's compensation, legal fees and a one-off \$0.5 million potential legal settlement related to outsourced production issues in 2017.
- 7 Management is estimating a \$272,000 payable, and a corresponding \$272,000 refund from Canadian Border Services in respect of HST.
- 8 Interest Forecast includes \$0.6 million fee payable to BMO on April 30, 2019. Payment of this amount was previously deferred from its original due date of January 31, 2019.
- 9 Revolver Payments for the week ended April 21, 2019, of \$1.0 million represent the current \$1.0 million margin deficit BMO has provided the Company.
- 10 Ending cash balance represents current cash liquidity available to the Company based on current working capital borrowings.

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**BANK OF MONTREAL**

- and -

**BEST MADE TOYS INTERNATIONAL, ULC, BEST MADE TOYS LLC, BEST MADE TOYS GLOBAL ENTERPRISES LIMITED and BEST MADE TOYS HOLDING LLC**

Applicant

Respondents

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

PROCEEDINGS COMMENCED AT TORONTO

**DELOITTE REPORT  
April 23, 2019**

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Lawyers for the Applicant

**Appendix “D”**  
to the First Report of the Receiver  
dated July 22, 2020

In the Matter of the Receivership of Best Made Toys International, ULC and its affiliates  
Receiver's Interim Statement of Receipts and Disbursements  
For the period April 25, 2019 to July 21, 2020  
*All balances in USD \$*  
*CAD balances converted using the Bank of Canada spot rate as at July 21, 2020 (0.7437)*

**Receipts**

Accounts receivable collections		3,805,733
Accounts receivable collections - Hong Kong Account		712,001
Sale of assets to Kelly Toys		615,000
Income tax refund		594,880
Reimbursement from Kelly Toys		458,981
HST collected / refunds		147,840
Cash on Hand - Hong Kong Account		132,673
Open Order Book sale to Kelly Toys		50,000
Other		
<i>Interest</i>	51,752	
<i>Sale of assets to other parties</i>	13,958	
<i>Other receipts</i>	2,928	
<i>Miscellaneous refunds</i>	216	68,855

<b>Total Receipts</b>		<b>\$ 6,585,963</b>
-----------------------	--	---------------------

**Disbursements**

Operating disbursements		
<i>Operating expenses</i>	452,362	
<i>Occupation rent</i>	203,365	
<i>Wages/Employee expenses</i>	219,062	
<i>Source deductions</i>	184,490	
<i>Insurance</i>	66,087	
<i>Utilities</i>	13,975	
<i>Storage</i>	7,753	
<i>Repairs and maintenance</i>	5,900	
<i>Computer services</i>	2,573	
<i>Auctioneer commissions</i>	1,462	
<i>Security</i>	863	
<i>Bank charges</i>	964	
<i>Redirection of mail</i>	243	1,159,097
Taxes paid on operating disbursements		
<i>HST paid</i>	86,342	
<i>GST paid</i>	213	
<i>PST paid</i>	3,884	90,439
Receiver's fees and costs		
<i>Fees</i>	381,924	
<i>HST on receiver's fees and costs</i>	47,887	429,811
Legal fees/disbursements		
<i>Fees</i>	182,359	
<i>HST on legal fees</i>	23,647	206,006
Cumulative effect of foreign exchange		24,845
<b>Total Disbursements</b>		<b>\$ 1,910,198</b>
<b>Excess of receipts over disbursements</b>		<b>\$ 4,675,765</b>



**Appendix “E”**  
to the First Report of the Receiver  
dated July 22, 2020

# KELLYTOY®

www.kellytoy.com

KELLYTOY USA INC • CORPORATE HEADQUARTERS • 4811 S Alameda Street • Los Angeles, CA 90058 • Phone: (800) 346-0312 • (323) 923-1300 • Fax: (323) 233-2751

Andrew Whittingham  
Senior Manager  
Deloitte Restructuring Inc.  
8 Adelaide St. West  
Toronto, ON, Canada M5H 0A9

Regarding: Best Made Toys International, ULC ("Best Made") Inventory

May 29, 2019

Dear Andrew,

We at Kellytoy Worldwide, Inc ("Kellytoy" or the "Bidder") are interested in acquiring the physical inventory and raw materials located throughout Ontario, Canada (collectively, the "Assets" as documented in Exhibit A attached) of Best Made from Deloitte Restructuring Inc in its capacity as court-appointed Receiver of Best Made and certain of its affiliates (the "Receiver"). Accordingly, below is our confidential proposal for consideration.

The movement of the assets is substantial involving approximately 80 truckloads including some other assets detailed below. We believe we can make this a very simple transaction for the Receiver and maximize the upfront payments to shorten the process substantially. Our offer includes all the assets on Exhibit A and the following items as well:

- 8 stuffing machines (blue and white configurations) with air compressors
- 6 sewing machines
- Corrugated boxes – about 4 or 5 trucks worth
- Full Pallet Displays– about 3,000 pcs @ 60 bales of stuffing

Our financial offer for the assets includes:

1. Payment of \$670,000 to the Receiver for any and all assets outlined on Exhibit A attached, payable as outlined in the timetable below.
2. A requirement of 10% of total purchase amount to be placed in escrow for 90 days after the APA is executed subject only to a percentage of damaged goods as determined by the bidder and proven to the receiver that will be calculated proportionate to the value of the assets. The Bidder would forfeit the escrow if no claim is made at the end of the period. This is negotiable to make it work for both parties and is meant to insure against damaged goods.

I, as owner and CEO of Kellytoy, have the authority and wherewithal to complete the transaction without any additional approvals or financing required.

Our timetable for a transaction would be as follows, after agreement to an Asset Purchase Agreement ("APA") which we believe should be able to be completed within 5 business days after acceptance:

1. Payment schedule:
  - a. Deposit of \$200,000 by the close of business the next business day after the bid is accepted and deemed payment upon signing the APA. (~~\$100,000~~ FROM ORIGINAL ESCROW) *BR*
  - b. Payment of \$200,000 30 days after effective date of APA.
  - c. Final payment of ~~\$270,000~~ on July 31, 2019.

270,000

JK.

*AV*

1

*Jonathan B Kelly*

2. Removal of the assets from at least one of the leased premises prior to June 30, 2019. For the sake of completeness, these two leased locations are referred to as the St Regis and Bakersfield locations in North York, Ontario. The remaining assets will be removed by July 31, 2019. For clarification, Kellytoy would not assume any costs of storage before July 31, 2019.
3. Assistance from Best Made remaining employees to load the trucks if possible. We would negotiate the cost of this in addition to the bid.


Bidder acknowledges that:

- a) The Receiver is selling the Assets on an "as is, where is" basis, with no representations or warranties, including without limitation, any representations or warranties with respect to the accuracy of the information, or the quality of the product except as referenced by the proposed escrow above;
- b) The Receiver will take all reasonable steps to facilitate the proposed transaction, however, this will be limited to preparing the inventory for collection and facilitating the retrieval of inventory from third-party storage facilities as required;
- c) The successful Bidder(s) will have the sole responsibility for collecting the Assets at their own cost; and
- d) The Bidder is providing the Receiver with an undertaking to ensure all ongoing storage/rent costs are mitigated by way of removal of the Assets in their entirety or through an assignment of storage contracts/leased premises by no later than July 31, 2019.

We understand any agreement will be governed by and will be interpreted and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party hereto irrevocably attorns and submits to the non-exclusive jurisdiction of the Ontario Superior Court of Justice [Commercial List] (and appellate courts therefrom) and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.

This Agreement may be executed (including by electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same Agreement.

Regards,

  
Jonathan Kelly  
CEO of Kellytoy Worldwide, Inc

Acceptance of terms above:

  
\_\_\_\_\_  
(Signature)

June 4, 2019  
\_\_\_\_\_  
(Date)

Jorden Sleeth  
\_\_\_\_\_  
(Name)

Senior Vice President  
\_\_\_\_\_  
(Title)

Deloitte Restructuring Inc. solely in its capacity as court-appointed Receiver of Best Made Toys International, ULC and certain of its affiliates, and not in its personal or corporate capacity.

Exhibit A  
Assets to be Purchased (see attached)



KELLYTOY USA INC • CORPORATE HEADQUARTERS • 4811 S Alameda Street • Los Angeles, CA 90058 • Phone: (800) 346-0312 • (323) 923-1300 • Fax: (323) 233-275

Andrew Whittingham  
Senior Manager  
Deloitte Restructuring Inc.  
8 Adelaide St. West  
Toronto, ON, Canada M5H 0A9

Regarding: Best Made Toys International, ULC ("Best Made") Term Sheet Dated May 7, 2019 Amendment #1

June 7, 2019

Dear Andrew,

As discussed, we at Kellytoy Worldwide, Inc (the "Buyer") propose amending the original Term Sheet to acquire the current order book of Best Made from Deloitte Restructuring Inc in its capacity as court-appointed Receiver of Best Made and certain of its affiliates (the "Receiver") dated May 7, 2019.

This amendment amends the following original paragraph to substitute \$50,000 as the total escrow to be maintained as opposed to the original \$150,000.

o Deposit and Escrow

- *Escrow* - On signing, the Buyer will deliver \$150,000 to an account designated in writing by the Receiver to be held in escrow (such funds, together with any amounts earned as interest on such funds, (the "Escrow Funds"). The Receiver shall place the Escrow Funds into a separate, non-commingled account and shall invest the Escrow Funds in an interest-bearing deposit account. The parties agree that the Escrow Funds will be paid to the Receiver to satisfy the Consideration as it becomes payable to the Receiver as described herein. Until the date that all of the Order Book has been sold and any Consideration owing to the Receiver has been paid (the "Escrow Release Date"), the Buyer agrees that if the Escrow Funds amount to less than \$50,000, it will deliver funds to the Receiver such that the Escrow Funds will be equal to \$150,000. On the Escrow Release Date, the Receiver shall disburse any remaining Escrow Funds to an account designated in writing by the Buyer. The Buyer agrees to indemnify and hold harmless the Receiver, in its role as escrow agent, in relation to any losses, damages, claims, or other costs or expenses arising out of or in connection with it acting as escrow agent in relation to the Escrow Funds (together, the "Losses"), except to the extent that such Losses, as adjudicated by an Ontario court, have been caused by the fraud or gross negligence of the Receiver.

The newly amended paragraph now states:

o Deposit and Escrow as Amended June 7, 2019

- *Escrow* - On signing, the Buyer will deliver \$150,000 to an account designated in writing by the Receiver to be held in escrow (such funds, together with any amounts earned as interest on such funds, (the "Escrow Funds"). The Receiver shall place the Escrow Funds into a separate, non-commingled account and shall invest the Escrow Funds in an interest-bearing deposit account. The parties agree that the Escrow Funds will be paid to the Receiver to satisfy the Consideration as it becomes payable to the Receiver as



**Appendix “F”**  
to the First Report of the Receiver  
dated July 22, 2020

**ASSET PURCHASE AGREEMENT****BETWEEN****DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF BEST MADE TOYS INTERNATIONAL, ULC  
as Seller****- And -****KELLYTOY WORLDWIDE, INC.  
as Buyer****JUNE 27, 2019**

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is dated June 27, 2019.

**B E T W E E N :**

**DELOITTE RESTRUCTURING INC.**, solely in its capacity as Court-appointed Receiver and Manager of **BEST MADE TOYS INTERNATIONAL, ULC**, and not in its personal capacity

(the “**Seller**”)

- and -

**KELLYTOY WORLDWIDE, INC.**,

a corporation existing under the laws of **California**

(the “**Buyer**”)

### RECITALS:

The Seller and the Buyer entered into a binding term sheet on June 4, 2019 pursuant to which the Parties agreed to enter into this Agreement to set forth the terms upon which the Seller would sell to the Buyer, and the Buyer would purchase from the Seller, the Assets (as defined below).

**THEREFORE**, in consideration of the covenants and agreements set out herein, and on and subject to the terms and conditions set out herein, the Parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement the following terms have the following meanings:

- 1.1.1 “**Agreement**” means this asset purchase agreement which, following the full execution and delivery hereof will become a fully enforceable agreement, including all Schedules, as it may be supplemented, amended, restated or replaced from time to time by written agreement between the Parties.
- 1.1.2 “**Appointment Order**” means the Order of the Court dated April 25, 2019 appointing the Seller as the Court-appointed receiver and manager of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to, the former business of the Debtor, including all proceeds thereof.



- 1.1.3 "Assets" means the Inventory and the Fixed Assets.
- 1.1.4 "Bakersfield Premises" means the property leased by the Seller, on behalf of the Debtor, located at 53 Bakersfield Street, North York, Ontario M3J 1Z4.
- 1.1.5 "Business Day" means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario or a U.S. federal holiday, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.
- 1.1.6 "Buyer" means Kellytoy Worldwide, Inc.
- 1.1.7 "Closing" means the closing of the Transaction.
- 1.1.8 "Closing Date" shall mean the date that this Agreement is executed and delivered or such other date as the Parties may agree in writing.
- 1.1.9 "Communication" means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.
- 1.1.10 "Court" means the Ontario Superior Court of Justice (Commercial List).
- 1.1.11 "Debtor" means Best Made Toys International, ULC.
- 1.1.12 "Deposit" means an amount equal to \$200,000 that was delivered by the Buyer to the Seller prior to the date hereof.
- 1.1.13 "Escrow Amount" means \$55,000, being an amount equal to 10% of the Purchase Price allocated to the Inventory.
- 1.1.14 "Escrow Termination Date" means August 30, 2019<sup>1</sup>. *JS*
- 1.1.15 "Exported Assets" means those assets [as specified in Schedule 1.1.5 hereto as exported assets] that will be exported directly by the Buyer to the United States and/or any other country outside of Canada.
- 1.1.16 "ETA" means the *Excise Tax Act* (Canada).
- 1.1.17 "Final Damaged Goods Value" means (i) if the Parties agree on a value for, or the Court makes a final determination as to the final value of the Damaged Goods Value, such agreed to or finally determined amount, or (ii) if the Seller does not dispute the Damaged Goods Value as set forth in the Escrow Certificate, the Damaged Goods Value shall be deemed to be the Final Damaged Goods Value.

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<sup>1</sup> NTD: to be 90<sup>th</sup> day after date of Agreement

- 1.1.18 "Fixed Assets" means all of the right, title and interest of the Debtor in the fixed assets set out under the heading "Fixed Assets" in Schedule 1.1.5 hereto, all of which will be Exported Assets.
- 1.1.19 "Inventory" means all of the right, title and interest of the Debtor in the inventory set out under the heading "inventory" in Schedule 1.1.5 hereto.
- 1.1.20 "ITA" means the *Income Tax Act* (Canada).
- 1.1.21 "Leased Premises" means either the St. Regis Premises or the Bakersfield Premises.
- 1.1.22 "Parties" means the Seller and the Buyer, and "Party" means either one of them.
- 1.1.23 "Purchase Price" means \$670,000.
- 1.1.24 "Remaining Assets" means those assets [, as specified in Schedule 1.1.5 hereto as remaining assets] that will not be exported by the Buyer to the United States and/or any other country outside of Canada.
- 1.1.25 "St. Regis Premises" means the property leased by the Seller, on behalf of the Debtor, located at 120 St Regis Crescent North, North York, Ontario M3J 1Z3.
- 1.1.26 "Storage Facilities" means the storage facilities currently rented on behalf of the Debtor located at 501 Franklin Blvd Cambridge, ON N1R 8G9 and 1771 Aimco Blvd, Mississauga, ON L4W 1H7.
- 1.1.27 "Time of Closing" means [10]a.m. (EST) on the Closing Date or such other time on the Closing Date as the Parties may mutually agree in writing.
- 1.1.28 "Transaction" means the transaction of purchase and sale contemplated by this Agreement.
- 1.2 Certain Rules of Interpretation**
- 1.2.1 Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.
- 1.2.2 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".
- 1.2.3 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

- 1.2.4 References in this Agreement to an Article, Section or Schedule are to be construed as references to an Article, Section or Schedule of or to this Agreement unless the Context requires otherwise.
- 1.2.5 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- 1.2.6 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute, and is to be construed as a reference to that statute as amended, supplemented or replaced.
- 1.2.7 Unless otherwise specified, references to time of day or date mean the local time or date in the City of Toronto, Province of Ontario.
- 1.2.8 Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, the payment is to be made or action taken on the next Business Day following.

### **1.3 Entire Agreement**

This Agreement, any other agreement or agreements and other documents to be delivered under this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or in any of the other agreements and documents delivered under this Agreement.

### **1.4 Schedules**

The following schedules form an integral part of this Agreement.

- Schedule 1.15 Assets
- Schedule 2.7 Purchase Price Allocation
- Schedule 4.4.3 Form of Drop Shipment Certificate

**ARTICLE 2**  
**SALE AND PURCHASE AND ASSIGNMENT**

**2.1 Sale and Purchase of Assets**

Subject to the terms and conditions of this Agreement, the Seller will sell and transfer to the Buyer, and the Buyer will purchase and assume from the Seller, the Assets on the Closing Date. The Buyer acknowledges that it is not purchasing any other property or assets of the Debtor other than the Assets.

**2.2 "As is, Where is"**

The Buyer acknowledges that the Seller is selling the Assets on an "as is, where is" and "without recourse" basis as they exist on the Closing Date, and that following Closing, the Seller will have no further liability to the Buyer. The Buyer acknowledges that it has entered into this Agreement on the basis that the Seller does not guarantee title to the Assets and that the Buyer has conducted any inspections of the condition of and title to the Assets that it deemed appropriate, and has satisfied itself with regard to these matters. No representation, warranty or condition of any nature or kind whatsoever is expressed or can be implied as to title, description, condition, encumbrances, regulatory approval, fitness for purpose, present or future use, lawful use, merchantability, quantity or quality, assignability or in respect of any other matter or thing concerning the Assets or the right of the Seller to sell them, save as expressly represented or warranted in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply to the Transaction and have been waived by the Buyer. The description of the Assets contained in the Schedules is for the purpose of identification only; no representation, warranty or condition has or will be given by the Seller concerning the completeness or accuracy of those descriptions. For greater certainty, and without limiting the generality of the foregoing, there shall be no adjustments in favour of the Buyer or the Seller for changes in the condition or quantity of the Assets being purchased between the date of this Agreement and the Closing Date, subject to the provisions of Section 2.6 relating to the Escrow Amount.

**2.3 Buyer's Acknowledgement**

The Buyer acknowledges that the Seller is selling the right, title and interest of the Debtor in the Assets pursuant to the Seller's powers as authorized by the Appointment Order. The Buyer agrees to purchase and accept the right, title and interest of the Debtor in and to the Assets pursuant to and in accordance with the terms of this Agreement.

**2.4 Deposit**

Prior to the execution and delivery of this Agreement, the Buyer has delivered to the Seller the Deposit which is to be applied to the Purchase Price as set out in 2.7. The delivery of the Deposit is a condition precedent to this Agreement. The Buyer agrees and acknowledges that the Deposit is non-refundable and released to the Seller following execution and delivery of this Agreement.

## 2.5 Payment of the Purchase Price

The Buyer will pay the Purchase Price to the Seller, or as the Seller otherwise directs, as follows:

- 2.5.1 the Deposit will be credited by the Seller on account of partial payment of the Purchase Price; and
- 2.5.2 a sum of \$470,000 plus any taxes owing pursuant to section 2.8 below will be paid by the Buyer to the Seller in installments of \$200,000 on July 31, 2019 and \$270,000 on the earlier of: (i) August 30, 2019 and (ii) the date that the aggregate value of the Assets that are located at the Leased Premises and the Storage Facilities is less than \$270,000, or such other date as the Parties may agree in writing, provided that such funds will include the Escrow Amount which will be held and disbursed by the Seller in accordance Section 2.6.

## 2.6 Escrow Amount

The Escrow Amount shall be held by the Seller and released as follows:

- 2.6.1 On or before the Escrow Termination Date, the Buyer shall deliver to the Seller a certificate (the "**Escrow Certificate**") setting out details of any Inventory that the Buyer has determined, in good faith, was damaged goods prior to commencement of removal from the Premises by the Buyer. The Escrow Certificate shall include a list of the Inventory that was damaged, evidence and a description of the damaged goods and the value of the Inventory that was damaged, calculated in a manner proportionate to the Inventory (the "**Damaged Goods Value**"). For the sake of completeness, the Damaged Goods Value is to be calculated using the pro-rata factory cost of the Inventory that was damaged.
- 2.6.2 The Seller shall have until 10 Business Days following the delivery of the Escrow Certificate to provide the Buyer with written notice disputing any of the matters set out in the Escrow Certificate, including the Damaged Goods Value. If the Seller does not provide written notice to the Buyer within such 10 Business Day period disputing the Escrow Certificate, the Seller shall be deemed to have accepted the information in the Escrow Certificate, including the value of the Damaged Goods Value.
- 2.6.3 If the Seller disputes any matter set out in the Escrow Certificate on or before 10 Business Days following the delivery of the Escrow Certificate, the Parties shall work together in good faith to agree on the Damaged Goods Value within 10 Business Days following the Seller having delivered its notice of dispute. If the Parties cannot agree on the Damaged Goods Value within such 10 Business Day period, the Parties shall apply to the Court to make such determination and the decision of such Court (with the Parties agreeing not to appeal such decision) shall be final and binding on the Parties.
- 2.6.4 No later than 15 Business Days following (i) the Escrow Termination Date in the case where there is no dispute of the Escrow Certificate, or (ii) the date that the Final

Damaged Goods Value is determined pursuant to section 2.6.3, in the case where there is a dispute to the Escrow Certificate, the Escrow Amount (including any interest earned on such funds) shall be disbursed by the Seller as follows: (i) an amount, if any, equal to the Final Damaged Goods Value shall be delivered to, or as directed in writing by, the Buyer, and (ii) any remaining Escrow Amount shall be released to the Seller. For greater certainty, if the Buyer does not deliver an Escrow Certificate on or before the Escrow Termination Date, the Final Damaged Goods Value shall be nil and the Seller shall be entitled to retain the full Escrow Amount.

## **2.7 Allocation of Purchase Price**

The Purchase Price payable by the Buyer will be allocated among the Assets in accordance with Schedule 2.7.

## **2.8 Taxes**

- 2.8.1 The Buyer will not be required to pay any federal or provincial taxes in connection with the purchase and sale of the Assets, including harmonized sales tax, provided that the Buyer complies with its covenants, including providing any required certificates, set out in sections 4.3 and 4.4 hereof.
- 2.8.2 The Buyer agrees to indemnify and save the Seller harmless from and against any and all claims, demands for payment, costs, expenses, liabilities and damages incurred or suffered by the Seller as a result of the Buyer electing not to pay any taxes, duties, fees and like charges in connection with this Agreement and the Transaction, including penalties and interest.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

### **3.1 The Buyer's Representations**

The Buyer represents and warrants to the Seller that:

- 3.1.1 it is a corporation duly incorporated, organized and subsisting under the laws of the jurisdiction of its formation;
- 3.1.2 it has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement and the execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Buyer;
- 3.1.3 it is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained in this Agreement;

- 3.1.4 to the best of the Buyer's knowledge, no actions or proceedings are pending or have been threatened to restrain or prohibit the completion of the Transaction;
- 3.1.5 it has sufficient funds, readily available, to satisfy the balance of the Purchase Price owing after the date hereof;
- 3.1.6 it is a non-resident of Canada under the Canadian *Income Tax Act* and is not registered, nor required to be registered, for GST or HST in Canada under the ETA; and
- 3.1.7 this Agreement and each of the other documents contemplated under this Agreement to which the Buyer is or will be a party have been duly and validly executed and delivered by the Buyer and constitutes legal, valid and binding obligations of the Buyer, enforceable in accordance with its terms.

### **3.2 The Seller's Representations**

The Seller represents and warrants to the Buyer that:

- 3.2.1 it has the right to enter into this Agreement and to complete the Transaction; and
- 3.2.2 to the best of the Seller's knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Transaction.

## **ARTICLE 4**

### **RETRIEVAL OF ASSETS AND PRODUCTION AT ST. REGIS PREMISES**

#### **4.1 Retrieval of Assets**

- 4.1.1 Subject to clause 4.5, the Buyer will take legal possession of the Assets wherever situate at the Time of Closing. The Buyer agrees, at the Buyer's sole cost and expense, to remove all of the Assets located at the Leased Premises on or before July 31, 2019. The Buyer will provide the Seller with written notice at least three Business Days prior to coming to retrieve any of the Assets from either of the Leased Premises or Storage Facilities. The Buyer shall be permitted, on such three Business Day's notice (or shorter if agreed to by the Seller) to remove some or all of the Assets from either of the Leased Premises or Storage Facilities during normal business hours (or such other times as the Seller may agree in writing). The Buyer shall remove or deliver the Exported Assets and the Remaining Assets in the manner set out in Sections 4.3 and 4.4 below.
- 4.1.2 The Buyer agrees to indemnify and save the Seller harmless from and against all claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the removal of the Assets from the Leased Premises or the Storage Facilities. For the sake of completeness, this indemnity will include payment

of rent, and any other amounts that come due under the relevant agreements for the Leased Premises and the Storage Facilities.

#### **4.2 Lease and Storage Costs**

In the event that the Buyer has not removed all of the Assets from the Leased Premises on or before July 31, 2019, the Buyer shall indemnify the Seller for any lease costs or payments that the Seller is required to make at such Leased Premise after July 31, 2019. In addition, if the Buyer has not removed all of the Assets from the Storage Facilities on or before August 31, 2019, the Buyer shall indemnify the Seller for any storage costs incurred by the Seller for storing the Assets at either of the Storage Facilities after such date.

#### **4.3 Exported Assets**

The Buyer agrees to the following with respect to all Exported Assets:

- 4.3.1 Buyer will immediately export the Exported Assets as soon after such Assets are delivered to the Buyer as is reasonable having regard to the circumstances surrounding the exportation and, where applicable, to the normal business practice of the Buyer,
- 4.3.2 The Buyer represents, warrants and covenants to the Seller that the Exported Assets are not being acquired by the Buyer for consumption, use or supply in Canada before exportation of such Assets to the United States,
- 4.3.3 Prior to delivery of the Exported Assets to the Buyer and before the Buyers exports such Assets, the Exported Assets will not be further processed, transformed or altered in Canada except to the extent reasonably necessary or incidental to its transportation, and
- 4.3.4 The Buyer provides the Seller with evidence, satisfactory to the Seller in the Seller's discretion, of the exportation of the Exported Assets, which evidence shall include the following:
  - (i) Standard documentation evidencing the sale or delivery of the Assets out of Canada, including a copy of the U.S. Entry Summary (Form 7501 or any replacement form), U.S. Customs entry and a U.S. Certificate of Disposition of Imported Merchandise (Form 3227), and
  - (ii) Evidence of shipments by truck, including invoices for transportation charges from the carrier hired by the Buyer, destination receiving reports and Form E15 validated by an authorized officer of the CBSA.

#### **4.4 Remaining Assets**

The Buyer agrees to the following with respect to all Remaining Assets:



- 4.4.1 The Remaining Assets are being sold to the Buyer as manufactured goods as the Seller will "stuff", at the written direction of the Buyer, the applicable skins prior to selling such Assets,
- 4.4.2 The Seller will deliver physical possession of the Remaining Assets to such Canadian buyer's as the Buyer directs in writing provided that such buyers are GST/HST-registered customers under the ETA,
- 4.4.3 The ultimate buyers provide the Seller with a drop shipment certificate in a form acceptable to the Seller and which form is substantially in the form included as Schedule 4.4.3 to this Agreement,
- 4.4.4 The Buyer agrees and covenants to the Seller that it will not make a claim under Section 2.6 hereof that any Remaining Assets are damaged goods if it has directed the Seller to stuff any of such Assets, and
- 4.4.5 The Buyer shall be responsible for, or shall reimburse the Seller for, all costs associated with stuffing and delivering the Remaining Assets.

#### **4.5 Failure to Pay Purchase Price or Other Breach**

If either (i) any part of the Purchase Price has not been paid on or before the date that it is due, or (ii) the Buyer is otherwise in breach of this Agreement, and until such time as the full Purchase Price that is owing is paid or the breach is cured to the satisfaction of the Seller, as applicable,

- (i) the Seller may terminate this Agreement in its sole discretion, following which the Parties obligations under this Agreement shall cease except that the Buyer's indemnification obligations hereunder shall continue as will Sections 5.4 and 5.9 hereof,
- (ii) the Buyer shall not be permitted to remove any of the Assets from either of the Leased Premises or the Storage Facilities, and
- (iii) the Seller shall be permitted, but not obligated, to sell the Assets to any other person and the Buyer shall be responsible for any losses incurred by the Seller in selling the Assets to such person, which losses shall include, but not be limited to, any costs incurred by the Seller to sell such Assets and the amount, if any, by which the price of the Assets sold to such person was less than the Purchase Price for such Assets.

#### **4.6 Debtor Employees**

The Seller agrees that it shall make available, at the Seller's cost, one or more electricians to uninstall certain machinery as well as warehouse employees to assist with Inventory and loading Inventory onto trucks at the Leased Premises and Storage Facilities during the removal of the Assets, provided that the maximum costs of such employees, in the aggregate, shall not exceed \$5,000.

#### **4.7 Risk of Assets**

Following the Closing, the Assets will be at the risk of the Buyer regardless of whether the Assets have been removed from the Leased Premises or the Storage Facilities.

#### **4.8 Production at St. Regis Premises**

- 4.8.1 The Seller agrees to complete the Remaining Assets at the St. Regis Premises, during the months of July and August to complete production.
- 4.8.2 The Buyer shall be responsible and liable for all costs associated with the production cycle, including labour, planning, equipment and shipping costs.
- 4.8.3 The Buyer will reimburse the Seller for any occupancy costs incurred by the Seller at the St. Regis Premises relating to the production by the Seller other than the cost of rent under the current lease at the St. Regis Premises for the months of June and July 2019.
- 4.8.4 The Buyer shall be responsible for, or shall reimburse the Seller for, any costs of employees or other staff relating to production at the St. Regis Premises. In addition, to the extent that the Seller maintains health & safety, worker's compensation or similar insurance in relation to employees involved in production at the St. Regis Premises, the Buyer shall be responsible for, or shall reimburse the Seller for, such costs.
- 4.8.5 The Buyer agrees to indemnify and hold harmless the Seller against any liability or damages it may incur as a result of the Buyer conducting the production at the St. Regis Premises.

### **ARTICLE 5 GENERAL**

#### **5.1 Paramourncy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered by the Seller in connection with this Transaction or this Agreement, the provisions of this Agreement will prevail to the extent of that conflict or inconsistency.

#### **5.2 Seller's Capacity**

The Buyer acknowledges that the Seller, together with its authorized representatives and signatories, in signing this Agreement and any and all documents contemplated by or relating to the Transaction, are acting solely in the Seller's capacity as Court-appointed receiver and manager of the Debtor, are signing solely in that capacity, and shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise.

### 5.3 Commission

The Buyer acknowledges that there are no agent or broker fees or other commissions payable by the Seller on the Purchase Price or otherwise in connection with the Transaction, and the Buyer agrees to indemnify the Seller against any claim for compensation or commission by any third Party or agent retained by the Buyer in connection with, or in contemplation of, the Transaction.

### 5.4 Confidentiality

The Buyer acknowledges that the Seller has a statutory requirement to report to the Court in respect of this Transaction. Except as is required by the Court, the Parties will not, and will not allow any of their representatives or advisors to collect, disclose, or use, any Confidential Information (as defined below) at any time or in any manner, except for the purpose of consummating the Transaction. For the purposes of this Agreement, "**Confidential Information**" means any information relating to the Transaction or the Business, including information relating to identifiable individuals ("**Personal Information**"), whether communicated in written form, orally, visually, demonstratively, technically or by any other electronic form or other media, or committed to memory, but excluding information, other than Personal Information, which:

- (i) was available to or known by the public before the date of this Agreement;
- (ii) was or is obtained from a source other than the Parties or any person bound by a duty of confidentiality to the Parties; or
- (iii) is or becomes available to or known by the public other than as a result of improper disclosure by the Parties or any of their representatives, advisors or lenders.

### 5.5 Survival

The Parties agree that any representations, warranties or covenants made in this Agreement shall survive the execution and delivery of this Agreement and the Closing, and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by the Parties.

### 5.6 Time of Essence

Time is of the essence in all respects of this Agreement.

### 5.7 Notices

5.7.1 Any Communication must be in writing and either

- (i) personally delivered;
- (ii) sent by prepaid registered mail; or

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- (iii) sent by email or functionally equivalent electronic means of communication, charges (if any) prepaid.

5.7.2 Any Communication must be sent to the intended recipient at its address as follows:

to the Seller at:

Deloitte Restructuring Inc.  
8 Adelaide Street West  
Toronto, Ontario  
M5H 0A9

Attention:	Andrew Whittingham	/	Jorden Sleeth
Tel No.:	416.601.6421	/	416.775.8858
E-mail:	andwhittingham@deloitte.ca	/	jsleeth@deloitte.ca

with a copy (which will not constitute notice) to:

Borden Ladner Gervais LLP  
Bay Adelaide Centre, East Tower  
22 Adelaide St. W.  
Toronto, Ontario M5H 4E3

Attention:	Alex MacFarlane	/	Jason Saltzman
Tel No.:	416.367.6305	/	416.367.6196
E-mail:	amacfarlane@blg.com	/	jsaltzman@blg.com

to the Buyers at:

Kellytoy Worldwide, Inc.  
4811 S Alameda Street  
Los Angeles, CA 90058

Attention:	Jonathan Kelly	/	Ed Flaherty
Tel No.:	800.346.0312	/	720.224.6090
E-mail:	jonathan@kellytoy.com	/	erflaherty79@gmail.com

with a copy (which will not constitute notice) to:

**[ntd: insert details if any]**

or at any other address that any Party may from time to time advise the other by Communication given in accordance with this Section 5.7. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given and received on the next Business Day. Any Communication transmitted by any form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Communication is transmitted on a

day which is not a Business Day or after 3:00 p.m. (local time of the recipient), the Communication will be deemed to have been received on the next Business Day).

### **5.8 Severability**

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (i) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (ii) the legality, validity or enforceability of that provision in any other jurisdiction.

### **5.9 Governing Law and Submission to Jurisdiction**

5.9.1 This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

5.9.2 Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by applicable law, each of the Parties irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province or that the subject matter of this Agreement may not be enforced in the courts and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 5.9, of the substantive merits of any such suit, action or proceeding. To the extent a Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

### **5.10 Amendment and Waiver**

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

**5.11 Further Assurances**

Each Party will, at the requesting Party's cost, execute and deliver all further agreements and documents and provide all further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide all assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

**5.12 Assignment and Enurement**

Neither this Agreement nor any right or obligation under this Agreement may be assigned by the Buyer without the prior written consent of the Seller, which consent may be unreasonably or arbitrarily withheld. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

**5.13 Counterparts and Execution**

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument. To evidence the fact that a Party has executed this Agreement, such Party may send a copy of its executed counterpart to the other Party by Electronic Transmission and, if sent by email, in Portable Document File (PDF) format. That Party will be deemed to have executed this Agreement on the date it sent such Electronic Transmission.

**5.14 Costs and Expenses**

Except as otherwise specified in this Agreement, each Party shall bear its own costs and expenses (including the fees and disbursements of accountants, legal counsel and other professional advisers) incurred in connection with this Agreement and the completion of the Transaction.

**5.15 No Contra Proferentem**

This Agreement has been reviewed by each Party's professional advisors, and revised during the course of negotiations between the Parties. Each Party acknowledges that this Agreement is the product of their joint efforts, that it expresses their agreement, and that, if there is any ambiguity in any of its provisions, that provision should not be interpreted in favour of either one of them.

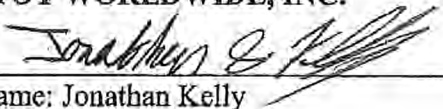
[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above

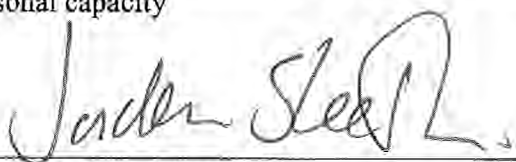
**KELLYTOY WORLDWIDE, INC.**

Per

  
Name: Jonathan Kelly  
Title: CEO

**DELOITTE RESTRUCTURING INC.**, solely in its capacity as receiver and manager of **BEST MADE TOYS INTERNATIONAL, ULC**, and not in its personal capacity

Per

  
Name: Jorden Sleeth  
Title: Senior Vice President,  
Deloitte Restructuring Inc.

**SCHEDULE 1.5  
DESCRIPTION OF ASSETS**

**[Insert list]**







Item	Description	Unit	Unit Price	Quantity	Material	Customer	Product Code	Simtech	Crossch	Backorder	57 Range	Total	Crossch	Backorder	57 Range	Total	
JUMBO PROG	JUMBO PROG	\$ 6.00	120														
D-WR2318	JUMBO ANIMAL (US BLACKBORNY)	\$ 6.00	40														
D-1710-142-180 I	25" LAHA	\$ 6.00	48														
D-1710-142-180	JUMBO ANIMAL FLUSH	\$ 6.00	48														
D-15685V	JUMBO FLUSH BEAR SKINS	\$ 6.00	20														
D-1710-142-180 L	SETTING SULTH	\$ 6.00	20														
D-1710-142-180 K	LAYING HORSE	\$ 6.00	20														
D-1710-142-180 J	LAYING UNICORN	\$ 6.00	20														
1017047V-0K	31" STANDING REAR	\$ 6.00	24														
JUMBO PROG	JUMBO PROG	\$ 6.00	24														
SHORTG EASTER 2019	Jumbo Flush, 3 of each, large hat, riding harness, cream bunny and white unicorn	\$ 7.15	20														
D-1510616K ( VM USA RETURNET)	31" STANDING HORSE	\$ 11.72															
172-1559V-23 ( ROMA)	JUMBO ANIMALS	\$ 10.00															
D-1510702H-15574-6K ( CHANT TIGER)	STANDING UNICORN	\$ 10.00	1,422														
	STANDING UNICORN	\$ 10.00	1,803														
Total				31,408	399,839							37,774					872,066
<b>Quantity by Location (Palais)</b> Qty Simtech Qty Crossch Qty 57 Range Qty Total 214 221 200+ 400+ 345 1,000 Qty Material Qty Material Qty Material Qty Material Qty Material 100 100 200+ 154 184 644 Qty Material Qty Material 300 425 394 619																	

(5)

*[Handwritten Signature]*

In the Matter of the Court-appointed Receivership of Best Made Toys International, LLC and its affiliates  
 Filed Assets  
 Summary of Fixed Assets

Item	Description	Type	Quantity by Location (Units)	ST Rep'd	Total
Blue Stuffing Machines	Qingdao Lion Machinery Co., Ltd Teddy Bear Stuffing Machine (manual)	Equipment	8 complete production stations, each with 4x hoses (i.e. capacity for 32 person production line)		8 complete production stations, each with 4x hoses (i.e. capacity for 32 person production line)
	Item no: QLD09A Manufactured 2009 Production stations comprise of 1 x fiber opening machine and 2 x stuffing machines with 2 blowers each				
White Stuffing Machines	Qingdao Lion Machinery Co., Ltd Computerized Teddy Bear Stuffing Machine (automatic)	Equipment	2 complete production stations, each with 4x hoses (i.e. capacity for 8 person production line)		2 complete production stations, each with 4x hoses (i.e. capacity for 8 person production line)
	Item no: QLD09B Manufactured 2018 Production stations comprise of 1 x fiber opening machine and 2 x stuffing machines with 2 blowers each				
Air Compressors	Kaeser BSD 50, Direct Drive Rotary Screw Air Compressors	Equipment	2		2
	MA	Equipment	1		1
	Sewing Machines:	Equipment	10		10
	Free-standing Fans	Equipment	20		20
	Wall-mounted Fans	Equipment	8		8
	Pallet Trucks	Equipment	21		21
	Rear Seals	Equipment	2		2
	Two-wheeled dolly	Equipment	6		6
	Deck Plate	Equipment	3		3
	Ladder	Equipment	1		1

**SCHEDULE 2.7**  
**PURCHASE PRICE ALLOCATION**

<b>Assets</b>	<b>Purchase Price Allocation (\$)</b>
Inventory and other raw materials	550,000
Fixed Assets	120,000
<b>Total:</b>	<b>670,000</b>

**SCHEDULE 4.4.3  
FORM OF DROP SHIPMENT CERTIFICATE**

*Handwritten initials*

*(5)*

See attached.

**Appendix B - Drop-shipment certificate**

**DROP-SHIPMENT CERTIFICATE**  
**(Subsection 179(2) of the Excise Tax Act)**

**1. Registrant to whom the drop-shipment certificate is issued (the "registrant")**

Legal name \_\_\_\_\_

**2. Registrant who is issuing the drop-shipment certificate (the "registered consignee")**

Legal name \_\_\_\_\_

Business Number \_\_\_\_\_

**3. Description of drop-shipped goods**

Provide sufficient detail to clearly identify the good(s). If more space is required, attach a separate sheet.

**4. Scope of certificate**

Indicate the scope of the certificate (check one box only):

- A drop shipment of good(s) described above made on:    Y -    M -    D
- Multiple drop shipments of goods described above made on:    Y -    M -    D
- Ongoing drop shipments of goods described above made beginning:    Y -    M -    D
- Drop shipments of goods described above made during specified period: From:    Y -    M -    D to:    Y -    M -    D

The registered consignee has or will receive physical possession of the goods described above in Canada from the registrant who has either (check one box only):

- made a taxable supply in Canada of the goods by way of sale, to an unregistered non-resident named, \_\_\_\_\_
- made a taxable supply in Canada of a service of manufacturing or producing the goods, to an unregistered non-resident named, \_\_\_\_\_, or
- acquired physical possession of the goods belonging to an unregistered non-resident for the purpose of making a taxable supply of a commercial service in respect of the goods to an unregistered non-resident named, \_\_\_\_\_

and the consignee is either (check one box only):

- a recipient of a taxable (other than zero-rated) supply of the goods made by an unregistered non-resident named \_\_\_\_\_

The consignee in this case will be required to self-assess tax in respect of an imported taxable supply of the goods if the consignee is not acquiring the goods for consumption, use or supply exclusively in the course of its commercial activities, or the good is a passenger vehicle that the consignee is acquiring for use in Canada as capital property in its commercial activities and that has a capital cost to the consignee exceeding the amount deemed to be the capital cost of the vehicle to the consignee for income tax purposes.

- acquiring physical possession of the goods belonging to an unregistered non-resident named \_\_\_\_\_, for the purpose of either making a taxable supply of a commercial service to an unregistered non-resident named \_\_\_\_\_ in respect of the goods or making a taxable supply in Canada to an unregistered non-resident named \_\_\_\_\_, of a service of manufacturing or producing goods (also referred to below as "the goods").

The consignee in this case will be required to collect tax with respect to a supply of the goods based on subsection 179(1) if the consignee transfers physical possession of the goods to another person in Canada, unless the goods are exported in accordance with subsection 179(3), or the other person is a registered person who provides a drop-shipment certificate to the consignee with respect to a supply of the goods and either has a potential obligation to collect tax with respect to a supply of the goods based on subsection 179(1) or a potential obligation to self-assess tax under Division IV with respect to an imported taxable supply of the goods.

**5. Certification**

I, \_\_\_\_\_, hereby certify and acknowledge that the information given on this form is, to the best of my knowledge, true, correct, and complete in every respect, and that I am the consignee or I am authorized to sign on behalf of the consignee.

Signature of consignee or authorized person \_\_\_\_\_

   Y -    M -    D

**Appendix “G”**  
to the First Report of the Receiver  
dated July 22, 2020



Court File No. CV-19-00618506-00CL

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

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended**

**B E T W E E N:**

**BANK OF MONTREAL**

Applicant

**- and -**

**BEST MADE TOYS INTERNATIONAL, ULC, BEST MADE TOYS LLC,  
BEST MADE TOYS GLOBAL ENTERPRISES LIMITED and BEST MADE TOYS  
HOLDING LLC**

Respondents

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**AFFIDAVIT OF JORDEN SLEETH**  
**(Sworn July 22, 2020)**

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**I, Jordan Sleeth** of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Best Made Toys International, ULC (the “**Company**”) and its subsidiaries set out in Appendix “**A**” hereto (collectively with the Company, “**BMT**”). As such, I have personal knowledge of the matters to which I hereinafter refer.

2. Attached hereto as **Appendix “B”** is a summary of the accounts of the Receiver with respect to BMT for the periods April 21, 2019 to May 31, 2019, June 1, 2019 to June 30, 2019, July 1, 2019 to July 31, 2019, August 1, 2019 to August 31, 2019, September 1, 2019 to October 31, 2019, November 1, 2019 to December 31, 2019, January 1, 2020 to March 31, 2020, and April 1 to July 17, 2020 (the “**Billing Period**”) along with the detailed accounts issued in respect

of the Billing Period which include detailed descriptions of the activities, number of hours worked, applicable hourly rates, and total hours and fees. The Receiver’s average hourly rate charged over the Period is approximately \$391.40. I confirm that these accounts accurately reflect the services provided by the Receiver in this proceeding for the Billing Period.

3. Based on my review of the accounts referred to herein and my personal knowledge of this matter, the accounts referred to herein represent a fair and accurate description of the services provided and the amounts charged by the Receiver.

4. I swear this affidavit in support of the Receiver’s Motion for, among other things, approval of its fees and disbursements and for no other or improper purpose.

SWORN before me at the City of Toronto, )  
in the Province of Ontario, on July 22, 2020 )  
)  
)



\_\_\_\_\_  
Commissioner for Taking Affidavits



\_\_\_\_\_  
**JORDEN SLEETH**

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**Appendix "A"**

**List of Affiliates**

Best Made Toys LLC  
Best Made Toys Global Enterprises Limited  
Best Made Toys International, ULC  
Best Made Toys Holding LLC  
Best Made Toys (Shanghai) Co Ltd\*

*\*Not subject to these proceedings*

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**Appendix "B"**

**Accounts of the Receiver for the period April 21, 2019 to July 17, 2020**

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**In the matter of the Receivership of Best Made Toys International, ULC et al.  
 Summary of invoices issued by Deloitte Restructuring Inc.  
 For the Period April 21, 2019 to July 17, 2020**

<b>Invoice #</b>	<b>Period</b>	<b>Hours</b>	<b>Fees</b>	<b>Expenses</b>	<b>HST</b>	<b>Total</b>
8000642464	April 21 to May 31, 2019	474.8	\$ 199,312.00	\$ 6,831.96	\$ 26,798.78	\$ 232,942.74
8000696174	June 1 to 30, 2019	171.5	\$ 68,262.50	\$ 250.49	\$ 8,906.69	\$ 77,419.68
8000779367	July 1 to 31, 2019	119.5	\$ 45,070.00	\$ 3,084.80	\$ 6,260.12	\$ 54,414.92
8000779356	August 1 to 31, 2019	110.7	\$ 45,630.00	\$ 492.14	\$ 5,995.88	\$ 52,118.02
8000941686	September 1 to October 31, 2019	202.6	\$ 68,047.50	\$ 969.27	\$ 8,972.18	\$ 77,988.95
8000983849	November 1 to December 31, 2019	67.5	\$ 20,945.00	\$ 389.13	\$ 2,773.44	\$ 24,107.57
8001136709	January 1 to March 31, 2020	89.8	\$ 35,545.00	\$ 477.36	\$ 4,682.91	\$ 40,705.27
8001286491	April 1 to July 17, 2020	31.7	\$ 13,520.00	\$ 61.60	\$ 1,765.61	\$ 15,347.21
	<b>Total</b>	<b>1,268.1</b>	<b>\$ 496,332.00</b>	<b>\$ 12,556.75</b>	<b>\$ 66,155.61</b>	<b>\$ 575,044.36</b>

# Deloitte.

**Invoice 8000642464**
**Deloitte LLP**

 Bay Adelaide Centre  
 8 Adelaide Street West, Suite 200  
 Toronto ON M5H 0A9

 ATTN: Robert A. Kiefer  
 Bank of Montreal (Special Accounts Management Unit)  
 100 King Street West, 7th Floor  
 Toronto ON M5X 1A1  
 Canada

 Tel: (416) 601-6150  
 Fax: (416) 601-6151  
 www.deloitte.ca

 Date: June 20, 2019  
 Client No.: 1332039  
 WBS#: BES00071  
 Engagement Partner: Jordan Sleeth

HST Registration: 133245290RT0001

**For professional services rendered**
**Fees**

 First interim bill in connection with Best Made Toys International, ULC  
 for the period April 21, 2019 to May 31, 2019.

Please see the attached appendices.

HST applicable	199,312.50
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**Expense**

Out-of-pocket Expenses

HST applicable	6,831.96
----------------	----------

**Sales Tax**

HST at 13.00%	<u>26,798.78</u>
---------------	------------------

<b>Total Amount Due (CAD)</b>	<b><u>232,943.24</u></b>
-------------------------------	--------------------------

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.

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8000642464	232,943.24	Payment for invoice 8000642464

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

**1. EFT Payments (remittance email mandatory):**

**Preferred Method**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

ABA/Transit Routing: 47696002

Account Number: 1590219

**For USD Dollar (\$) Payments, pay:**

ABA/Transit Routing: 47696002

Account Number: 1363514

**2. Wire Payment:**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

Account Number: 476961590219

Swift Code: NOSCCATT

**For USD Dollar (\$) Payments, pay:**

Account Number: 476961363514

Swift Code: NOSCUS33

ABA Routing Number: 026002532

**3. Online Payment:**

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

**4. Cheque payments, please mail to:**

**For CAD Dollar (\$) Payments, pay:**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567C  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay:**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567U  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1



**Appendix #1**  
**Summary of Fees**  
**Work performed from April 21, 2019 to May 31, 2019**

Name	Level	Hours	Rate	Amount
Sleeth, Jordan	Partner	75.0	\$ 700.00	\$ 52,500.00
Whittingham, Andrew	Senior Manager	161.5	\$ 550.00	\$ 88,825.00
Haghiri, Golnaz	Senior	7.1	\$ 325.00	\$ 2,307.50
Watson, Devin	Analyst	171.4	\$ 250.00	\$ 42,850.00
Brown, Rosé	Consultant	36.6	\$ 250.00	\$ 9,150.00
Keene, Ashley	Consultant	2.0	\$ 250.00	\$ 500.00
Chen, Ashley	Staff	21.2	\$ 150.00	\$ 3,180.00
<b>Total Fees</b>		<b>474.8</b>		<b>199,312.50</b>
<b>Out-of-pocket Expenses:</b>				
Data Room Charges			\$ 2,017.86	
Email account hosting charges			\$ 565.51	
Car rentals (including gas) & mileage			\$ 1,307.37	
Locksmith charges			\$ 2,405.77	
Administrative charges re: creditor notice mailing			\$ 535.45	<b>6,831.96</b>
<b>Total Fee and Out-of-pocket expenses</b>				<b>206,144.46</b>



# Deloitte.

## Appendix #2

### Time Details

Date	Name	Narrative	Hours
4/21/2019	Sleeth, Jordan	Review and circulate draft motion materials to R Kennedy for review and comment; review Kiefer affidavit and provide comments to BLG	1.2
4/22/2019	Whittingham, Andrew	Emails to BLG re court materials, follow up call with Christine Mason	0.5
4/22/2019	Whittingham, Andrew	Call with CFO and CEO to discuss staffing and messaging post-filing, follow-up discussion with J Sleeth	0.8
4/22/2019	Whittingham, Andrew	Update pre-filing report, prepare QA hard copy, prepare QA report soft copy and prepare QA support documents on Q drive	3.5
4/22/2019	Sleeth, Jordan	Provide consent to act as receiver to BLG; call with BMT staff, coordinate on-site security for taking possession; provide revisions on pre-filing report to A. Whittingham.	3.5
4/23/2019	Whittingham, Andrew	Discuss drafted notices and work streams with D Watson	0.5
4/23/2019	Whittingham, Andrew	Discuss payroll/bonuses with CEO, CFO and J Sleeth, further detailed discussion with J Sleeth	0.6
4/23/2019	Whittingham, Andrew	EDC/BMO call to discuss guarantee claims process	0.6
4/23/2019	Whittingham, Andrew	Call with BLG to discuss employee contracts, review employee term letters and provide to BLG for comment	1.3
4/23/2019	Sleeth, Jordan	Call with R. Weir and S. Young of BLG re: BMT staff retention letters, CEO contract; call with R. Kiefer and K. Furfaro of EDC re: loss claim process, debrief same with R. Kiefer; call with C. Pennington, S Gobin, N. Manzoor re: bonus plan & status thereof	4.0
4/23/2019	Sleeth, Jordan	Call with J. Young of Fairfield and A. Whittingham re: outsourced production vs. judgement claim; review draft factum and provide comments to BLG; final review of pre-filing report.	0.3
4/23/2019	Whittingham, Andrew	Call with J Young of Fairfield Processing Corp and CEO to discuss open orders	0.6
4/23/2019	Whittingham, Andrew	Discuss officers liabilities with CFO and J Sleeth, separately	0.5
4/23/2019	Whittingham, Andrew	Review and plan receivership checklist document	1.0
4/23/2019	Whittingham, Andrew	Finalize draft report and discuss with J Sleeth and C Mason, arrange delivery of signed report to BLG	1.0
4/23/2019	Whittingham, Andrew	Review factum and provide comments to BLG and J Sleeth	0.5
4/24/2019	Whittingham, Andrew	Review of Ontario severance terms, meet with A Korneas to discuss WEPPA process, meet with J Hargiri re WEPPA process. Review and amending employee termination notices.	1.8
4/24/2019	Whittingham, Andrew	Review of AR collections, Landlords and critical suppliers notices and discuss with D Watson.	0.6
4/24/2019	Whittingham, Andrew	Attendance on call with BMO to discuss cash management requirements during the Receivership.	0.4

Date	Name	Narrative	Hours
4/24/2019	Whittingham, Andrew	Finalizing employee termination letters and 4 x contracts for hourly employment. Drafting letters to the landlords, bank account instructions letter for BMO.	1.0
4/24/2019	Whittingham, Andrew	Prepare for and attend call with CFO and CEO of BMT to discuss Receivership enforcement and Day 1 expectations.	1.1
4/24/2019	Sleeth, Jordan	Receivership planning meetings with A. Whittingham re: WEPPA rollout, taking possession activities, banking arrangements (incl. call with BMO re: same); review correspondence from Simmons LLP (HK) re: employee claims, receivership recognition vs. liquidation options; review memo from BLG re: C. Pennington contract and termination provisions.	3.5
4/24/2019	Whittingham, Andrew	Review of BLG advice re employee termination and CEO contract, discussions with D Watson re terminations	0.5
4/24/2019	Brown, Rose	Banking Admin: reviewing banking documents for BMO.	0.3
4/24/2019	Whittingham, Andrew	Prepare for and attend various meetings with D Watson re Day 1 action plan and checklist	1.6
4/24/2019	Whittingham, Andrew	Prepare for and attend meeting with J Sleeth and D Watson to discuss taking possession and Receivership enforcement	1.5
4/24/2019	Whittingham, Andrew	Meeting and discussions with D Watson re taxation and cash flow forecast requirements for the Receivership period. Working through relevant examples.	0.6
4/25/2019	Whittingham, Andrew	Discuss ongoing security arrangements with CFO	0.7
4/25/2019	Whittingham, Andrew	Prepare for and attend calls with Hong Kong and Shanghai based staff to advise of appointment and confirm operations will be closed. Terminate staff in Hong Kong.	1.8
4/25/2019	Whittingham, Andrew	Meeting with third-party property claimant onsite, identify property and discuss arrangements for collection	0.6
4/25/2019	Whittingham, Andrew	Tour of both leased premises with CFO	1.4
4/25/2019	Whittingham, Andrew	Facilitating access for locksmith to change locks at Bakersfield premises	0.6
4/25/2019	Whittingham, Andrew	Email BMO to confirm banking arrangements and serve notice of Appointment, follow up call with R Kiefer at BMO	0.4
4/25/2019	Whittingham, Andrew	Emails to existing insurance broker re continuation, and FCA for second opinion on policies	0.4
4/25/2019	Keene, Ashley	Post court order and other materials to receivership website	0.4
4/25/2019	Watson, Devin	At client site, discussed critical suppliers with S. Gobin and A. Whittingham and updated notices with contact details; spoke to employees and informed them of the termination; Updated Notice and Statement of Receiver. Tour warehouse with locksmith and ensure secure.	7.8
4/25/2019	Whittingham, Andrew	Meeting with CFO to discuss finance matters and critical suppliers as they relate to the Receivership filing	2.0
4/25/2019	Whittingham, Andrew	Prepare day 1 checklist, type notes for employee meeting, discuss with J Sleeth re terminations	1.0

Date	Name	Narrative	Hours
4/25/2019	Whittingham, Andrew	Prepare for and attend staff meeting to effect terminations in Canada, attend follow up phone calls to absent staff to effect terminations	2.5
4/25/2019	Sleeth, Jordan	Prepare for and attend Court hearing re: appointment of Receiver; planning and update calls with A. Whittingham and D. Watson re: Insurance, securing premises, customer and supplier communications strategy; update memo to BMO; attend to court order changes with B. Brooksbank.	5.3
4/25/2019	Brown, Rose	Banking Admin: prepare document for account openings & liaise with BMO re: same.	1.2
4/26/2019	Keene, Ashley	Website update & opening estate in Ascend.	0.5
4/26/2019	Watson, Devin	Began sending out notice letters to critical suppliers; completed draft Notice and Statement of Receiver and sent to J. Sleeth and A. Whittingham for review and execution. Meeting with A. Whittingham and BMT staff to discuss strategy for remaining orders.	7.2
4/26/2019	Whittingham, Andrew	s245 Notice review and discussions with D Watson	1.2
4/26/2019	Whittingham, Andrew	Finalize and send notices to Khune and Nagel and both landlords	0.5
4/26/2019	Whittingham, Andrew	Meeting with retained staff and CEO to discuss factories and customer notices, draft notices and circulate for comment. Finalize notices and send.	2.5
4/26/2019	Whittingham, Andrew	Commercial Air Compressors call and follow up email to Dentons re lease assets	0.5
4/26/2019	Sleeth, Jordan	Update calls with A. Whittingham re: staff retention; customer and supplier communication, industry reaction to BMT filing; execute bank documents.	1.7
4/26/2019	Whittingham, Andrew	Review and sign 7 critical supplier notices	0.3
4/26/2019	Whittingham, Andrew	Emails to HUB Group re insurance policies	0.3
4/26/2019	Whittingham, Andrew	Prepare for and attend call with BMO to provide update on taking possession.	1.2
4/26/2019	Brown, Rose	Banking and estate admin: obtain updated identification for account signatories, open accounts in Ascend and copy correspondence for sending to BMO.	1.1
4/28/2019	Whittingham, Andrew	Prepare work lists, delegate tasks and send to key staff including D Watson, CFO, IT specialist and sales team.	2.0
4/29/2019	Whittingham, Andrew	Call with BLG and Dentons re Hong Kong entity	0.6
4/29/2019	Whittingham, Andrew	Call with Hilco to discuss realization proposal	0.4
4/29/2019	Watson, Devin	Mail redirection coordination with R. Brown; scanned employee contracts and proof of ownership; deposited cheques at BMO branch, sent out more supplier notices, updated comments from J. Sleeth to the Notice and Statement of Receiver.	7.6

Date	Name	Narrative	Hours
4/29/2019	Sleeth, Jordan	Onsite activities: meet with CFO re: bonus payment and draft memo to R. Kiefer re: same; premises tour, supplier calls; direct D. Watson re: CRA accounts pre and post receivership; consider inventory realization process and call with B Belen (Hilco); initial call to B. Snyder at Tiger LLC; various discussions with A. Whittingham re: planning realizations, HK and Shanghai issues, vacating premises and landlord considerations.	7.8
4/29/2019	Whittingham, Andrew	Analyze current orders on hand and various meetings with sales team to discuss customers/factories	3.2
4/29/2019	Whittingham, Andrew	Discuss HST returns, HST refunds and banking arrangements with CFO	0.7
4/29/2019	Whittingham, Andrew	Dealing with 3rd party goods claimant at Bakersfield premises	0.7
4/29/2019	Brown, Rose	Prepare mail re-direction.	0.5
4/29/2019	Whittingham, Andrew	Site tour and discussions with J Sleeth	0.6
4/29/2019	Whittingham, Andrew	Review, amend, sign and send letter to BMO re cash sweep of prefilling accounts	0.6
4/29/2019	Whittingham, Andrew	Call with Stein Fibers re receiver appointment	0.4
4/29/2019	Whittingham, Andrew	Call with Khune and Nagel re containers in transit	0.4
4/29/2019	Whittingham, Andrew	Phone call with payroll provider re records of employment	0.5
4/30/2019	Sleeth, Jordan	Various - call with Dentons HK re: BMT HK enforcement options, provide background materials to Dentons HK; update call with A. Whittingham, consider realization options and challenges, directions to resolve/advance negotiations.	2.1
4/30/2019	Brown, Rose	Banking Administration: Deposits; prepare fax to OSB to register receiverships and confirm receipt of same with OSB; confirm GL coding for AR deposits.	1.3
4/30/2019	Whittingham, Andrew	Calls with GOFFA USA to discuss purchasing the open order book. Follow up discussions with sales team and CFO re opportunity and strategy.	2.2
4/30/2019	Watson, Devin	Sent out 245 notice to R. Brown to send to all creditors; determined the list of current customers and vendors to send notices; began drafting CRA notices; draft BMO escrow sweep letter and employee vacation pay letter.	6.7
4/30/2019	Whittingham, Andrew	Calls with two separate Walmart buyers related to Black Friday and Christmas programs	1.4
5/1/2019	Sleeth, Jordan	Tour Bakersfield premises and consider realization strategy with A. Whittingham; meeting with S. Gobin re: accounts receivable; update memo for R. Kiefer; consider post receivership employees and retention terms; meeting with D. Watson and A. Whittingham re: realization activities and reporting, provide instructions re: same; review and approve payments; consider response to competitor's raiding BMT orders with A. Whittingham.	4.7
5/1/2019	Whittingham, Andrew	Discuss current open orders with R+F Marketing	0.5
5/1/2019	Whittingham, Andrew	Multiple correspondence with GOFFA USA re open order book	0.4

Date	Name	Narrative	Hours
5/1/2019	Whittingham, Andrew	Finalize and send K Zhu hourly employment contact	0.4
5/1/2019	Whittingham, Andrew	Finalize CEO termination letter, discuss termination with CEO	0.7
5/1/2019	Whittingham, Andrew	Call with Dentons to provide update on receivership administration to date.	0.5
5/1/2019	Whittingham, Andrew	Call with Marco Corporation (Amazon Distributors) re open orders	0.7
5/1/2019	Whittingham, Andrew	Tour Bakersfield premises with J Sleeth and discuss inventory realization strategy	1.5
5/1/2019	Whittingham, Andrew	Discuss and arrange for payment to Khune and Nagel with D Watson	0.4
5/1/2019	Whittingham, Andrew	Call with CPG re open Target USA orders	0.5
5/1/2019	Whittingham, Andrew	Review and sign CRA notices	0.3
5/1/2019	Whittingham, Andrew	Discuss WEPPA with J Haghiri	0.4
5/1/2019	Watson, Devin	Draft email to get approval to pay specific invoices and rent for the month of May; finish and send CRA notices; drafted Carter termination letter; review AR listing with CFO; drafted employee vacation pay cover letter	7.4
5/1/2019	Haghiri, Golnaz	Work on WEPP administration including calculations and preparing packages for each employees. Phone conversation with A. Whittingham and A. Koroneos in respect of same. Several email correspondence with company representatives.	3.2
5/1/2019	Brown, Rose	Trust Banking Admin - Prepare transfer between accounts, confirm balances in account, and Prepare outgoing wire. Review account for incoming transfers. Clean up Creditor list for preparing for mailing.	3.5
5/1/2019	Whittingham, Andrew	Discuss and finalize ROEs with CFO	0.5
5/2/2019	Sleeth, Jordan	Various - update call re: banking with R. Kiefer and A. Whittingham; review BMT equipment listings for bidder review; circulate NDA to B. Snyder of Tiger Group, f/u call re: same; review insurance policies and discuss with A. Whittingham.	2.5
5/2/2019	Sleeth, Jordan	Review BLG letter re: NDA breaches; review banking sweep request directions to BMO; review correspondence with prospective purchasers and discuss response approach with A. Whittingham.	2.0
5/2/2019	Whittingham, Andrew	Calls and emails with Maxx Marketing re sale of the order book	0.6
5/2/2019	Whittingham, Andrew	Emails to Kellytoy and Hug Fun to offer order book for sale	0.4
5/2/2019	Watson, Devin	Drafted email to BMO to fix account sweeping issues and account sweeping instructions going forward; drafted and sent Walgreens AR demand letter, along with the remaining critical suppliers; mailed out ROE's to former BMT employees, sent out creditor notices.	7.2
5/2/2019	Whittingham, Andrew	Call with R+F Marketing re open order book	0.6
5/2/2019	Whittingham, Andrew	Call with Hilco to discuss arrangements for fixed asset inspections	0.5
5/2/2019	Whittingham, Andrew	Call with Fairfield Processing re open order book	0.5

Date	Name	Narrative	Hours
5/2/2019	Haghiri, Golnaz	Work on WEPP administration. Update letters. Register the company with Service Canada. Email and phone correspondence with A. Whittingham in respect of same.	1.3
5/2/2019	Whittingham, Andrew	Call with PMSA re Walgreens, review and sign letter to Walgreen to collect payment	0.6
5/2/2019	Whittingham, Andrew	Call with BMO to discuss cash sweeps and reversals, prepare letters confirming arrangements and send to BMO with cash sweep instructions	1.1
5/2/2019	Brown, Rose	Trust Banking Admin - Deposit recording; take request to Canada Post for re-direction of mail & prepare mailing to creditors (copy notice, prepare labels & stuff envelopes); liaise with OSB to have estate names corrected and received 4 Receivership certificates.	3.0
5/3/2019	Sleeth, Jordan	Various discussions with A. Whittingham re: realization strategy for booked orders; call with Tiger Group re: liquidation proposals; review communications to suppliers, factories, employees; review vacation payout calculations.	4.2
5/3/2019	Whittingham, Andrew	Review insurance coverage, send to landlord and BLG for opinion	0.5
5/3/2019	Brown, Rose	Estate Admin: complete mailing, prepare mail voucher & take to mail room; prepare payroll deductions for 12 employees cheques; prepare labels for employees payroll and WEPP mailing; input Receipts/Disbursements & reconcile to bank; send GL & draft R&D to D Watson.	3.5
5/3/2019	Whittingham, Andrew	Prepare and send letter to Hong Kong employees	0.5
5/3/2019	Haghiri, Golnaz	Work on finalizing the WEPP packages. Update employee calculation and letter. Finalize Service Canada employee registration. Phone conversation with A. Whittingham in respect of same.	1.2
5/3/2019	Whittingham, Andrew	Review and approve WEPPA letters and calculations	0.8
5/3/2019	Whittingham, Andrew	Update customer and factory notices and send	1.2
5/3/2019	Whittingham, Andrew	Finalize current order book spreadsheet, discuss with K Zhu, send to 2 different parties	1.8
5/3/2019	Watson, Devin	Drafted and notices for storage and pallet providers; began drafting cash flow forecast; added in details for outstanding vacation pay due to employees.	7.4
5/3/2019	Whittingham, Andrew	Meetings with M Hermanson and K Zhu re inventory on hand	0.6
5/3/2019	Whittingham, Andrew	Call with Frank Spano re entitlements, discuss with CFO	0.6
5/3/2019	Whittingham, Andrew	Call with Tiger Group re realization proposal	0.4
5/3/2019	Whittingham, Andrew	Send AR and fixed asset information to Hilco and Tiger with covering email	0.4
5/3/2019	Whittingham, Andrew	Call with Kelly Toys to discuss opportunity to buy open order book, discuss same with J Sleeth, follow up emails to Kelly Toys, prepare and send summary update to BMO re term sheet received	2.2
5/3/2019	Whittingham, Andrew	Various calls with R+F Marketing to discuss open order book	1.0

Date	Name	Narrative	Hours
5/5/2019	Sleeth, Jordan	Conf call with R. Kennedy and A. MacFarlane re: HK strategy; review memo from Dentons HK	0.8
5/5/2019	Whittingham, Andrew	Call with Dentons re Hong Kong entity	0.5
5/6/2019	Sleeth, Jordan	On-site activities - review NDAs from potential purchasers, review information for liquidators, determine booked orders selling strategy with A. Whittingham, calls with Kelly Toys (and revise NDA accordingly), call with Hilco and Tiger.	6.1
5/6/2019	Keene, Ashley	Website postings	0.3
5/6/2019	Whittingham, Andrew	Call with Tiger Group re AR	0.5
5/6/2019	Whittingham, Andrew	Call with Kelly Toy re NDA, review NDA provided with BLG and reply to Kelly Toy with markup	1.2
5/6/2019	Whittingham, Andrew	Meeting with J Sleeth to discuss Kelly Toy offer	1.1
5/6/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques. Prepare Affidavit of Mailing and arrange execution.	1.1
5/6/2019	Whittingham, Andrew	Various calls with R+F Marketing to discuss open order book	0.8
5/6/2019	Whittingham, Andrew	Update open orders listing, discuss in depth with sales and production staff	1.8
5/6/2019	Whittingham, Andrew	Update and analyze inventory listing, discuss in depth with sales and production staff	2.6
5/6/2019	Watson, Devin	Sent R. Brown final drafts of vacation letter to include with cheque for employees; drafted invoices and sent them to R. Brown to cut cheques for contract employees; updated cash flow forecast, cleared emails from the Best Made Toys mailbox.	6.9
5/7/2019	Sleeth, Jordan	Review Dentons HK enforcement memo, call with R. Kennedy re: same; execute NDA and circulate to Kelly Toys; review Term Sheet instruction letter for sale order bidders; call with Tiger LLC re: NMG analysis/proposal	3.2
5/7/2019	Whittingham, Andrew	Prepare for and attend call with Kelly Toys re sale of open order book	0.9
5/7/2019	Whittingham, Andrew	Prepare for and attend call with BLG re Kelly Toy term sheet	1.1
5/7/2019	Whittingham, Andrew	Various calls with Ed Flaherty regarding Kelly Toys transaction	1.6
5/7/2019	Whittingham, Andrew	Call with Tiger Group re inventory realisations	0.5
5/7/2019	Whittingham, Andrew	Draft term sheet instruction letter for bidding on current order book	1.5
5/7/2019	Whittingham, Andrew	Review and consider Kelly Toys term sheet, discuss same with J Sleeth	1.0
5/7/2019	Whittingham, Andrew	Discuss various customer order issues with BMT team, provide instructions on how to proceed with specific customers/orders	1.5
5/7/2019	Brown, Rose	Trust Banking Administration - Disbursement/Payroll cheques, Courier request pick up, and deposit two cheques.	1.6

Date	Name	Narrative	Hours
5/7/2019	Watson, Devin	Responding to emails from vendors and customers; sent out AR demand letters; drafted BMO transfer instructions for A. Whittingham to review; Updating factory contact information; continue cash flow updates.	6.5
5/8/2019	Sleeth, Jordan	Kelly Toys offer: review offer and revisions suggested by BLG, discuss same with A. Whittingham, conf. call with BLG, review revised offer, execute for circulation to Kelly	2.5
5/8/2019	Whittingham, Andrew	Review and approve AR collection letters (12) and discuss with D Watson	0.6
5/8/2019	Whittingham, Andrew	Review letter from Bakersfield landlord, discuss with BLG, review draft response and approve	0.9
5/8/2019	Whittingham, Andrew	Meeting with Cushman and Wakefield at St Regis premises to discuss leased premises	1.0
5/8/2019	Whittingham, Andrew	Executing post-execution obligations with Kelly Toy; email to Walmart, email to Future Toys, provide open Target order information, set up box.com access	1.7
5/8/2019	Whittingham, Andrew	Negotiating final agreement with KellyToy including markups to binding term sheet, execution of agreement and discussions with J Sleeth	2.5
5/8/2019	Whittingham, Andrew	Various calls with BLG re sale of open order book	1.2
5/8/2019	Whittingham, Andrew	Various calls with Kelly Toy re sale of order book and order status.	1.1
5/8/2019	Watson, Devin	Continue updating factory contact information through discussions with Shelly; draft demand letters for customers of BMTGE; responded to creditors from BMT	6.1
5/8/2019	Brown, Rose	Trust Banking Administration - Prepare account open document for Escrow account.	0.5
5/9/2019	Sleeth, Jordan	Call with Dentons HK and R. Kennedy re: BMT HK enforcement options, follow up with BMT for HK account information, debrief with R. Kennedy; attend to Kelly Toy information exchange; review HK financial statements, discuss same with A. Whittingham; Review and approve bonus payments; review Bakersfield landlord correspondence and draft response from BLG.	3.5
5/9/2019	Brown, Rose	Trust Banking Administration - Send in request to open Escrow Trust Account, Confirm received and account open. Send email confirm account open. Check online trust account confirm deposit received. Scan copy of invoice received and send to DW.	2.1
5/9/2019	Whittingham, Andrew	Call with Kelly Toy re current order book status	0.6
5/9/2019	Whittingham, Andrew	Draft customer and factory notices, discuss same with Kelly Toy, finalize, sign and deliver to all parties	1.2
5/9/2019	Whittingham, Andrew	Travel to Cambridge to inspect inventory at Simtech storage facility, meeting with Simtech team and discussions regarding storepersons lien	3.8
5/9/2019	Watson, Devin	Sent out AR demand letters; responded to creditors; worked on adding a AR forecasting schedule to the cash flow forecast.	7.1
5/10/2019	Sleeth, Jordan	Status update call with BLG and A. Whittingham	0.6



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
5/10/2019	Whittingham, Andrew	Review and responded to emails from Gann Memorials re collections	0.6
5/10/2019	Whittingham, Andrew	Calls with Kelly Toy and BLG re Hong Kong Showroom lease and status	0.8
5/10/2019	Whittingham, Andrew	Review and respond to emails from BMT Shanghai employee Alex (Head of QC).	0.4
5/10/2019	Haghiri, Golnaz	Work on the WEPP Administration	0.5
5/10/2019	Brown, Rose	Banking Administration - review account online to confirm receipts. Bonus Employee cheques review documentation and try input prepare deductions. Prepare two transfer between accounts. Prepare wire payment for \$535 and confirm with BMO.	2.8
5/10/2019	Watson, Devin	Responded to creditor and customer inquiries; worked on projecting AR collections for the cash flow forecast.	5.7
5/10/2019	Whittingham, Andrew	Meeting with Kevin Prangic of Hilco regarding fixed asset inspection, discuss requirements for auction and vacating premises.	3.2
5/10/2019	Whittingham, Andrew	Call with BLG re Hong Kong entity	0.8
5/10/2019	Whittingham, Andrew	Finalize inventory listings, send to GOFFA and R+F Marketing	0.8
5/11/2019	Keene, Ashley	Website updates.	0.3
5/11/2019	Whittingham, Andrew	Call with Kelly Toy to discuss feedback from factories in China	0.5
5/13/2019	Sleeth, Jordan	On-site activities - meet with S. Gobin re: collections; issues review call with A. MacFarlane and C. Mason; leased asset review call with R. Kennedy; meetings with A. Whittingham and D. Watson re: resolution priorities (budget/R&D, landlords, inventory realizations, AR collections).	4.3
5/13/2019	Whittingham, Andrew	Calls with Kelly Toy and BLG re Hong Kong and factories	0.5
5/13/2019	Whittingham, Andrew	Call with Dentons re Hong Kong entity status and rental assets	0.5
5/13/2019	Whittingham, Andrew	Meetings with BMT staff to discuss containers on the water, LCs and other matters relating to collections	1.2
5/13/2019	Whittingham, Andrew	Prepare analysis of costs to complete excess inventory, discuss with J Sleeth and K Zhu, calculate factory overheads as they relate to cost to complete	2.6
5/13/2019	Whittingham, Andrew	Various calls and emails with Goffa regarding site visit	0.6
5/13/2019	Whittingham, Andrew	Call with R+F Marketing to discuss inventory sale	0.4
5/13/2019	Whittingham, Andrew	Call with Stein Fiber to discuss inventory sale	0.5
5/13/2019	Haghiri, Golnaz	Work on WEPP administration including respond to several employee inquiries.	0.3
5/13/2019	Brown, Rose	Banking and estate admin: reconcile accounts, process various payments.	1.8

Date	Name	Narrative	Hours
5/13/2019	Watson, Devin	Explained to A. Chen how to draft AR demand letters; drafted and sent a letter to BMT customer so they can complete their order; updated the cash flow forecast to include five for weeks of projections; drafted and sent invoices to R. Brown for processing	6.6
5/13/2019	Chen, Ashley	Drafted AR demand letters Scanned and compiled legal documents on Best Made forklift equipment	4.2
5/14/2019	Whittingham, Andrew	Meeting and discussions with Crossdock to inspect inventory and negotiate on storepersons lien	1.2
5/14/2019	Whittingham, Andrew	Meeting onsite with Titan Security re: disposal of sample toys and premises clean up, meeting with Paul Garde re sewing machines	0.6
5/14/2019	Whittingham, Andrew	Review of BLG draft letters to Shanghai GM, Future Toys and Dan Dee to cease and desist.	0.4
5/14/2019	Whittingham, Andrew	Calls with Kellytoy, BLG and J Sleeth re factory situation in China, review and approve letters to all factories	2.2
5/14/2019	Whittingham, Andrew	Finalize and send sweep instruction letter to BMO	0.4
5/14/2019	Whittingham, Andrew	Emails and calls with Goffa to arrange for site visit	0.4
5/14/2019	Whittingham, Andrew	Complete analysis of inventory realization scenarios and costs to complete	1.8
5/14/2019	Brown, Rose	Trust Banking Administration - Prepare Bonus schedule and prepare Payroll cheques, void & re-issue payroll/Bonus cheque. Scan various document received and send to D Watson. Reconcile account to GL for May 10, 2019 and prepare R&D and send to DW.	2.5
5/14/2019	Haghiri, Golnaz	Work on WEPP administration including respond to several employee inquiries.	0.4
5/14/2019	Chen, Ashley	Updated and reconciled company cash flow forecast based on transaction summary Created AR tracker on amounts collected from creditors	4.5
5/14/2019	Watson, Devin	Corresponded with factories and vendors; updated bank instructions to BMO; explained AR tracker and cash flow updates that needed to be made to A. Chen; Reviewed AR tracker and sent to A. Whittingham for comments.	6.7
5/15/2019	Sleeth, Jordan	Review bidder instruction letter; email from S. Johnston, liaise with BMO re: same; review correspondence to/from BMT factories re: NDA breaches and responses; review lease analysis from Dentons and release letters to lessors; consider product liability insurance analysis from BLG; status update call with BLG.	2.8
5/15/2019	Whittingham, Andrew	Meeting with Goffa USA onsite to inspect inventory and discuss terms of the inventory and fixed asset purchase	2.5
5/15/2019	Whittingham, Andrew	Meeting with Platinum Assets to inspect fixed assets and discuss sale method	1.1
5/15/2019	Whittingham, Andrew	Call with BLG to discuss factory situation	0.5
5/15/2019	Whittingham, Andrew	Conduct warehouse tour and instruct A Chen with pallet and asset counts	0.6

Date	Name	Narrative	Hours
5/15/2019	Whittingham, Andrew	Meeting with BMT staff to discuss working arrangements and tasks	0.6
5/15/2019	Watson, Devin	Corresponded with factories, vendors and ex-employees; reviewed and made changes to the cash flow forecast actuals, originally updated by A. Chen.	7.5
5/15/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques,	0.6
5/15/2019	Whittingham, Andrew	Discuss leased assets with Dentons, review release letters and arrange for collection of forklifts by MJ Pallets	0.8
5/15/2019	Chen, Ashley	Count of inventory and equipment for two warehouses	7.8
5/15/2019	Whittingham, Andrew	Call with Ostoy re site visit next week, prepare and send additional information to Ostoy regarding inventory listing	0.8
5/16/2019	Sleeth, Jordan	Status update meeting with A. Whittingham re: landlord updates, inventory buyers and process, BMO update, AR collections update; review and consider PPSA registration effects.	1.3
5/16/2019	Chen, Ashley	Performed inventory count of individual warehouse pallets, updated wage timesheets and invoices for contract employees	4.7
5/16/2019	Watson, Devin	Met with Forklift lessor and returned the three forklifts on lease; Met with representative from Peco Pallets so he could perform the audit of pallets on hand; Analyzed outstanding AR with S. Gobin to discuss any issues and drafted a summary letter on AR.	7.4
5/16/2019	Brown, Rose	Trust Banking Administration - Check account online and request back to income transfers. Scan and send mail received to DW.	0.5
5/16/2019	Whittingham, Andrew	Review email from BMT Shanghai, discuss with J Sleeth and CFO before responding	0.8
5/16/2019	Whittingham, Andrew	Email to EA Toy re Coto order on the water	0.2
5/16/2019	Whittingham, Andrew	Finalize and send term sheet instruction letters to interested parties	1.4
5/16/2019	Whittingham, Andrew	Meeting onsite with St Regis premises landlord	1.6
5/17/2019	Brown, Rose	Trust Banking Administration - Input incoming transfer into accounts and Reconciled accounts to GL.	1.2
5/17/2019	Whittingham, Andrew	Discuss status with D Watson and J Sleeth and provide an update to BMO via email	1.6
5/20/2019	Sleeth, Jordan	Prepare for and attend call with Kelly Toys re: factory behaviours	0.6
5/20/2019	Whittingham, Andrew	Prepare for and attend call with Kelly Toy regarding factory status	0.7
5/21/2019	Sleeth, Jordan	Review correspondence with bidders; consider shipping/demurrage issues with MassMart, discuss response with A. Whittingham and review; review Hilco offer to collect BMT A/R; Call with R. Kiefer re: BMT HK and statutory demand form, other updates	1.3
5/21/2019	Brown, Rose	Trust Banking Adm. - Prepare Payroll remittance cheques, cheque DW mail, prepare deposit and take to the bank.	0.8

Date	Name	Narrative	Hours
5/21/2019	Whittingham, Andrew	Various email and telephone correspondence with Ostoy regarding site visit.	0.7
5/21/2019	Whittingham, Andrew	Prepare for and attend call with BMO re Hong Kong entity	0.6
5/21/2019	Whittingham, Andrew	Various email and telephone correspondence with Goffa regarding transaction structure and bid specifics. Arrange for sample stock to be sent to Goffa from Crossdock.	1.3
5/21/2019	Whittingham, Andrew	Call with R+F Marketing to discuss transaction structure	0.5
5/21/2019	Whittingham, Andrew	Discuss Massmart requests with CFO and J Sleeth, track down factory POs and send email response	1.2
5/21/2019	Whittingham, Andrew	Various emails and calls with Far East Brokers regarding the sale of inventory and equipment	0.8
5/21/2019	Whittingham, Andrew	Discuss BMO LC request with BMT team and respond accordingly	0.4
5/22/2019	Brown, Rose	Trust Banking Administration - Disbursement & Payroll cheques and prepare letter to CRA to Submit Source Deductions; bank reconciliations (April, 2 accounts)	3.0
5/22/2019	Sleeth, Jordan	Review insurance submission re: insured values; review correspondence from BMT HK staff re: termination payments; discuss Loblaws payment reversal with A. Whittingham and determine approach to resolution	1.5
5/22/2019	Watson, Devin	Answering emails and calls from vendors/creditors; began updating the AR tracker with discounts and vendor program reductions.	6.6
5/22/2019	Whittingham, Andrew	Call with Loblaws re outstanding AR, follow up email to Loblaws	0.4
5/22/2019	Whittingham, Andrew	Email Ostoy, Simtech and Crossdock to arrange for their arrival and site visits	0.5
5/22/2019	Whittingham, Andrew	Email Kelly Toy, Simtech and Crossdock to arrange for their arrival and site visits	0.5
5/22/2019	Whittingham, Andrew	Research owned compressors, inspect equipment and take photos to send to appraisers.	0.7
5/22/2019	Whittingham, Andrew	Email Commercial Air Compressors with release letter, various telephone discussions regarding picking up equipment and sale of owned compressors	0.9
5/22/2019	Whittingham, Andrew	Call with HUB Group to discuss insurance requirements, prepare and send updated insured values for consideration, follow up emails with HUB Group	1.2
5/22/2019	Whittingham, Andrew	Discuss Massmart order status with J Sleeth, prepare and send email response	0.5
5/23/2019	Haghiri, Golnaz	Work on WEPP administration and respond to former employees' inquiries.	0.2
5/23/2019	Keene, Ashley	Depositing cheques; print cheques; courier to recipients	0.5
5/23/2019	Brown, Rose	Trust Banking Administration - Deposits and prepare R&D, GL's and send to DW & AW.	1.0

Date	Name	Narrative	Hours
5/23/2019	Watson, Devin	Called CRA to get a status update on the RP2 and RT2 account creation; finished updating the AR tracker; updated the cash flow forecast for the week ended May 17, 2019; Met with Hilco representative to walkthrough the St. Regis building.	7.3
5/23/2019	Sleeth, Jordan	Review offsite inventory agreements and arrears, memo from A. Whittingham re: arrears payment analysis; f/u with D. Watson re: CRA account number	1.2
5/23/2019	Whittingham, Andrew	Prepare for and attend onsite equipment inspection and discussions with Hilco Industrial.	1.6
5/23/2019	Whittingham, Andrew	Prepare for and attend onsite inventory inspection and meeting with Ostoy and Aero Trade to discuss acquisition of inventory. Follow up discussions regarding transaction structure and production requirements.	4.5
5/23/2019	Whittingham, Andrew	Prepare for and attend onsite inventory inspection and meeting with KellyToy to discuss acquisition of inventory.	2.2
5/24/2019	Watson, Devin	Updated cash flow forecast for the week ended May 24, 2019; responded to creditor emails and calls; drafted employee invoices to send to R. Brown for payment.	6.5
5/24/2019	Whittingham, Andrew	Various calls with KellyToy, Goffa, R+F Marketing and Hilco regarding upcoming bid deadline for inventory. Discuss last minute terms and arrangements.	1.8
5/24/2019	Whittingham, Andrew	Prepare for and attend onsite inventory inspection and meeting with AM Productions to discuss acquisition of inventory	3.2
5/27/2019	Watson, Devin	Created slide deck to summarize asset purchase offers received from several interested parties; phone calls and emails with creditors; coordinate pick up of toys for donation; Drafted buffalo inventory realization model for A. Whittingham.	7.7
5/28/2019	Watson, Devin	Started draft ERV as at May 24, 2019; Updated asset purchase offers summary with Hilco offer and reformatted slides re: A. Whittingham' s comments.	8.5
5/28/2019	Brown, Rose	Pick up cheque rec'd in the mail.	0.2
5/29/2019	Watson, Devin	Called WSIB to register the BMT account; Finished and sent draft ERV to A. Whittingham for review; Updated ERV with A. Whittingham' s comments; draft and sent out demand letter to DAS.	8.0
5/29/2019	Sleeth, Jordan	Review inventory bid summary, discuss same with A. Whittingham, review cover memo for circulation to BMO; general updates with A. Whittingham.	1.0
5/29/2019	Brown, Rose	Trust Banking - Disbursement cheques and review account online for incoming transfer, prepare deposit and take to the bank.	1.2
5/30/2019	Watson, Devin	Made updates to the ERV per A. Whittingham request; replied to emails from creditors and factories; assisted with the removal of sample toys; called CRA to get an update on our access request and HST and source remittance account creation.	8.0

Date	Name	Narrative	Hours
5/30/2019	Sleeth, Jordan	Status update calls with A. Whittingham re: landlord issues, inventory purchase offers, call with R. Kennedy re: landlord letter, HK demand notice.	1.5
5/30/2019	Brown, Rose	Trust Banking Admin - Disbursement cheques.	0.2
5/31/2019	Watson, Devin	Updated asset evaluation summary with the two new offers received and one revised offer for assets held at BMT; provided R. Brown with support for bank account transfers; directed and supervised labor cleaning up the back lot behind BMT's building.	7.0
5/31/2019	Brown, Rose	Input receipts transfer and reconcile. Deposit. Review account for preparing of rent cheques and prepare transfer between accounts.	1.1
<b>Total</b>			<b>474.8</b>


**Invoice 8000696174**
**Deloitte LLP**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Robert A. Kiefer  
Bank of Montreal (Special Accounts Management Unit)  
100 King Street West, 7th Floor  
Toronto ON M5X 1A1  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: July 26, 2019  
Client No.: 1332039  
WBS#: BES00071  
Engagement Partner: Jordan Sleeth

HST Registration: 133245290RT0001

**For professional services rendered**
**Fees**

Second interim bill in connection with Best Made Toys International, ULC for the month of June, 2019.

Please see the attached appendices.

HST applicable	68,262.50
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**Expense**

Travel Expenses

HST applicable	250.49
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**Sales Tax**

HST at 13.00%	8,906.69
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<b>Total Amount Due (CAD)</b>	<b>77,419.68</b>
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Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8000696174	77,419.68	Payment for invoice 8000696174

**Contact:**

Please send payment confirmation by email to: [receivablesdebiturs@deloitte.ca](mailto:receivablesdebiturs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

**1. EFT Payments(remittance email mandatory):**

**Preferred Method**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1590219

**For USD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1363514

**2. Wire Payment:**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**Account Number:** 476961590219

**Swift Code:** NOSCCATT

**For USD Dollar (\$) Payments, pay:**

**Account Number:** 476961363514

**Swift Code:** NOSCUS33

**ABA Routing Number:** 026002532

**3. Online Payment:**

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

**4. Cheque payments, please mail to:**

**For CAD Dollar (\$) Payments, pay:**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay:**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1




**Appendix #1**
**Summary of Fees**
**Work performed for the month of June 2019**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	15.3	\$ 700.00	\$ 10,710.00
Whittingham, Andrew	Senior Manager	61.5	\$ 550.00	\$ 33,825.00
Haghiri, Golnaz	Senior	0.7	\$ 325.00	\$ 227.50
Keene, Ashley	Analyst	0.3	\$ 250.00	\$ 75.00
Watson, Devin	Analyst	77.8	\$ 250.00	\$ 19,450.00
Jack, Sean	Analyst	3.5	\$ 250.00	\$ 875.00
Brown, Rose	Consultant	12.4	\$ 250.00	\$ 3,100.00
<b>Total Fees</b>		<b>171.5</b>		<b>68,262.50</b>
<b>Out-of-pocket Expenses:</b>				<b>250.49</b>
<b>Total Fee and Out-of-pocket expenses</b>				<b>68,512.99</b>



**Appendix #2**  
**Time Details**

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
6/3/2019	Whittingham, Andrew	Markup version of the APA and discuss with C Mason at BLG	0.8
6/3/2019	Whittingham, Andrew	Deal with Bakersfield landlord requests for payment of arrears and top-up rent. Various emails and calls re the same.	1.2
6/3/2019	Whittingham, Andrew	Liaise with Stein Fibers to obtain details of terms, updating offer comparison analysis and provide to J Sleeth with comments and recommendations	2.1
6/3/2019	Whittingham, Andrew	Finalize analysis of inventory at Marco and Speed Global. Discuss with D Watson and approve letters to terminate the contracts.	2.2
6/3/2019	Sleeth, Jorden	Review revised APA; review notice of BMT debt charge converting to floating charge prepared by BLG; review bid analysis and recommendation, provide comments to A. Whittingham.	0.4
6/3/2019	Brown, Rose	Trust Banking Admin - Prepare transfer between account, have signed & send to BMO. Confirm receipt and input into Ascend. Prepare disbursement cheques for Rent and courier to location - 1 hr direct. Print back up for several request for disbursements.	1.3
6/3/2019	Watson, Devin	Updated Asset Valuation Analysis with A. Whittingham' s comments; Responded to emails from creditors and customers; drafted employee invoices to be sent to R. Brown for payment; drafted letter to storage Company regarding inventory held	7.2
6/4/2019	Whittingham, Andrew	Prepare for and attend update call with Denton's	0.4
6/4/2019	Whittingham, Andrew	Execute and deliver signed term sheet to Kelly Toys	0.5
6/4/2019	Whittingham, Andrew	Liaising with Commercial Air Compressors onsite regarding the removal of assets.	1.2
6/4/2019	Whittingham, Andrew	Prepare for and attend call with BLG to discuss APA. Prepare inventory and asset schedules for APA. Discussing APA with Dentons.	2.4
6/4/2019	Sleeth, Jorden	Review changes to APA, consider HST issues	0.5
6/4/2019	Watson, Devin	Supervised the collection of leased equipment by the lessors; responded to creditors emails and calls;	3.7
6/4/2019	Whittingham, Andrew	Call with Bruce Faulken re PECO pallets, confirm arrangements for deal to continue supply.	0.5
6/4/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques - General and Payroll.	1.2
6/5/2019	Whittingham, Andrew	Updating final version of APA and sending to BLG, discussing same with Dentons	1.2
6/5/2019	Whittingham, Andrew	Call with Kelly Toy re sale of assets	0.3
6/5/2019	Whittingham, Andrew	Review updated ERV and discuss realization with D Watson and S Gobin	1.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
6/5/2019	Whittingham, Andrew	Meeting with CFO to discuss status of collections	0.5
6/5/2019	Whittingham, Andrew	Discuss and finalize letter to Stein Fibers	0.3
6/5/2019	Watson, Devin	Contacted Rogers regarding payment of internet and account management; Instructed R. Brown to make several payments to critical suppliers; responded to creditors and sent out demand letters for outstanding receivables	3.3
6/6/2019	Sleeth, Jorden	Review correspondence from Kelly Toys re: May 2019 sales, other APA issues, consider same.	0.6
6/6/2019	Brown, Rose	Trust Banking Administration - Deposit, Disbursement cheque and prepare reconciliation and R&D to Jun 5, 2019.	1.5
6/6/2019	Whittingham, Andrew	Meeting with S Gobin re AR collections and analysis	0.8
6/6/2019	Watson, Devin	Updated AR tracker, Cash Flow Forecast and ERV analysis as at June 6, 2019; called Toronto Hydro to change over accounts; furthered the process of generating new RP and RT accounts with the CRA	7.0
6/7/2019	Sleeth, Jorden	Call with A. Whittingham and Kelly Toys re: APA issues	0.4
6/7/2019	Whittingham, Andrew	Prepare for and attend call with Kelly Toy to discuss terms, Toronto production, storage facilities and APA. Send separate follow-up emails re APA, Simtech inventory, sublease, Toronto production, Ocean State order	2.0
6/7/2019	Watson, Devin	Finished updating the ERV as at June 6, 2019; worked on first draft of BMO summary update; reconciled Deloitte AR collections with BMT internal reporting	6.5
6/7/2019	Whittingham, Andrew	Review lease agreement for ST Regis and discuss with J Sleeth	0.6
6/10/2019	Sleeth, Jorden	Various - update call with A. Whittingham; Kelly Toy APA call with BLG; call with A. Whittingham and E. Flaherty (Kelly) re: APA issues; review ERV and provide revisions, discuss same with A. Whittingham	2.6
6/10/2019	Watson, Devin	Drafted employee invoices to be sent to R. Brown for payment; updated BMO summary deck with A. Whittingham comments; Drafting letters and emails to creditors, spoke with call center agent at Rogers to get added into the account; reconciled the BMT AR	5.2
6/10/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques.	0.4
6/10/2019	Whittingham, Andrew	Meetings with D Watson re ERV analysis, updating and reviewing ERV analysis turns, working on accompanying slide deck for BMO	2.5
6/10/2019	Whittingham, Andrew	Onsite meeting with mechanic re stuffing machines	0.5
6/10/2019	Whittingham, Andrew	Asset Purchase Agreement draft: prepare for and attend call with Kelly Toy and BLG respectively to discuss APA. Review most recent APA draft and Kelly Toy markups.	2.9
6/11/2019	Whittingham, Andrew	Discuss WEPPA claims status with J Hagiri	0.3
6/11/2019	Whittingham, Andrew	Read and consider CRA letter re HST audit, discuss with J Sleeth and email CFO re same	0.4

Date	Name	Narrative	Hours
6/11/2019	Sleeth, Jordan	Review draft ERV schedule and presentation materials for status update meeting with R. Kiefer, provide comments/revisions to same to A. Whittingham; review memo from Dentons re: sales agency trust claim; review CRA letter re: HST ITCs denied;	1.0
6/11/2019	Whittingham, Andrew	Execute amendment to order book term sheet and draw \$100,000 from escrow	0.5
6/11/2019	Sleeth, Jordan	discuss APA revisions with A. Whittingham and review email to BLG re: same.	0.3
6/11/2019	Whittingham, Andrew	Email BLG instructions re APA draft edits	0.6
6/11/2019	Watson, Devin	Sent invoices to R. Brown to be paid; Called employees who hadn't submitted their WEPPA POC forms; updated BMO summary deck with comments from J. Sleeth; Split out the opening AR balances on the ERV between the two facilities and updated uncollectible	7.2
6/11/2019	Whittingham, Andrew	Finalizing ERV analysis and accompanying slides and deliver to BMO with covering letter	2.2
6/12/2019	Whittingham, Andrew	Review of HST liabilities on proposed asset sale, discuss tax implications with BLG, provide Kelly Toy with relevant tax advice referrals	1.0
6/12/2019	Brown, Rose	Trust Banking Administration - Transfers between accounts, record incoming wire and prepare disbursement cheque and deposit cheque.	1.8
6/12/2019	Sleeth, Jordan	Review APA revisions prior to circulation to Kelly Toys; consider response to landlord; consider HST issues on Kelly transaction.	0.7
6/12/2019	Whittingham, Andrew	Prepare for and attend meeting with BMO to provide update on Receivership process	1.6
6/12/2019	Sleeth, Jordan	Prepare for and attend meeting with R. Kiefer to provide Receivership update (realizations to date, ERV estimate, international updates, etc.), debrief same with A. Whittingham.	1.5
6/12/2019	Watson, Devin	Spoke with Toronto Hydro, waste management, ADT and Rogers regarding the set-up of a new account; responded to creditors and vendors via email; Communicated with R. Brown re which invoices to pay	5.3
6/13/2019	Sleeth, Jordan	Review revised APA, discuss revisions with A. Whittingham.	0.5
6/13/2019	Watson, Devin	Updated Cash flow to project until the end of October 2019; responded to creditor and vendor emails; Drafted employee invoices for work performed the week of June 14, 2019	4.2
6/13/2019	Whittingham, Andrew	Brief D Watson re BMO meeting previous day and discuss next steps	0.4
6/13/2019	Haghiri, Golnaz	Work on WEPPA administration to update payments from SC and update POC received.	0.7
6/14/2019	Watson, Devin	Drafted cancellation letter to Coto; responded to various creditor and vendor emails.	2.0
6/14/2019	Whittingham, Andrew	Deal with Coto order issues, prepare letter to cancel supply contract and open LC	0.5

Date	Name	Narrative	Hours
6/14/2019	Brown, Rose	Trust Banking Administration - Payroll & Disbursement cheques, Review account online, reconcile GL to bank, Update R&D, Print GL's reports and send to DW.	2.1
6/14/2019	Sleeth, Jordan	Update call with A. Whittingham re: status of Kelly transaction, CFO retainer, landlord issues; receive update from Dentons re: sales agent trust claim and consider same	0.6
6/17/2019	Watson, Devin	Updating the cash flow with actuals from the week of June 14, 2019; responded to emails from creditors.	2.3
6/17/2019	Whittingham, Andrew	Various emails to BMT team re Kelly deal	0.4
6/17/2019	Whittingham, Andrew	Review insurance coverage and instruct coverage to be placed for another month	0.2
6/17/2019	Whittingham, Andrew	Consider Rogers invoice issue, discuss with D Watson	0.2
6/18/2019	Watson, Devin	Completed the update of cash flow for the week of June 14, 2019; updated the AR collection projections after meeting with S. Gobin; responded to emails from creditors.	6.5
6/18/2019	Whittingham, Andrew	Follow up emails to Loblaws and Big Lots re collections	0.2
6/18/2019	Whittingham, Andrew	Emails exchanged with Kelly Toy re APA discussion	0.2
6/18/2019	Whittingham, Andrew	Emails with Bakersfield landlord re access to facility and filing claim in the Receivership.	0.2
6/18/2019	Whittingham, Andrew	Read and consider emails from Grant Thornton re tax filings. Prepare and send response to confirm "pens down" approach.	0.3
6/18/2019	Whittingham, Andrew	Discuss AR with D Watson	0.2
6/18/2019	Whittingham, Andrew	Read and consider Platinum auction proposal for office furniture and computers. Forward to J Sleeth with recommendation.	0.5
6/18/2019	Whittingham, Andrew	Prepare for and attend meeting with CFO and D Watson re AR collections status. Follow up discussions with D Watson re way forward.	1.5
6/18/2019	Whittingham, Andrew	Meetings and discussions with CFO re CRA audits of HST and Payroll accounts. Review schedule of HST payable prepared by CFO.	1.0
6/19/2019	Whittingham, Andrew	Discussions with K Zhu re Kelly Toy production in Toronto	0.4
6/19/2019	Whittingham, Andrew	Discussions with CFO re collection of Big Lots AR	0.4
6/19/2019	Whittingham, Andrew	Emails with Bakersfield landlord re access and utilities invoices	0.2
6/19/2019	Whittingham, Andrew	Prepare for and attend call with Kelly Toy re APA, send instruction email to BLG	0.8
6/19/2019	Watson, Devin	Call with CRA for update on the HST and source deduction account creation; drafted AR demand letter for TRU Canada; reviewed cash flow to ensure it ties to cash on hand.	3.7
6/19/2019	Whittingham, Andrew	Call with Bobby Sohli of BLG re HST requirements for inventory transaction, review of Bobby's follow up email re HST status and reply	0.5
6/19/2019	Whittingham, Andrew	Prepare skeleton structure for First Receiver's report to the Court	0.4

Date	Name	Narrative	Hours
6/19/2019	Sleeth, Jordan	Call with A. Whittingham and Kelly Toy re: APA and HST issue, debrief with A. Whittingham	0.4
6/19/2019	Whittingham, Andrew	Review of updated 20-week Cash Flow and discuss same with D Watson	0.8
6/20/2019	Whittingham, Andrew	Call with J Sleeth to discuss status	0.3
6/20/2019	Whittingham, Andrew	Review and approve emails to Lojas and Hamleys re AR collections.	0.2
6/20/2019	Whittingham, Andrew	Various emails to insurance broker re D&O tail coverage and discussions re same with D Watson.	0.5
6/20/2019	Whittingham, Andrew	Calls and emails exchanged with Bobby Sohli of BLG re HST requirements on inventory transaction. Call with Ed Flaherty of Kelly Toy re same.	0.7
6/20/2019	Whittingham, Andrew	Review emails from KWM counsel in Hong Kong. Discuss with CFO and forward to Dentons/BLG for comment.	0.5
6/20/2019	Whittingham, Andrew	Open link from PMSA and send email to Dentons re PMSA trust claim	0.3
6/20/2019	Whittingham, Andrew	Prepare for and attend meeting with IT consultant and CFO to discuss procedures for office closure and future access to servers.	1.4
6/20/2019	Watson, Devin	Drafted demand emails for S. Gobin to send to International customers; called Insurance broker to get a D&O Quote, coordinated Iron Mountain drop off/pick up; responded to creditor emails	4.0
6/21/2019	Sleeth, Jordan	Call with S. Gobin re: retention agreement and tax return	0.5
6/21/2019	Watson, Devin	Supervised realtor showing of Bakersfield property; Responded to emails from creditors.	2.0
6/24/2019	Whittingham, Andrew	Discuss HST response letter with J Sleeth	0.2
6/24/2019	Whittingham, Andrew	Discuss tail D&O coverage with J Sleeth and place coverage.	0.2
6/24/2019	Whittingham, Andrew	Various emails and discussions with BLG re Kelly deal	0.4
6/24/2019	Whittingham, Andrew	Discuss CRA HST re-assessment with S Gobin. Review of taxable supply reconciliation and ITCs available. Draft letter to CRA responding to re-assessment and prepare associated appendix.	3.2
6/24/2019	Watson, Devin	Responded to creditor and customer emails	1.0
6/24/2019	Sleeth, Jordan	Various: HST return - review HST return working papers and memo from S. Gobin, call with S. Gobin re: same; discuss retention bonus structure with S. Gobin, revise retention contract and circulate to S. Gobin; consider insurance renewal <del>timing and cost</del>	1.4
6/25/2019	Watson, Devin	Drafted invoices for employee work performed the week ending June 21, 2019; Responded to creditor and vendor emails; Finished drafting transition memo for S. Jack	2.0
6/25/2019	Brown, Rose	Trust Banking Administration - Printing back up for issue of disbursement/payroll cheques, Review account online and request for back up for incoming receipts into the US\$ account.	0.8
6/25/2019	Whittingham, Andrew	Discuss HST matters with CFO	0.4

Date	Name	Narrative	Hours
6/25/2019	Whittingham, Andrew	Status update meeting with D Watson	0.5
6/25/2019	Whittingham, Andrew	Review and update AR collections status, confirm write offs with CFO	0.6
6/25/2019	Whittingham, Andrew	Review email and supporting docs from PMSA counsel re trust claim, discuss the same with CFO. Review draft letter to PMSA counsel and provide comments.	1.2
6/25/2019	Whittingham, Andrew	Prepare for and attend call with Kelly Toys re deal closing. Email instructions re APA to BLG for document completion.	1.1
6/25/2019	Whittingham, Andrew	Email HK landlord re release of leased property.	0.2
6/25/2019	Whittingham, Andrew	Review of revised CFO contract and instruct payment on retention bonus. Draft hourly contract for Peter John (WH supervisor).	0.5
6/25/2019	Whittingham, Andrew	Review of revised APA prepared by BLG. Discuss same with J Sleeth and provide copies to Kelly Toy.	0.8
6/25/2019	Sleeth, Jorden	Consider collection approach re: Loblaws and discuss same with A. Whittingham; review submissions from Walgreens sales agent re: trust claim for commission on AR collection; consider HR resolution issues; call with Kelly Toy re: production costs and recovery to Receiver; review of income tax return and approve filing; review revised Kelly APA and call with Kelly.	3.2
6/26/2019	Whittingham, Andrew	Amending APA for Kelly Toy comments. Return draft APA to Kelly with explanation of changes. Discussing same with J Sleeth. Facilitate another turn of the APA per Kelly's request.	2.1
6/26/2019	Whittingham, Andrew	Review and execute auction agreement with Platinum Assets.	0.4
6/26/2019	Whittingham, Andrew	Email Crossdock re samples issue, discuss with K Zhu	0.3
6/26/2019	Whittingham, Andrew	Discussions with M Sipp (Kelly Toy) and Karen Zhu re revising employment contract to 90 day terms.	0.8
6/26/2019	Whittingham, Andrew	Amend existing labour hire contract to the Receivership proceedings and provide copy to J Sleeth	0.5
6/26/2019	Whittingham, Andrew	Review of status on Loblaws AR collection, discuss same with CFO. Prepare for and attend call with Loblaws counsel re settlement.	1.2
6/26/2019	Brown, Rose	Trust Banking Administration - Disbursement/payroll cheques, Prepare payroll schedules.	3.0
6/26/2019	Watson, Devin	Corresponding with R. Brown regarding payment of critical supplier invoices; responding to customer and creditor inquires	2.7
6/26/2019	Sleeth, Jorden	Liaise with former director (N. Manzoor) re: D&O insurance; review and edit the Octagon contract labour contract, discuss same with A. Whittingham	0.7
6/27/2019	Whittingham, Andrew	Further updates to APA. Discussions with Kelly Toy re execution. Meeting with J Sleeth to execute the document.	1.6
6/27/2019	Jack, Sean	Constructing rebuttal letter to the CRA relating to the HST payable amounts due to imported goods - provided to A Whittingham for initial review	1.5
6/27/2019	Keene, Ashley	Issue chq, sign & courier.	0.3
6/27/2019	Brown, Rose	Prepare courier slip for payroll cheques and rent cheques and take to mail room.	0.3

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
6/27/2019	Watson, Devin	Responded to emails regarding creditors and outstanding AR.	2.0
6/28/2019	Whittingham, Andrew	Discuss HST reconciliation with S Jack.	0.5
6/28/2019	Whittingham, Andrew	Call with Ed Flaherty of Kelly Toy re inventory	0.4
6/28/2019	Whittingham, Andrew	Provide Kelly commercial invoice for samples	0.3
6/28/2019	Whittingham, Andrew	Finalize Octagon draft contract	0.4
6/28/2019	Jack, Sean	Draft response letter to the CRA relating to the HST payable amounts due to imported goods - adjusted the letter as per A Whittingham comments	2.0
<b>Total</b>			<b>171.5</b>




**Invoice 8000779367**
**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Robert A. Kiefer  
Bank of Montreal (Special Accounts Management Unit)  
100 King Street West, 7th Floor  
Toronto ON M5X 1A1  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: September 20, 2019  
Client No.: 1332039  
WBS#: BES00071  
Engagement Partner: Jordan Sleeth  
HST Registration: 122893605RT0001

**For professional services rendered**
**Fees**

Interim bill in connection with Best Made Toys International, ULC for the month of July, 2019.

Please see the attached appendices.

HST applicable	45,070.00
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**Expense**

Out-of-pocket Expenses

HST applicable	3,084.80
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**Sales Tax**

HST at 13.00%	6,260.12
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<b>Total Amount Due (CAD)</b>	<b>54,414.92</b>
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Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8000779367	54,414.92	Payment for invoice 8000779367

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

**1. EFT Payments(remittance email mandatory):**

**Preferred Method**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1590219

**For USD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1363514

**2. Wire Payment:**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**Account Number:** 476961590219

**Swift Code:** NOSCCATT

**For USD Dollar (\$) Payments, pay:**

**Account Number:** 476961363514

**Swift Code:** NOSCUS33

**ABA Routing Number:** 026002532

**3. Online Payment:**

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

**4. Cheque payments, please mail to:**

**For CAD Dollar (\$) Payments, pay:**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay:**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1



**Appendix #1**  
**Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	9.7	\$ 700.00	\$ 6,790.00
Whittingham, Andrew	Senior Manager	36.1	\$ 550.00	\$ 19,855.00
Watson, Devin	Analyst	11.2	\$ 250.00	\$ 2,800.00
Koo, Ada	Analyst	0.7	\$ 250.00	\$ 175.00
Jack, Sean	Analyst	42.6	\$ 250.00	\$ 10,650.00
Brown, Rose	Consultant	19.2	\$ 250.00	\$ 4,800.00
<b>Total Professional Hours and Fees</b>		<b>119.5</b>		<b>\$ 45,070.00</b>
Out-of-pocket Expenses				\$ 3,084.80
<b>Total Fees and Expenses</b>				<b>\$ 48,154.80</b>



## Appendix #2

### Work performed for the month of July 2019

Date	Name	Narrative	Hours
7/2/2019	Brown, Rose	Trust Banking - Deposit, Disbursement & payroll cheques, Transfer between accounts, reconcile bank to GL and prepare update R&D to send to DW/SJ.	1.8
7/2/2019	Watson, Devin	Responded to creditor and customer emails; review draft responses with S. Gobin and A. Whittingham	1.6
7/2/2019	Koo, Ada	May bank account reconciliation for 3 accounts	0.3
7/2/2019	Jack, Sean	Completed employee invoices and processed disbursements related to operations	2.2
7/3/2019	Jack, Sean	Review payments with S. Gobin, discuss same with A. Whittingham, liaise with R. Brown re: payment	2.3
7/3/2019	Watson, Devin	Update the cash flow actuals for the week of June 30, 2019; replied to emails from creditors and customers regarding payments and future orders; spoke on the phone with TRU Canada regarding payment of outstanding AR.	3.2
7/3/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques.	0.7
7/4/2019	Whittingham, Andrew	Working on IT support issues; internet connection, website and domain host	0.7
7/4/2019	Whittingham, Andrew	Working on CRA draft letter version 2, discuss same with CFO	1.2
7/4/2019	Whittingham, Andrew	Review of cash flow forecast, discuss same with S Jack	1.4
7/4/2019	Whittingham, Andrew	Meeting with CFO to discuss AR collections	0.8
7/4/2019	Whittingham, Andrew	Call with Platinum Assets re update	0.3
7/4/2019	Whittingham, Andrew	Meetings and discussions with CFO and Deloitte team in preparation for CRA Payroll audit	1.0
7/4/2019	Whittingham, Andrew	Prepare for and attend call with Dentons re status update	0.4
7/4/2019	Whittingham, Andrew	Meetings and discussions with K Zhu re production and logistics	1.4
7/4/2019	Sleeth, Jordan	HK issues - call with R. Kennedy and A. Whittingham re: HK wind up (S. Johnson request), HK A/R collections, landlord issues	0.6
7/4/2019	Sleeth, Jordan	Review and consider investment rates and options for excess funds on deposit, direct A. Whittingham	0.2
7/4/2019	Jack, Sean	Work and review of CRA letter, responded to A Whittingham comments and made necessary edits, continued daily operations and organization of waste removal; review updated cash flow.	4.2
7/4/2019	Watson, Devin	Review and update AR Tracker based on collections and customer responses to July 2, 2019; responded to emails from customers and creditors; sent R. Brown bills for approval.	2.9
7/5/2019	Whittingham, Andrew	Emails and discussions with K Zhu re production	0.4
7/5/2019	Whittingham, Andrew	Discuss cash flow and APA with S Jack	0.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
7/5/2019	Jack, Sean	Review and revise CRA letter, responded to A Whittingham comments and made necessary edits, aided in proceedings with the CRA payroll audit, process cash flow revisions	3.0
7/5/2019	Brown, Rose	Trust banking Administration - Disbursement cheque.	0.1
7/5/2019	Watson, Devin	Drafted email for A. Whittingham to review regarding a repayment of a deposit; supervised CRA auditor and answered any questions re: BMT payroll and HST.	3.5
7/6/2019	Sleeth, Jordan	Review and revise draft response to CRA re: HST liability	0.8
7/8/2019	Jack, Sean	Conducted cash balancing for the prior week, corresponded with Karen, Outside vendors and R. Brown regarding necessary payables, completed company employee invoices for time worked	3.3
7/8/2019	Whittingham, Andrew	Meykos issue review and approval of refund	0.5
7/8/2019	Whittingham, Andrew	Draft new employment contract for Karen Zhu, discuss same with Karen Zhu	0.6
7/8/2019	Whittingham, Andrew	Working on HST re-assessment including discussions with CFO and review of ITCs	1.2
7/8/2019	Whittingham, Andrew	Meetings and discussions with KellyToy and K Zhu re production and logistics	0.8
7/8/2019	Whittingham, Andrew	Reviewing and approving various storage and production costs	0.5
7/8/2019	Whittingham, Andrew	Review and consider options to place \$2.55M into interest bearing term deposits	0.8
7/8/2019	Sleeth, Jordan	Review BLG invoices, circulate same to BMO for approval	0.5
7/9/2019	Brown, Rose	Prepare letter to close account, prepare two investment purchase sheet, have signed and scan and fax to BMO. Prepare payroll cheques and courier to company office.	1.2
7/9/2019	Whittingham, Andrew	Working on final draft response to CRA re HST re-assessment. Finalize draft and appendices and provide to J. Sleeth with explanation of changes.	1.8
7/9/2019	Jack, Sean	Corresponded with Karen, outside vendors and R. Brown regarding necessary payments to issue	2.0
7/10/2019	Whittingham, Andrew	Review payments with S. Jack	0.5
7/10/2019	Whittingham, Andrew	Call with Kelly Toys re: inventory acquisition, removal, planning and logistics	0.5
7/10/2019	Whittingham, Andrew	Calls with Simtech and Bakersfield landlord re: inventory removal planning, introduction to Kelly Toy	0.8
7/10/2019	Brown, Rose	Print back up for disbursement requests. Prepare letter to CRA to transfer source deductions RP 1 to RP 2 and copy cheques & letters.	0.4
7/11/2019	Sleeth, Jordan	Review and consider GST liability due to Canada Customs on imported goods, discuss same with A. Whittingham, call with R. Kennedy and A. MacFarlane re: same	0.8
7/11/2019	Jack, Sean	Corresponded with Karen, outside vendors and R. Brown re: payments and tracking for Kelly Toy reimbursement; drafted letter re: pallet recovery	2.1

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
7/11/2019	Whittingham, Andrew	Email details of CRA claim to Dentons, attendance on call with Dentons to discuss the same	0.8
7/11/2019	Brown, Rose	Input investment purchase into Ascend; update GL with various receipts; reconciliation account to online banking report and update R&D; Prepare disbursement cheques.	2.0
7/12/2019	Brown, Rose	Input receipts and complete R&D.	0.3
7/12/2019	Whittingham, Andrew	Meetings with staff at premises to discuss key custody arrangements and vacation planning	0.5
7/12/2019	Whittingham, Andrew	Discuss employee T4s with CFO	0.4
7/12/2019	Whittingham, Andrew	Meeting with CFO and S Jack to discuss status of AR collections	0.8
7/12/2019	Whittingham, Andrew	Email details of CRA claim to Dentons	0.4
7/12/2019	Jack, Sean	Review payments with Karen, call to vendors for supporting invoices, liaise with R. Brown re: raising cheques	2.3
7/15/2019	Sleeth, Jorden	Receive updates from A. Whittingham re: landlord issues, staffing, onsite production, consider same and provide direction.	0.5
7/15/2019	Jack, Sean	Worked on Go Daddy Domain issue; cash balancing from the prior week with info from R. Brown	2.0
7/15/2019	Koo, Ada	Bank reconciliations for the month of June	0.4
7/15/2019	Whittingham, Andrew	Updating AR tracker schedule, overlaying EDC revolver collections	1.4
7/15/2019	Whittingham, Andrew	Dealing with internet domain name issues, calls with IT specialists, emails to GoDaddy, discussions with BMT staff	1.2
7/15/2019	Whittingham, Andrew	Drafting email summary update for BMO, including AR collections, inventory sale and open order book update	1.2
7/15/2019	Whittingham, Andrew	Email Kellytoy re open order book sales	0.3
7/15/2019	Whittingham, Andrew	Prepare and send email instructing Dentons to prepare AR demand letters for 3 customers	0.4
7/15/2019	Whittingham, Andrew	Prepare and send email instructing Dentons re GST liabilities	0.3
7/15/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques/wire, Payroll cheques and update schedules. Review accounts on line and update R&D to July 12, 2019. Fax letter to BMO to close escrow account.	2.1
7/16/2019	Whittingham, Andrew	Calls with S Jack to discuss status and outstanding tasks	0.4
7/16/2019	Whittingham, Andrew	Dealing with internet domain name issues, draft email to Michael Nadel	0.4
7/16/2019	Whittingham, Andrew	Prepare for and attend call with EDC re update and claims process	0.7
7/16/2019	Whittingham, Andrew	Updating ERV analysis, finalizing summary update for BMO, discussing with J Sleeth	2.0
7/16/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques. Update Ascend with WEPPA claims.	0.8
7/16/2019	Jack, Sean	Worked on Go Daddy Domain issue / Cash balancing from the prior week with info from R. Brown	2.6

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
7/16/2019	Sleeth, Jordan	Call with R Kiefer and EDC re: realization and claim update; debrief same with A. Whittingham	0.7
7/17/2019	Brown, Rose	Update letter/sent for to CRA for transferring of Source deductions remitted to RP0002 account.	0.3
7/17/2019	Jack, Sean	Worked on Go Daddy Domain issue; review supplier invoices and processed for payment	1.9
7/18/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques.	1.7
7/18/2019	Sleeth, Jordan	Review estate disbursements; emails team for approvals etc.	0.4
7/18/2019	Jack, Sean	Cash balancing from the prior week with info from R. Brown; arranged for garbage pick up; met with Capital Assets liquidators	1.8
7/22/2019	Whittingham, Andrew	Read and consider emails from KellyToy and BMT re Simtech services; attendance on call with Daryl Lester (Simtech) re cooperation.	0.4
7/22/2019	Whittingham, Andrew	Discussing with S Jack and K Zhu re fibre delivery	0.3
7/22/2019	Whittingham, Andrew	Discussing w S Jack and responding to various creditor emails to Gowlings WLG, Gerry Seetner, Soneil and Oracle.	0.5
7/22/2019	Brown, Rose	Trust Banking Administration - Print various back up for cheques, Input and print cheques, have signed and send out. Reconcile Ascend to online bank report for July 19, 2019. Update R&D and send Bank Reconciliation, GL's and R&D to SJ.	1.9
7/22/2019	Jack, Sean	Creation of template for cost reimbursement from KellyToy; process invoices and attend to operating issues with Karen	2.3
7/22/2019	Whittingham, Andrew	Prepare and send email to KellyToy re costs of Deloitte staff facilitating production.	0.4
7/23/2019	Brown, Rose	Trust Banking Administration - Disbursement/payroll cheques.	1.7
7/23/2019	Whittingham, Andrew	Meetings and discussions with S Jack regarding reimbursement of production costs from KellyToy; reviewing schedule and supporting documents.	1.0
7/23/2019	Whittingham, Andrew	Approving various supplier payments	0.2
7/23/2019	Whittingham, Andrew	Discussion with S Jack re leases and payments. Respond to J Sleeth email re actual costs per lease agreement.	0.4
7/23/2019	Sleeth, Jordan	Review and approve various payments (lease, CRA payroll withholdings); update call with A. Whittingham	0.6
7/24/2019	Sleeth, Jordan	Review PSMA constructive trust claim correspondence between Dentons and A. Whittingham	0.2
7/24/2019	Whittingham, Andrew	Considering insurance coverage and reviewing policy/payment history. Approve extension and payment of August policies.	0.7
7/24/2019	Whittingham, Andrew	Email to Crossdock re timing of removal of inventory.	0.2
7/24/2019	Whittingham, Andrew	Working through initial set up of production reimbursement schedule and adjusting as necessary. Discuss same with S Jack. Review APA for reimbursement terms and apply to schedule. Prepare and send covering email to KellyToy requesting reimbursement.	1.8

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
7/24/2019	Whittingham, Andrew	Read and consider update from Dentons re PMSA claim. Respond to Dentons with further information and instructions.	0.4
7/24/2019	Jack, Sean	Responded to changes from A Whittingham on the final bill to KellyToy	1.1
7/24/2019	Brown, Rose	Cheque Disbursement and send out by courier.	1.0
7/26/2019	Jack, Sean	Met with Rep from Platinum assets auctioneers, helped prepare - used the APA to designate assets to be sold	1.7
7/29/2019	Jack, Sean	Completed employee invoices for payment; onsite attendance, meet with K. Zhu and S. Gobin re: KellyToy production and inventory removal	4.6
7/29/2019	Whittingham, Andrew	Prepare for and attend call with Torys re Loblaw collections	0.3
7/29/2019	Whittingham, Andrew	Discussions with CFO re status of TEDI, Walmart US, Walmart Canada, Target, Supervalu, Big Lots etc. Various emails re the same.	0.7
7/29/2019	Whittingham, Andrew	Approval of various supplier payments	0.3
7/30/2019	Brown, Rose	Deposit cheque.	0.8
7/30/2019	Jack, Sean	Finalized and forwarded invoices for production, called City of Toronto to organize pick up of clothing bin	1.4
7/31/2019	Sleeth, Jordan	Attendance at BMT - tour production, meeting with S. Gobin re: status of tax returns (corporate and HST), AR collections from customers;	3.6
7/31/2019	Sleeth, Jordan	Status update and next steps meeting with A. Whittingham and S. Jack; discuss Landlord concerns re: 120 St Regis premis turnover.	0.8
7/31/2019	Whittingham, Andrew	Meet with S. Jack and J. Sleeth re: status update; review and approve employee bonus payments and discuss with S. Jack	0.9
7/31/2019	Whittingham, Andrew	Discuss security alarm system with CFO, email S Jack re new contacts	0.3
7/31/2019	Jack, Sean	Meet with A. Whittingham re: security, employee bonuses payments, process same for payment	1.8
7/31/2019	Brown, Rose	Trust Banking Administration - Prepare payroll schedules and prepare payroll and disbursement cheques. Review account online and request back up for incoming receipts.	2.4
<b>Total</b>			<b>119.5</b>




**Invoice 8000779356**
**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Robert A. Kiefer  
Bank of Montreal (Special Accounts Management Unit)  
100 King Street West, 7th Floor  
Toronto ON M5X 1A1  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: September 20, 2019  
Client No.: 1332039  
WBS#: BES00071  
Engagement Partner: Jordan Sleeth  
HST Registration: 122893605RT0001

**For professional services rendered**
**Fees**

Interim bill in connection with Best Made Toys International, ULC for the month of August, 2019.

Please see the attached appendices

HST applicable	45,630.00
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**Expense**

Out-of-pocket Expenses

HST applicable	492.14
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**Sales Tax**

HST at 13.00%	5,995.88
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<b>Total Amount Due (CAD)</b>	<b>52,118.02</b>
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Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8000779356	52,118.02	Payment for invoice 8000779356

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

**1. EFT Payments(remittance email mandatory):**

**Preferred Method**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1590219

**For USD Dollar (\$) Payments, pay:**

**ABA/Transit Routing:** 47696002

**Account Number:** 1363514

**2. Wire Payment:**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:**

**Account Number:** 476961590219

**Swift Code:** NOSCCATT

**For USD Dollar (\$) Payments, pay:**

**Account Number:** 476961363514

**Swift Code:** NOSCUS33

**ABA Routing Number:** 026002532

**3. Online Payment:**

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

**4. Cheque payments, please mail to:**

**For CAD Dollar (\$) Payments, pay:**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay:**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1



**Appendix #1**  
**Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	7.1	\$ 700.00	\$ 4,970.00
Whittingham, Andrew	Senior Manager	49.2	\$ 550.00	\$ 27,060.00
Jack, Sean	Analyst	38.4	\$ 250.00	\$ 9,600.00
Brown, Rose	Consultant	16.0	\$ 250.00	\$ 4,000.00
<b>Total Professional Hours and Fees</b>		<b>110.7</b>		<b>\$ 45,630.00</b>
Out-of-pocket Expenses				\$ 492.14
<b>Total Fees and Expenses</b>				<b>\$ 46,122.14</b>



## Appendix #2

### Work performed for the month of August 2019

Date	Name	Narrative	Hours
8/1/2019	Brown, Rose	Prepare and mail Source Deduction cheque to CRA.	0.3
8/1/2019	Jack, Sean	Creation and settlement of former employee invoices for purchasing of company laptops; addition of further unsecured creditors to listing; submission of invoices for payment.	1.9
8/1/2019	Whittingham, Andrew	Discussing Walmart AR collection efforts with S. Gobin and various emails to Walmart.	0.5
8/1/2019	Whittingham, Andrew	Discuss sale of laptop computers to ex-BMT staff with S Jack.	0.3
8/6/2019	Brown, Rose	Trust Banking Administration - Input receipt received in US\$ account, Reconcile Bank to Ascend and prepare R&D and send to S.Jack; obtain approval to transfer funds between US\$ and CND\$ account and prepare transfer, have signed and send to BMO.	1.2
8/6/2019	Jack, Sean	Completed employee invoices for wages, completed laptop invoices for past employees, submitted invoices for production, worked on Kelly toys bill.	3.2
8/7/2019	Brown, Rose	Input Transfer between accounts. Prepare disbursement cheques and payroll cheques and courier to site office.	1.1
8/7/2019	Jack, Sean	Working on constructing KellyToy reimbursement invoice, responding to A Whittingham's comments; update cash flow projections.	4.8
8/7/2019	Whittingham, Andrew	Working on production costs reimbursement schedule, checking versions, discussing amendments with S Jack.	1.3
8/7/2019	Whittingham, Andrew	Correspondence with H. Seetner re: return of laptop.	0.2
8/7/2019	Whittingham, Andrew	Review of info provided by Loblaw counsel re AR set-offs, discuss with CFO.	0.6
8/7/2019	Whittingham, Andrew	Approving various operations payments; review of info provided by Loblaw counsel re AR set-offs, discuss with CFO; working on production costs reimbursement schedule, checking versions, discussing amendments with S Jack.	2.8
8/8/2019	Whittingham, Andrew	Checking, finalizing and sending production costs reimbursement schedule to Kelly Toys.	0.4
8/8/2019	Whittingham, Andrew	Review of 120 St Regis lease and discuss same with CFO, prepare and send email to landlord re vacate date.	0.5
8/8/2019	Whittingham, Andrew	Review Target AR collection status and instruct S Jack to prepare demand letter.	0.4
8/8/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques.	0.3
8/9/2019	Jack, Sean	Worked on the crossdock invoice reconciliation, worked on the demand letter to be sent to Target.	3.0
8/9/2019	Brown, Rose	Trust Banking Administration - Print backup for disbursement cheques and review Ascend. Prepare deposit and take to the bank.	0.6
8/9/2019	Whittingham, Andrew	Working through outstanding pre-filing Crossdock invoices. Discussing same with S Jack and R Brown.	0.6

Date	Name	Narrative	Hours
8/12/2019	Brown, Rose	Trust Banking Administration - Disbursement and payroll cheques.	2.0
8/12/2019	Whittingham, Andrew	Review SJ Partners request for tax information. Discuss with J Sleeth and Dentons, email Sj Partners advising accordingly.	0.4
8/12/2019	Whittingham, Andrew	Discussions with S Jack re Crossdock pre-filing invoices. Approving payment of the same following discussion with R Brown.	1.0
8/12/2019	Whittingham, Andrew	Discuss non-payment of purchase price with J Sleeth and send email to Kelly demanding payment.	0.5
8/12/2019	Whittingham, Andrew	Review insurance coverage and costs, respond to Kelly Toy requests re insurance premiums.	0.5
8/12/2019	Whittingham, Andrew	Preparation for and attendance at meeting with J Sleeth and S Jack re BMT status and next steps.	1.0
8/12/2019	Sleeth, Jorden	Meet with A. Whittingham and S. Jack re: outstanding items and resolutions; review status of KellyToy payments and production impact, review correspondence drafts to SJ Capital and KellyToy; review and approve BMT Receiver account bank recs.	0.9
8/12/2019	Jack, Sean	Invoices for BMT employees, reconciliation of Cash balances reports, process of cross dock invoices and other company invoices.	4.0
8/13/2019	Jack, Sean	Organization of the auction materials, finalization of company invoices	2.0
8/13/2019	Whittingham, Andrew	Review previous bankruptcy filing analysis, discuss with CFO and prepare updated file note for J Sleeth.	0.6
8/13/2019	Brown, Rose	Prepare disbursement for mailing and courier to SJ. Scan and saving previous issued disbursements on Q Drive. Update file creditor POC.	0.8
8/14/2019	Brown, Rose	Scan and saving previous issued disbursements on Q Drive. Review HST remittance forms for code number.	0.6
8/14/2019	Whittingham, Andrew	Review status of file and past emails, and prepare workstream checklist with milestones. Discuss checklist with J Sleeth. Meeting with S Jack re checklist.	2.5
8/14/2019	Whittingham, Andrew	Liaising with CFO and shareholder re required tax information.	0.4
8/14/2019	Whittingham, Andrew	Call with CFO to discuss AR collections and tax reporting status.	0.4
8/14/2019	Jack, Sean	Inputing company invoices to Ascend regarding Crossdock, SimTech and Go Daddy for payment.	0.5
8/15/2019	Jack, Sean	Reconciliation of incoming AR from KIK; drafting / work on the HST returns for April - July 2019; Submission and administration of invoices for payment.	1.0
8/15/2019	Sleeth, Jorden	Landlord issues - consider last day on premises, discuss same with A. Whittingham.	0.3
8/15/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques and saving disbursement copy on Q Drive.	0.8
8/15/2019	Whittingham, Andrew	Review of previous BMO status updates and prepare comprehensive court report outline with appendices.	1.4

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
8/15/2019	Whittingham, Andrew	Approving payment of operational expenses.	0.3
8/15/2019	Whittingham, Andrew	Meetings with S Jack to discuss HST filings.	0.5
8/15/2019	Whittingham, Andrew	Discuss status of inventory transaction with J Sleeth. Prepare and send email to Kelly Toy re production costs and shutting down production.	1.0
8/15/2019	Whittingham, Andrew	Review of past advice re HK employee priorities, send to S Jack.	0.3
8/16/2019	Jack, Sean	Prepared HST reporting filings for receivership period (prepare outstanding filings, review support, compile) and provide to A. Whittingham for review.	3.5
8/16/2019	Sleeth, Jorden	Review HST filing; discussions with A. Whittingham re: KellyToy payments and lack of response.	0.6
8/16/2019	Brown, Rose	Update creditor list.	0.7
8/16/2019	Whittingham, Andrew	Meeting with S Jack re Receiver's First Court Report.	0.6
8/16/2019	Whittingham, Andrew	Prepare and send response to Troy's re Loblaw AR collection.	0.4
8/16/2019	Whittingham, Andrew	Meeting with J Sleeth to discuss status.	0.6
8/16/2019	Whittingham, Andrew	Discuss April - July HST returns with S Jack and J Sleeth. Finalize calculations and approve filing with CRA.	0.4
8/16/2019	Whittingham, Andrew	Prepare and send email to SJ Partners re tax information	0.3
8/16/2019	Whittingham, Andrew	Emails and calls with 120 St Regis landlord. Confirm vacancy date via letterhead.	0.4
8/19/2019	Brown, Rose	Trust Banking Admin - Reconciled GL to online Banking Reports. Update R&D per GL's and send S Jack. Prepare deposit and take to the bank. Complete scanning of disbursement cheques and save on Q and file.	1.4
8/19/2019	Sleeth, Jorden	Update meeting with A. Whittingham re: KellyToy production and payment issues, SJ Capital Partners tax information requests, landlord issues re: vacating premises.	0.5
8/19/2019	Whittingham, Andrew	Prepare and send tax information to Scott Johnson as requested. Review books and records custody issues.	0.4
8/19/2019	Whittingham, Andrew	Drafting Receiver's first court report sections (purpose of report, terms of reference and receiver's activities to date). Setting up report structure and formatting. Dealing with Kelly Toy production issues. Calls with BLG and Dentons re same. Discussions with J Sleeth re same. Email correspondence with M Sipp re trucks picking up from St Regis.	4.4
8/19/2019	Jack, Sean	BMT contract employees weekly invoices, completed SJ partners, research of books and records retention for BMT record storage, processing of company invoices, liaison with stuffing machine mechanics.	4.0
8/20/2019	Jack, Sean	Bi Weekly production cost invoicing of Kelly Toys.	3.0
8/20/2019	Whittingham, Andrew	Prepare for and attend call with Kelly Toys to discuss production, purchase price, reimbursement and vacating the premises. Follow up discussions with J Sleeth and email sent to Kelly.	1.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
8/20/2019	Whittingham, Andrew	Review of Kelly Toy reimbursement schedule and associated invoices. Discuss same with Sean Jack and provide to Kelly Toy for payment.	0.8
8/20/2019	Brown, Rose	Deposit chq in Ascend and to the bank.	0.3
8/20/2019	Brown, Rose	Trust Banking Admin - Prepare payroll cheques for couriering and have Operating expense cheque signed and sent out.	0.7
8/20/2019	Sleeth, Jorden	Call with KellyToy re: APA payments and cost reimbursement, prepare and debrief same with A. Whittingham.	0.8
8/20/2019	Whittingham, Andrew	Drafting Receiver's first court report sections - order book sale update, inventory and fixed asset sale update, furniture, fixtures and fittings, and 3rd party equipment updates.	2.5
8/21/2019	Jack, Sean	WSIB calculation and liaison, computation of amount owing.	2.0
8/21/2019	Whittingham, Andrew	Drafting Receiver's first court report sections - AR collection efforts and engagement of legal counsel.	1.2
8/21/2019	Whittingham, Andrew	Provide Dentons AR contacts for demand letters. Review 3 demand letters and provide comments.	0.5
8/21/2019	Whittingham, Andrew	Prepare draft email to BMO confirming bankruptcy assignment and timing of first creditors meeting.	0.5
8/21/2019	Whittingham, Andrew	Review and approve WSIB payments.	0.4
8/21/2019	Whittingham, Andrew	Correspondence with HUB re reduction in GL premium.	0.3
8/21/2019	Whittingham, Andrew	Email to Simtech re outstanding invoices on account and inventory sale.	0.3
8/21/2019	Whittingham, Andrew	Correspondence with Kelly Toys re CAED certificate.	0.3
8/21/2019	Brown, Rose	Trust Banking Admin - Disbursement cheque.	0.2
8/22/2019	Sleeth, Jorden	Status update meeting with A. Whittingham and S. Jack, review outstanding issues and determine resolution plans.	1.3
8/22/2019	Whittingham, Andrew	Updating work stream checklist and preparing for team status meeting. Attendance at status meeting.	1.5
8/22/2019	Jack, Sean	Correspondence with Ellie Marshall of platinum assets regarding sold items, also organization of received payments and outgoing invoices. Status update meeting with J. Sleeth and A. Whittingham.	2.9
8/23/2019	Brown, Rose	Trust Banking Administration - Prepare disbursement/Payroll cheque and courier slip for rent cheques and Payroll.	1.2
8/23/2019	Jack, Sean	updating of Cash report and AR tracker.	2.6
8/26/2019	Whittingham, Andrew	Review of current cash requirements and advise R Brown re additional term deposit placement.	0.3
8/26/2019	Whittingham, Andrew	Prepare and send email to BLG with instructions on WM Canada.	0.4
8/26/2019	Whittingham, Andrew	Working on updating AR collections tracker, updating Estimated Realization Valuation for BMO. Allocating any recoveries to EDC vs Existing Revolver. Discussing outcome and implications of the updated ERV with J Sleeth.	5.5
8/27/2019	Sleeth, Jorden	Review and revise ERV update memo for BMO, discuss same with A. Whittingham.	1.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
8/27/2019	Whittingham, Andrew	Analyzing variances between ERV provided to BMO on June 6 and updated ERV. Prepare draft covering email and AR write-offs summary for BMO.	4.0
8/27/2019	Whittingham, Andrew	Review of Kelly Toy open order book reporting, term sheet and amending agreement. Prepare and send file note email to J Sleeth with recommendations.	0.8
8/27/2019	Whittingham, Andrew	Drafting Receiver's first court report sections - storage agreements and liens, receipts and disbursements, receiver's professional fees, request to make distributions and status of Hong Kong operations.	2.5
8/28/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques and input incoming receipts by wire and transfer.	1.8
8/28/2019	Sleeth, Jordan	Update call with R. Kiefer re: revised ERV (prepare and attend).	0.5
8/29/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques and prepare transfer between accounts and fax to BMO. Input transfer into Ascend.	1.3
8/29/2019	Sleeth, Jordan	Call with A. Slavens of Torys re: Loblaws AR, debrief with A. Whittingham.	0.7
8/30/2019	Brown, Rose	Check online banking for incoming wire and input into Ascend. Prepare deposit slip and take to the bank.	0.7
<b>Total</b>			<b>110.7</b>




**Invoice 8000941686**
**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Robert A. Kiefer  
Bank of Montreal (Special Accounts Management Unit)  
100 King Street West, 7th Floor  
Toronto ON M5X 1A1  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: December 23, 2019  
Client No.: 1332039  
WBS#: BES00071  
Engagement Partner: Jordan Sleeth  
HST Registration: 122893605RT0001

**For professional services rendered**
**Fees**

Interim bill in connection with Best Made Toys International, ULC from September 1 to October 31, 2019.

Please see the attached appendices

HST applicable 68,047.50

**Expense**

Out-of-pocket Expenses

HST applicable 969.27

**Sales Tax**

HST at 13.00% 8,972.18

**Total Amount Due (CAD) 77,988.95**

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8000941686	77,988.95	Payment for invoice 8000941686

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567C  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567U  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1



**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	10.7	\$ 700.00	\$ 7,490.00
Whittingham, Andrew	Senior Manager	7.1	\$ 550.00	\$ 3,905.00
Greenbaum, Stacey	Manager	59.8	\$ 425.00	\$ 25,415.00
Jack, Sean	Analyst	30.0	\$ 250.00	\$ 7,500.00
Klein, Emily	Analyst	61.6	\$ 250.00	\$ 15,387.50
Brown, Rose	Consultant	33.4	\$ 250.00	\$ 8,350.00
<b>Total Professional Hours and Fees</b>		<b>202.6</b>		<b>\$ 68,047.50</b>
Out-of-pocket Expenses				\$ 969.27
<b>Total Fees and Expenses</b>				<b>\$ 69,016.77</b>



## Appendix #2

### Work performed for the months of September & October 2019

Date	Name	Narrative	Hours
9/3/2019	Brown, Rose	Trust Banking Adm - Prepare Disbursement cheques and updated R&D.	1.1
9/3/2019	Whittingham, Andrew	Updating workstream checklist. Prepare for and attend BMT handover meeting with J. Sleeth.	1.0
9/3/2019	Greenbaum, Stacey	Meeting with A. Whittingham, J.Sleeth re file introduction. File review.	1.5
9/4/2019	Jack, Sean	Meeting with A. Whittingham, J. Sleeth, S. Greenbaum to discuss file; S. Greenbaum introduction re daily duties and necessary work for file on a go-forward basis.	1.5
9/4/2019	Greenbaum, Stacey	Meeting with A. Whittingham, J.Sleeth, S. Jack re file status. Initial file review.	2.0
9/4/2019	Whittingham, Andrew	Tour of St Regis and Bakersfield and take photos of issues / tasks. Prepare and send file note re leased premises and remaining tasks.	1.4
9/4/2019	Whittingham, Andrew	Prepare for and attend call with BLG re Walmart Canada legal hold issue. Discuss with S. Gobin.	0.7
9/4/2019	Whittingham, Andrew	Prepare for and attend meeting with S.Jack re handover and workstream checklist.	0.8
9/4/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques and deposit.	1.0
9/5/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques and deposit.	1.2
9/5/2019	Whittingham, Andrew	Updating workstream checklist. Prepare for and attend meeting with S.Greenbaum, J. Sleeth and S. Jack re status of file and handover of tasks.	1.0
9/5/2019	Greenbaum, Stacey	Status update and file transition meetings with A. Whittingham, J.Sleeth, S.Jack, E. Klein	1.0
9/5/2019	Klein, Emily	Meeting with Sean Jack and Stacey Greenbaum to be onboarded onto the file.	0.7
9/6/2019	Whittingham, Andrew	Updating workstream checklist. Call with J. Sleeth and S. Greenbaum re handover. Discuss handover with S. Jack. Preparing file note re status of CRA accounts.	2.3
9/6/2019	Brown, Rose	Print disbursement back up.	0.2
9/6/2019	Brown, Rose	July bank reconciliation.	0.3
9/6/2019	Greenbaum, Stacey	Status update and file transition calls with A. Whittingham and J. Sleeth.	1.0
9/6/2019	Jack, Sean	Processing of invoices, instructions to E.Klein regarding bi weekly Kelly Toy invoice.	3.0
9/9/2019	Klein, Emily	Creating invoices for BMT employees, call with RBC insurance regarding termination of policy, drafting email to RBC for termination of policy.	1.5
9/9/2019	Brown, Rose	Disbursement cheques, Call to Hydro One to confirm amount owing, prepare various invoice and approval for payment future disbursements on Estate.	1.3

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
9/9/2019	Greenbaum, Stacey	Onsite at BMT: review of office / warehouse space, call with Platinum assets, review of A/R disputes with S. Gobin, file review with S. Jack.	8.0
9/9/2019	Jack, Sean	Hand over of file duties to E Klein and S Greenbaum, processing of invoices including prefilling invoices necessary for release of goods from Crossdock, review of HVAC invoices.	4.0
9/10/2019	Jack, Sean	Preparation of cashflow forecast and tracking, file review with S. Greenbaum, discussions with E. Klein on the processes for employee payments.	2.5
9/10/2019	Greenbaum, Stacey	Review of 120 St. Regis lease re G. Seetner HVAC claims, review of production reimbursement schedule re Kelly Toys, File oversight for E. Klein and S. Jack.	4.0
9/10/2019	Brown, Rose	Preparing Payroll Schedules, Input and print payroll and disbursement cheques. Print and have signed and mail/courier out. Reconcile GL to Bank and prepare Update R&D to Sep 6, 2019.	2.5
9/10/2019	Klein, Emily	Preparation of letter re RBC termination of life insurance policy held by BMT.	0.3
9/11/2019	Jack, Sean	Continued hand off of file, preparation of AR reconciliation and cashflow, follow up fax to CRA regarding RP0002 accounts.	3.5
9/11/2019	Greenbaum, Stacey	File oversight for E. Klein and S. Jack, review of various post filing payments, discussions with Platinum Assets.	3.0
9/11/2019	Brown, Rose	Trust Banking Administration - Review deposit from Kellytoys and discuss with S. Jack & S. Greenbaum. Prepare disbursement cheques.	1.1
9/11/2019	Klein, Emily	Call with OpenText to discuss outstanding amounts.	0.1
9/12/2019	Brown, Rose	Trust Banking - Reviewing receipts and disbursement.	0.3
9/12/2019	Greenbaum, Stacey	Status update meeting with J. Sleeth and S. Jack, review and monitoring E. Klein and S. Jack, call with S. Gobin, call with G. Seetner re HVAC.	4.0
9/12/2019	Jack, Sean	Status update with J. Sleeth, review/ processing of invoices, preparation of cashflow; call with CRA regarding WEPP.	4.0
9/12/2019	Klein, Emily	Setting up garbage pickup, calling with ADT, drafting letter to ADT to terminate services as of Oct 31.	1.3
9/13/2019	Brown, Rose	Trust Banking - Reviewing receipts.	0.2
9/13/2019	Greenbaum, Stacey	File over-sight for E.Klein, meeting with J. Sleeth re file status and HK bank accounts, emails re G. Seetner and 120 St. Regis, call with S. Gobin.	3.0
9/16/2019	Jack, Sean	Status update with S. Greenbaum, review of cashflow with E. Klein, review of Kelly Toy invoice.	6.0
9/16/2019	Greenbaum, Stacey	File oversight re E. Klein and S. Jack, review and approval of invoices, review of HK receipts, call with Karen re production.	3.0
9/16/2019	Brown, Rose	Trust Banking Administration - Disbursement/payroll cheques.	0.9

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
9/16/2019	Klein, Emily	Drafting letters to ADT and OpenText regarding outstanding invoices. Contacting waste company to set up pick up of cardboard. Preparing employee invoices. Preparation of Cash Flow model. Review of 2015 APA.	3.5
9/17/2019	Greenbaum, Stacey	File oversight re E. Klein and S. Jack.	1.0
9/17/2019	Klein, Emily	Kelly Toys Production invoice for period ending Sept 16. Setting up garbage pickup, contacting Opennote, reconciling Hong Kong AR with payments.	3.0
9/17/2019	Brown, Rose	Trust Banking Administration - Prepare cheque for mailing/couriering, Prepare Updated R&D to Sep 13, 2019. Scanning and filing of Receipts and Disbursement vouchers.	1.5
9/17/2019	Jack, Sean	Finalization of completed tasks such as reviewing AR tracker, explanation of WSIB reporting to E. Klein.	5.5
9/18/2019	Greenbaum, Stacey	File overview with S. Jack and E. Klein, review of A/R tracker, review of BMT employee invoices.	3.0
9/18/2019	Brown, Rose	Trust Banking Administration - Returning cheque to G Seetner, Reviewing and print disbursement back up for prepare cheques. Prepare Disbursement cheques. Scanning of US\$ receipts and filing on Q Drive.	1.5
9/18/2019	Klein, Emily	Meeting regarding next steps of file re WSIB and WEPPA, calls with Rogers & Bell regarding outstanding invoices, calls with employees re WEPP, preparing WSIB invoice.	4.0
9/19/2019	Greenbaum, Stacey	Status update call with Kelly Toys, call with S.Gobin and E. Klein re A/R tracker.	1.0
9/19/2019	Sleeth, Jordan	Status update meeting with S. Greenbaum and call with KellyToy re: status of production and inventory extraction.	1.1
9/19/2019	Brown, Rose	Trust Banking Admin - Prepare transfer between accounts. Input and print disbursement cheques. Review payroll schedule to compare to WSIB payment.	1.4
9/19/2019	Klein, Emily	Updating WSIB invoice, call with Bell regarding outstanding invoice amount, call with S. Gobin and S. Greenbaum regarding collection of updated AR amounts.	1.5
9/20/2019	Klein, Emily	Review of invoices received, updating Kelly Toys invoice for payments made, updating WSIB invoice.	1.5
9/20/2019	Brown, Rose	Trust Banking Adm - Scan and save disbursement payment on Q drive.	0.1
9/23/2019	Brown, Rose	Trust Banking Adm - disbursement/payroll cheque's.	1.0
9/23/2019	Klein, Emily	Creating employee invoices for week ending Sept 20, updating Kelly Toys invoice, call with Enbridge re o/s invoice, setting up cardboard pickup at Bakersfield.	1.8
9/24/2019	Greenbaum, Stacey	File oversight for E.Klein.	1.0
9/24/2019	Brown, Rose	Trust Banking Admin - Complete mailing of disbursement and courier out payroll cheques. Reconciled bank to GL and prepare updated R&D.	1.1
9/24/2019	Klein, Emily	Review of Crossdock accounts, call with City of Toronto to discuss outstanding invoice from solid waste management.	1.5
9/25/2019	Greenbaum, Stacey	File oversight for E.Klein, schedule for reimbursement re Kelly Toys.	2.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
9/25/2019	Brown, Rose	Trust Banking Admin - Disbursement cheques and review GL to confirm may deposit was received.	1.0
9/25/2019	Klein, Emily	Reconciliation re unpaid invoices, mailing Toronto Revenue Services to receive information regarding Toronto waste management invoice.	0.5
9/26/2019	Klein, Emily	Submission for payment of invoices, WEPPA, call with S. Gobin regarding updated AR tracker. Coordination of transfer of funds between accounts, review of letters and invoices from BMT suppliers and customers, drafting letters to WSIB and Bell.	2.5
9/26/2019	Brown, Rose	Trust Banking Administration - Print disbursement payment back up. Have two cheque signed and mail. Scan cheques and save on Q Drive. Review GL/Ascend to confirm June, July and August swept receipts from company account were received.	1.4
9/26/2019	Greenbaum, Stacey	Call with S. Gobin re A/R tracker, file oversight for E.Klein.	1.5
9/27/2019	Brown, Rose	Trust Banking Administration - Disbursement cheque/Scan save on Q and printing invoice back up for disbursement requests.	0.4
9/27/2019	Klein, Emily	Reconciliation and payment of Simtech invoices.	0.5
9/27/2019	Brown, Rose	Prepare August bank reconciliations.	0.3
9/27/2019	Greenbaum, Stacey	Discussions with SimTech re payment, File oversight for E.Klein.	2.0
9/30/2019	Greenbaum, Stacey	Review of employee invoices, review of HVAC landlord concerns.	1.0
9/30/2019	Sleeth, Jordan	HVAC / Landlord update from S. Greenbaum	0.4
9/30/2019	Klein, Emily	Creating invoices for employees for week ending sept 27, sending letter to Bell, call with Ohio Tax org to cancel business taxes.	1.0
9/30/2019	Brown, Rose	Trust Banking Adm- scan signed cheque and save on q drive and file paper copy. Reconcile Bank to GL and update R & D.	1.5
10/1/2019	Klein, Emily	Sending invoices for processing, call with RBC Life Insurance regarding outstanding invoices, co-ordination with S.Gobin regarding Ohio Tax forms, emails with SPS commerce regarding outstanding invoices.	0.7
10/1/2019	Brown, Rose	Trust Banking Administration - Scan disbursements/Receipts from Friday/Monday and save on Q Drive. Reviewing and printing further disbursements.	0.7
10/2/2019	Brown, Rose	Trust Banking - Review incoming receipts, discuss with S. Greenbaum and input reallocation to correct GL's. Print and scan receipts documents and save on Q Drive. Prepare deposit slips.	1.6
10/3/2019	Greenbaum, Stacey	Call with S. Gobin re radiant heaters.	0.3
10/3/2019	Klein, Emily	Preparation of production invoice for Kelly Toys for week ending Oct 4, updating WSIB invoice for period ending Sept 30.	1.5
10/3/2019	Brown, Rose	Trust Banking Administration - Deposits.	0.5
10/4/2019	Brown, Rose	Trust Banking Administraiton - Disbursement cheques.	0.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
10/4/2019	Greenbaum, Stacey	Call with KellyToys re status update, call with J. Sleeth re 120 St. Regis.	1.0
10/4/2019	Klein, Emily	Paying invoices, updating WSIB premium remittance invoice and letter.	0.5
10/4/2019	Sleeth, Jordan	Call with S. Greenbaum re: landlord issues, Hong Kong issues.	0.5
10/7/2019	Greenbaum, Stacey	Review of employee invoices, review of WSIB.	0.5
10/7/2019	Brown, Rose	Trust Banking administration - Disbursement cheque and prepare Payroll schedule and slips.	0.6
10/7/2019	Klein, Emily	Submitting former employee's proof of claim, requesting changes for insurance policy, creating employee invoices for week ending October 4.	0.8
10/8/2019	Greenbaum, Stacey	Onsite at BMT (120 St. Regis) - site visit with landlord, meeting with Karen.	2.0
10/8/2019	Brown, Rose	Trust Banking Administration - Prepare disbursement cheques and scan cheque/back up and save on Q Drive.	0.8
10/8/2019	Klein, Emily	Setting up garbage pick for St Regis location, call with WSIB, call re forklift repair, submission of various invoices for payment.	0.7
10/9/2019	Klein, Emily	Preparation of production invoice for Kelly Toys, call with CRA regarding cheque re 2016 tax returns, reconciliation of Crossdock account, reconciliation of source deductions.	2.5
10/10/2019	Greenbaum, Stacey	Call with S. Gobin, status call with J. Sleeth.	0.7
10/10/2019	Klein, Emily	Call with CRA, call with Rogers, emails with S. Gobin regarding outstanding invoices, organize waste pick-up.	1.0
10/11/2019	Greenbaum, Stacey	Call with Tom Gaa, BBS law, re Oracle, review of Oracle claim.	0.5
10/11/2019	Brown, Rose	Review disbursement for copy of insurance policy copy and discuss with E. Klein.	0.3
10/15/2019	Greenbaum, Stacey	Review of employee invoices, Kelly Toy reimbursement schedule.	0.5
10/15/2019	Sleeth, Jordan	Review reimbursement schedules provided to Kelly Toy; status update discussions with S. Greenbaum; call with R. Kiefer re: general file update.	1.0
10/15/2019	Klein, Emily	Creating employee invoices for week ending Oct 11. Preparation of Kelly Toys invoice for 3 weeks period ending Oct 11.	1.5
10/15/2019	Brown, Rose	Trust Banking Administration - Update R&D to Oct 11, 2019. Prepare disbursement cheques.	0.7
10/16/2019	Klein, Emily	Call with Rogers regarding outstand invoices, call with Canada Springs regarding water cooler pickup, submission of invoices for payment.	1.0
10/16/2019	Brown, Rose	Trust Banking Administration - Payroll schedule, employee cheques and Source deductions. Courier payroll cheque to BMT offices.	0.8
10/17/2019	Brown, Rose	Trust Banking Adm-Disbursement cheques.	0.8
10/17/2019	Greenbaum, Stacey	Status update call with Kelly Toys.	0.3



Date	Name	Narrative	Hours
10/17/2019	Klein, Emily	Call with S. Gobin regarding assets onsite at 120 St. Regis.	0.3
10/18/2019	Klein, Emily	Call with Toronto Hydro, Rogers, Canadian Springs, GoDaddy re reconciliation of accounts and cancelation of such services. Emails with S. Gobin and Karen regarding various outstanding matters.	1.5
10/21/2019	Klein, Emily	Preparation of employee invoices, emails with Karen regarding outstanding moving matters, submission of invoices for payment, reconciling Crossdock statements, call with CRA regarding tax return review, call with collection agency.	2.4
10/21/2019	Brown, Rose	Trust Banking Administration - Prepare disbursement cheques and scan cheque/back up and save on Q Drive. Reconcile account to bank and update R&D.	2.0
10/21/2019	Brown, Rose	Prepared Sept. bank reconciliations for review.	0.1
10/21/2019	Greenbaum, Stacey	Approval of invoices, CRA review, status call J. Sleeth.	2.0
10/22/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques.	0.3
10/22/2019	Greenbaum, Stacey	Onsite at BMT - review of space, discussions with Kelly Toys and Karen.	3.0
10/22/2019	Klein, Emily	Onsite at BMT. Organizing garbage pickup, sending emails with Karen, paying invoices.	4.5
10/22/2019	Sleeth, Jordan	Review HK tax issues memo from S. Gobin.	0.3
10/23/2019	Sleeth, Jordan	Review Hamleys issues, consider litigation.	0.3
10/23/2019	Klein, Emily	Submission of invoices for payment, organizing garbage pick up and forklift delivery, preparing CRA assessment documents, emails with suppliers re outstanding invoices.	3.0
10/23/2019	Greenbaum, Stacey	53 Bakersfield discussion with KellyToys and landlord, CRA correspondence, review of invoices, call with S. Gobin.	3.5
10/24/2019	Sleeth, Jordan	HK tax return/filing issues; status update memo to E. Klein.	1.5
10/24/2019	Klein, Emily	Submission of invoices for payment, emails with Karen, suppliers and KellyToys regarding outstanding invoices, review of mail.	2.0
10/24/2019	Greenbaum, Stacey	Approval of invoices.	1.0
10/24/2019	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.2
10/25/2019	Brown, Rose	Fax & emails.	0.3
10/25/2019	Sleeth, Jordan	Status updates from S. Greenbaum, call with Karen and Peter onsite.	0.7
10/28/2019	Klein, Emily	Call with Karen regarding production updates, preparing employee invoices, submission of invoices for payment, preparing letters for various creditors.	2.0
10/28/2019	Brown, Rose	Trust Banking Adm - Disbursement cheques and input incoming wire received and prepare update R&D.	0.9
10/28/2019	Sleeth, Jordan	St. Regis turnover - draft response email to G. Seetner re: status of turnover, update discussions with M. Sipp, E. Klein; air tank as fixtures issue.	1.5
10/29/2019	Klein, Emily	Onsite at 120 St. Regis. Preparing Kelly Toys Invoice.	5.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
10/29/2019	Brown, Rose	Trust Banking Administration - Disbursement/Payroll cheques, have signed, scan and save on Q and courier/mail cheques.	0.8
10/29/2019	Sleeth, Jordan	St. Regis turnover - calls with new tenant, draft detailed response to air tank as fixtures issue, discuss same with R. Kennedy.	2.2
10/29/2019	Greenbaum, Stacey	Air tank discussion with new tenant re 120. St Regis and J. Sleeth.	0.5
10/30/2019	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.2
10/30/2019	Klein, Emily	Onsite at 120 St. Regis to supervise clean up of warehouse, discussions on outstanding invoices and HST returns, preparation of Kelly Toys production invoice.	5.0
10/30/2019	Sleeth, Jordan	St. Regis turnover - calls with E. Klein re: status of property turnover; call with A. Macfarlane re: Loblaws release.	0.7
10/31/2019	Sleeth, Jordan	St Regis turnover - review status of property, call with S. Greenbaum, call with landlord.	0.5
10/31/2019	Klein, Emily	Emails and calls with Karen and S.Gobin regarding outstanding matters and closing of warehouse.	0.5
10/31/2019	Greenbaum, Stacey	Onsite at BMT re landlord inspection.	1.0
<b>Total</b>			<b>202.6</b>


**Invoice 8000983849**
**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Robert A. Kiefer  
Bank of Montreal (Special Accounts Management Unit)  
100 King Street West, 7th Floor  
Toronto ON M5X 1A1  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: January 30, 2020  
Client No.: 1332039  
WBS#: BES00071  
Engagement Partner: Jorden Sleeth  
HST Registration: 122893605RT0001

**For professional services rendered**
**Fees**

Interim bill in connection with Best Made Toys International, ULC from November 1 to December 31, 2019.

Please see the attached appendices.

HST applicable	20,945.00
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**Expense**

Out-of-pocket Expenses

HST applicable	389.13
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**Sales Tax**

HST at 13.00%	<u>2,773.44</u>
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<b>Total Amount Due (CAD)</b>	<b><u>24,107.57</u></b>
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Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8000983849	24,107.57	Payment for invoice 8000983849

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567C  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567U  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1



## Appendix #1

### Summary of Fees

Name	Level	Hours	Rate	Amount
Sleeth, Jordan	Partner	3.0	\$ 700.00	\$ 2,100.00
Greenbaum, Stacey	Manager	15.5	\$ 425.00	\$ 6,587.50
Keene, Ashley	Senior	0.1	\$ 325.00	\$ 32.50
Koo, Ada	Analyst	0.4	\$ 250.00	\$ 100.00
Klein, Emily	Analyst	33.9	\$ 250.00	\$ 8,475.00
Brown, Rose	Consultant	14.6	\$ 250.00	\$ 3,650.00
<b>Total Professional Hours and Fees</b>		<b>67.5</b>		<b>\$ 20,945.00</b>
Out-of-pocket Expenses				\$ 389.13
<b>Total Fees and Expenses</b>				<b>\$ 21,334.13</b>



## Appendix #2

### Work performed for the months of November & December 2019

Date	Name	Narrative	Hours
11/1/2019	Klein, Emily	Emails with HUB regarding outstanding amounts due, emails with Karen and Shelly regarding inventory.	0.5
11/4/2019	Brown, Rose	Trust Banking - Update Ascend and prepare R&D to Nov 1/19.	0.6
11/4/2019	Klein, Emily	Creating employee invoices, reconciling Octagon hours for invoice, completing Kelly Toys invoice.	1.0
11/5/2019	Brown, Rose	Trust Banking Administration - Prepare disbursement/payroll cheques.	0.7
11/5/2019	Klein, Emily	Sending operating invoices for payment.	0.5
11/6/2019	Greenbaum, Stacey	Prepare S. 246 notice.	0.3
11/6/2019	Klein, Emily	Updating R&D.	0.5
11/7/2019	Koo, Ada	Prepare October bank reconciliation.	0.2
11/7/2019	Klein, Emily	Emails with Kellytoys regarding outstanding invoices.	0.3
11/8/2019	Brown, Rose	Trust Banking Admin - Disbursement cheques.	0.4
11/8/2019	Klein, Emily	Reconciliation of bank accounts and R&D.	2.0
11/11/2019	Klein, Emily	Sending invoices to trust admin for payment, creating employee invoices, review of received mail, updating R&D summary, compiling invoices to send to Kellytoys for reimbursement.	4.5
11/11/2019	Brown, Rose	Reviewing payables and send copies to EK.	0.3
11/11/2019	Greenbaum, Stacey	Review of certain items (Oracle, Walmart, Hamleys, Inventory adjustment) and BIA S.246 notice, call with M. Sipp re Bakersfield.	2.2
11/12/2019	Brown, Rose	Payroll and disbursement cheques. Review disbursement to confirm Hydro refund cheque.	1.5
11/12/2019	Greenbaum, Stacey	Review Kellytoy disbursement invoice & follow up re Kellytoy questions.	0.5
11/12/2019	Klein, Emily	Correspondence with Karen and Marguerite re outstanding invoices. Updating Kellytoys invoice. Finalize S.246 report.	2.5
11/12/2019	Sleeth, Jorden	Review s.246 report, revise and approve for distribution; review correspondence with KellyToy and Seetner.	0.5
11/13/2019	Greenbaum, Stacey	Call with R. Kennedy re A/R demands and HK IRD letter, finalize HK IRD letter.	0.5
11/13/2019	Brown, Rose	Trust Banking Admin - Disbursement cheques and review R&D and send Interim Report to OSB.	1.8
11/13/2019	Klein, Emily	Correspondence with Karen and Marguerite regarding outstanding payments and services. Sending invoices to trust admin for payment. Call with Enbridge regarding discrepancies in invoices received.	2.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
11/14/2019	Brown, Rose	Trust Banking Administration.	1.0
11/14/2019	Sleeth, Jordan	Update meeting with S. Greenbaum, review various issues - Loblaws, WalMart, Bakersfield, HST deemed trust.	1.2
11/14/2019	Greenbaum, Stacey	Status meeting with J. Sleeth re Oracle, Wal Mart Canada.	0.3
11/15/2019	Greenbaum, Stacey	Weekly invoice approvals.	1.0
11/15/2019	Brown, Rose	Trust Banking Admin - Deposit.	0.3
11/18/2019	Klein, Emily	Employee invoices for w/e Nov 15.	1.0
11/18/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques.	1.1
11/19/2019	Klein, Emily	Arrange garbage pickup, correspondence with SimTech.	1.0
11/19/2019	Greenbaum, Stacey	Status update call with M. Sipp, preparing court report.	1.8
11/19/2019	Sleeth, Jordan	File update call with R. Kiefer, debrief same with S. Greenbaum.	0.8
11/19/2019	Brown, Rose	Update R&D and reconcile to bank.	0.5
11/20/2019	Klein, Emily	Preparing First Receiver's draft report, updating R&D and A/R schedules, correspondence with SimTech re invoicing, sending invoices for payment, call with CRA regarding notice received.	4.3
11/20/2019	Brown, Rose	Review Crossdock payment and confirm cheque was cashed and send copy of cheque to EK.	0.2
11/20/2019	Greenbaum, Stacey	Status update call with J. Sleeth and R. Kiefer (BMO), court report writing, review of inventory escrow.	2.2
11/21/2019	Klein, Emily	Correspondence with Google Suite re access. Arranging garbage pick ups, correspondence with SimTech, correspondence with Marguerite on outstanding invoices.	2.2
11/21/2019	Brown, Rose	Trust banking - disbursement cheques	0.5
11/21/2019	Greenbaum, Stacey	Preparing court report.	1.3
11/22/2019	Keene, Ashley	Website update.	0.1
11/22/2019	Brown, Rose	Review GL for incoming receipt coding. Send EK us \$ online banking report.	0.5
11/22/2019	Sleeth, Jordan	Review escrow agreement re: KellyToy APA with S. Greenbaum; status update call with R. Kennedy.	0.5
11/22/2019	Greenbaum, Stacey	Review of court report with E.Klein.	1.2
11/22/2019	Klein, Emily	Review of First Receiver's report with S. Greenbaum, correspondence with SimTech re outstanding invoices, reconciling bank statement with Kellytoys receipts.	1.6
11/25/2019	Klein, Emily	Creating employee invoices for w/e Nov 22. Calls with Enbridge, Hamleys, and Service Canada re outstanding invoices. Arranging garbage pickup for Bakersfield.	1.2
11/26/2019	Greenbaum, Stacey	Review of inventory escrow and call with M. Sipp re the same, emails with Bakersfield landlord.	1.5
11/26/2019	Brown, Rose	Trust Banking Administration - Disbursement/Payroll cheques.	0.7

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
11/26/2019	Klein, Emily	Correspondence with PECO re pallet pickup, correspondence with Karen on status of Bakersfield closing, review of received mail, correspondence with Shelly re outstanding invoices.	1.3
11/27/2019	Greenbaum, Stacey	Status update call with J.Sleeth.	0.2
11/28/2019	Klein, Emily	Call with Shelly regarding A/R reconciliation. Preparing court report.	1.7
11/28/2019	Greenbaum, Stacey	Review of court report with E.Klein.	0.2
11/29/2019	Brown, Rose	Printing disbursement requests.	0.1
11/29/2019	Klein, Emily	Creating employee invoices.	0.5
12/2/2019	Brown, Rose	Trust Banking Administration - Deposit and disbursement/payroll cheques.	1.6
12/2/2019	Greenbaum, Stacey	Review of Toys R Us claim, finalize inventory escrow re Kellytoys.	0.6
12/2/2019	Klein, Emily	Organizing and filing mail.	0.2
12/3/2019	Brown, Rose	Trust Banking Administration - Disbursement cheques and mail cheques.	0.3
12/5/2019	Brown, Rose	Trust Banking Admin - Disbursement cheques.	0.4
12/6/2019	Klein, Emily	Correspondence with Marguerite regarding SimTech invoices, responding to former employees WEPP questions.	0.2
12/7/2019	Klein, Emily	Review of invoices and sending to trust admin for payment. Emails with Simtech and Marguerite regarding amounts due.	0.5
12/9/2019	Klein, Emily	Call with Service Canada re ROEs for various employees. Reconciling A/R.	1.0
12/9/2019	Brown, Rose	Trust Banking Administration - Disbursement requests.	0.5
12/10/2019	Klein, Emily	Emails with Karen and Marguerite regarding forklift rental costs. Sending invoices to trust admin to be paid. Call with former employee regarding WEPPA. Call with Shelly regarding outstanding AR collections.	0.8
12/10/2019	Brown, Rose	Trust Banking Administration - recording wire received in Ascend and print/can support.	0.5
12/10/2019	Koo, Ada	Prepare November bank reconciliation.	0.2
12/11/2019	Klein, Emily	Call with CRA re audit on BMT's Receivership activity.	0.2
12/16/2019	Brown, Rose	Trust Banking Admin - Disbursements - Wire/cheque	0.6
12/18/2019	Brown, Rose	Trust Banking Administration - Disbursement cheque and input wire.	0.3
12/18/2019	Klein, Emily	Completing employees ROE forms.	1.2
12/19/2019	Greenbaum, Stacey	Call with Deloitte HK regarding letter from HK government re employees.	0.7
12/19/2019	Klein, Emily	Email with Toronto Utility regarding outstanding invoice.	0.1



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
12/20/2019	Brown, Rose	Review account for process of wire. Email to BMO to obtain confirmation.	0.2
12/23/2019	Greenbaum, Stacey	Call with S. Gobin re HK employees.	1.0
12/23/2019	Klein, Emily	Drafting preliminary final reimbursement schedule for Kellytoys.	1.1
<b>Total</b>			<b>67.5</b>


**Invoice 8001136709**
**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Robert A. Kiefer  
Bank of Montreal (Special Accounts Management Unit)  
100 King Street West, 7th Floor  
Toronto ON M5X 1A1  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: April 22, 2020  
Client No.: 1332039  
WBS#: BES00071  
Engagement Partner: Jordan Sleeth

HST Registration : 122893605RT0001

**For professional services rendered**
**Fees**

In connection with Best Made Toys International, ULC from January 2, 2020 to March 31, 2020.

Please see the attached appendices.

**Expense**

Out-of-pocket Expenses

**Sales Tax**

HST applicable 35,545.00

HST applicable 477.36

HST at 13.00% 4,682.91

**Total Amount Due (CAD) 40,705.27**

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8001136709	40,705.27	Payment for invoice 8001136709

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1



**Appendix #1**  
**Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	12.1	700.00	8,470.00
Greenbaum, Stacey	Senior Manager	25.5	550.00	14,025.00
Koo, Ada	Analyst	0.5	250.00	125.00
Klein, Emily	Analyst	39.4	250.00	9,850.00
Brown, Rose	Consultant	12.3	250.00	3,075.00
<b>Total Professional Hours and Fees</b>		<b>89.8</b>		<b>35,545.00</b>
Out-of-pocket Expenses				477.36
<b>Total Fees and Expenses</b>				<b>36,022.36</b>



## Appendix #2

### Work performed from January 2 to March 31, 2020

Date	Name	Narrative	Hours
1/2/2020	Klein, Emily	Preparation of disbursements.	0.4
1/2/2020	Brown, Rose	Input wire and services fees from Dec 2019.	0.2
1/3/2020	Sleeth, Jorden	Review draft first receiver's report, edit and draft update sections.	2.8
1/6/2020	Greenbaum, Stacey	ERV analysis.	1.4
1/6/2020	Klein, Emily	Phone call with S.Greenbaum on ERV and first Receiver's Report. Updating ERV and R&D.	2.7
1/7/2020	Klein, Emily	Updating ERV and R&D and call with S.Greenbaum on the same.	2.4
1/7/2020	Sleeth, Jorden	Status update meeting with S. Greenbaum and E. Klein re: ERV, HK, EDC claim timing.	1.3
1/7/2020	Greenbaum, Stacey	December 31 ERV analysis.	2.2
1/8/2020	Greenbaum, Stacey	Discussion with Dentons re HK items.	0.6
1/8/2020	Klein, Emily	Emails with creditors for invoices re operations. Updating ERV, R&D, and first Receiver's report.	2.7
1/9/2020	Greenbaum, Stacey	Call with Dentons re Hamleys A/R, review of first Receiver's report, review of Kelly Toys inventory escrow, notes to file.	1.8
1/9/2020	Sleeth, Jorden	Review ERV update with E. Klein; debrief Dentons call with S. Greenbaum	1.7
1/9/2020	Brown, Rose	Review Kelly Toy deposit and confirming entries in Ascend. Prepare schedule. Discuss with E Klein. Trust Banking Administration - Disbursement cheque.	1.2
1/9/2020	Klein, Emily	Review of ERV and R&D with S.Greenbaum and J.Sleeth.	1.6
1/10/2020	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.2
1/10/2020	Klein, Emily	Call with S.Gobin regarding outstanding matters (EDC, AR).	0.5
1/13/2020	Greenbaum, Stacey	Call with Art Goguen re Red Rock insurance.	0.4
1/13/2020	Brown, Rose	Trust Banking Administration - Deposits.	0.5
1/13/2020	Klein, Emily	Updating first Receiver's report.	2.3
1/13/2020	Klein, Emily	Mail review; emails with SimTech, Waste Connections; emails with S. Gobin re AR - EDC breakdown; call re WEPPA.	0.6
1/14/2020	Klein, Emily	Updating ERV and EDC calculations.	2.6
1/14/2020	Greenbaum, Stacey	December 31 ERV analysis.	1.9
1/15/2020	Greenbaum, Stacey	Review of vacation pay and escrow accounts.	1.3
1/15/2020	Sleeth, Jorden	Review updated realization schedule and provide comments to S. Greenbaum.	1.4
1/15/2020	Brown, Rose	Trust Banking Administration - Disbursement cheques.	0.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/15/2020	Klein, Emily	CRA request re audit of Receiver's account; preparing final reimbursement schedule for Kelly Toys.	2.1
1/16/2020	Greenbaum, Stacey	Finalize December 31 ERV.	1.4
1/17/2020	Klein, Emily	Preparing final reimbursement schedule for Kelly Toys.	1.1
1/20/2020	Klein, Emily	Finalizing the final reimbursement schedule for Kelly Toys.	1.6
1/21/2020	Klein, Emily	Compiling documents re CRA request; updating the first Receiver's report with S.Greenbaum; updating Kelly Toy with amounts outstanding with Simtech.	3.5
1/21/2020	Brown, Rose	Wepp correspondence - Scan and save on Q.	0.1
1/22/2020	Greenbaum, Stacey	Review of EDC claim.	1.3
1/22/2020	Klein, Emily	Meeting with S.Greenbaum and J.Sleeth re EDC claim and updating of the same; A/R reconciliation from monies received; preparing employee invoice.	3.8
1/23/2020	Sleeth, Jorden	Call with Dentons HK re: IRD letter and income tax priority, discuss employee claim priority; debrief with S. Greenbaum.	1.2
1/23/2020	Greenbaum, Stacey	Call with Dentons HK re various HK issues; draft IRD letter re HK taxes; review of final Kelly toys reimbursement .	2.1
1/23/2020	Brown, Rose	Trust Banking Administration - Deposit.	0.4
1/23/2020	Klein, Emily	Finalizing reimbursement schedule with S.Greenbaum.	0.3
1/24/2020	Greenbaum, Stacey	Call with S. Gobin re HK employees.	0.6
1/24/2020	Brown, Rose	Trust Banking Administration - Payroll cheque and remittance. Review Payroll schedule for 2019 and reconcile sheet to Ascend and prepare T4's.	1.5
1/27/2020	Klein, Emily	Coordination re Kelly Toys reimbursement information and final SimTech invoice documents.	0.6
1/28/2020	Greenbaum, Stacey	HK IRD correspondence.	0.7
1/28/2020	Klein, Emily	Preparing EDC claim form with S.Greenbaum; organizing and filing mail.	1.6
1/29/2020	Klein, Emily	Compiling documents for CRA audit request; preparing letter to BMO re closing bank accounts.	2.8
1/29/2020	Brown, Rose	Trust Banking Administration - Disbursement cheque and Review GL and obtain back up support for two entries requested by EK.	0.6
1/30/2020	Sleeth, Jorden	Review EDC claim forms with S. Greenbaum.	0.8
1/30/2020	Greenbaum, Stacey	Review of HK employees schedule prepared by S. Gobin; review of EDC claim; review of CRA letter; call with R. Kennedy re insured A/R and follow up with Red Rock.	2.6
1/30/2020	Klein, Emily	Correspondence with a creditor re Proof of Claim questions; completing CRA audit review with S.Greenbaum; review of EDC claim form with J.Sleeth and S.Greenbaum and sending follow-up questions to S. Gobin.	0.9
1/31/2020	Greenbaum, Stacey	Call with S. Gobin re HK employees.	1.1
2/3/2020	Koo, Ada	Prepare December bank reconciliation - 2 accounts.	0.2
2/3/2020	Klein, Emily	Compiling documents for EDC claim form appendices.	2.4

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/5/2020	Brown, Rose	Trust Banking Administration - confirm incoming wire received and input into Ascend.	0.2
2/10/2020	Greenbaum, Stacey	Call with BMO re EDC claim and amend EDC claim.	0.6
2/10/2020	Brown, Rose	Prepare T4 slips and summary, reconcile to Ascend GL.	2.0
2/10/2020	Sleeth, Jordan	Call with S. Greenbaum and R. Kiefer re: EDC claim review; debrief same with S. Greenbaum.	0.8
2/11/2020	Brown, Rose	Complete reconciliation of T4's to Ascend GL. Update T4's slip and discuss with EK to review slips.	1.3
2/11/2020	Sleeth, Jordan	Call with EDC re: claim submitted, debrief with S. Greenbaum.	0.7
2/11/2020	Klein, Emily	Review of 2019 T4 slips.	1.2
2/11/2020	Greenbaum, Stacey	Call with S.Gobin re EDC claim; call with EDC & BMO re EDC claim.	0.4
2/13/2020	Brown, Rose	Prepare labels for mailing T4's.	0.4
2/19/2020	Brown, Rose	Labels, copy and send out T4 slips.	0.3
2/26/2020	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.2
3/3/2020	Brown, Rose	Scan and saving Service Canada Letter.	0.2
3/9/2020	Brown, Rose	Trust Banking Administration - pull online banking reports and reconcile to Ascend and input bank charges. Inquiry regarding investment purchase.	0.7
3/10/2020	Koo, Ada	Prepare January bank reconciliation.	0.3
3/10/2020	Brown, Rose	Set up investment, print purchase info and have signed and fax to BMO. Print certificate.	0.3
3/11/2020	Klein, Emily	Downloads of Google cloud documents onto Q drive.	0.7
3/19/2020	Sleeth, Jordan	Call with R. Kiefer; follow up with S. Greenbaum and E. Klein.	0.6
3/23/2020	Greenbaum, Stacey	Call with BMO and EDC, amending EDC claim.	1.4
3/24/2020	Klein, Emily	Employee invoice.	0.2
3/24/2020	Brown, Rose	Trust Banking Administration - Print payroll request.	0.2
3/25/2020	Klein, Emily	ROE for employee.	0.8
3/25/2020	Brown, Rose	Trust Banking Administration - Prepare payroll schedule and payroll deductions, input cheques.	0.6
3/26/2020	Sleeth, Jordan	Status update call with S. Greenbaum re: HK employees; EDC claim discussion.	0.8
3/26/2020	Greenbaum, Stacey	Review of outstanding task list.	0.7
3/26/2020	Brown, Rose	Print Disbursement cheques.	0.2
3/30/2020	Greenbaum, Stacey	Preparation of HK labour department letter re employees.	3.0
3/30/2020	Brown, Rose	Disbursement wire.	0.3
3/31/2020	Brown, Rose	Disbursement wire.	0.2
<b>Total</b>			<b>89.8</b>


**Invoice 8001286491**
**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

ATTN: Robert A. Kiefer  
Bank of Montreal (Special Accounts Management Unit)  
100 King Street West, 7th Floor  
Toronto ON M5X 1A1  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: July 22, 2020  
Client No.: 1332039  
WBS#: BES00071  
Engagement Partner: Jordan Sleeth

HST Registration : 122893605RT0001

**For professional services rendered**
**Fees**

In connection with Best Made Toys International, ULC from March 9, 2020 to July 17, 2020.

Please see the attached appendices.

HST applicable	13,520.00
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**Expense**

Out of pocket Expenses

HST applicable	61.60
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**Sales Tax**

HST at 13.00%	<u>1,765.61</u>
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<b>Total Amount Due (CAD)</b>	<b><u>15,347.21</u></b>
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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.



Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Bank of Montreal (Special Accounts Management Unit)	1332039	8001286491	15,347.21	Payment for invoice 8001286491

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567C  
PO Box 4567, Stn A  
Toronto ON M5W 0J1

**For USD Dollar (\$) Payments :**

DELOITTE MANAGEMENT SERVICES LP  
c/o T04567U  
PO Box 4567, Stn A  
Toronto ON M5W 0J1


**Appendix #1**
**Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Sleeth, Jordan	Partner	8.5	700.00	5,950.00
Greenbaum, Stacey	Senior Manager	5.9	550.00	3,245.00
Klein, Emily	Analyst	15.2	250.00	3,800.00
Brown, Rose	Consultant	2.1	250.00	525.00
<b>Total Professional Hours and Fees</b>		<b>31.7</b>		<b>13,520.00</b>
Out-of-pocket Expenses				61.60
<b>Total Fees and Expenses (CAD)</b>				<b>13,581.60</b>



## Appendix #2

### Work performed from March 9, 2020 to July 17, 2020

Date	Name	Narrative	Hours
3/11/2020	Klein, Emily	Downloading all documents on the Google cloud onto the Q drive and cancelling Google cloud membership.	0.7
3/23/2020	Klein, Emily	Updating the EDC application so that the enforcement costs are in CAD. Call with SG to discuss the changes made on the EDC detail.	1.9
3/24/2020	Klein, Emily	Sending final employee invoice to Rose Brown for payment.	0.2
3/25/2020	Klein, Emily	Completing ROE details for employee Michelle Gobin.	0.8
4/1/2020	Brown, Rose	Fax into BOM Wire request and email to BOM contact to confirm processed.	0.2
4/2/2020	Brown, Rose	Trust Banking Administration - Input wire processed Apr 1 and reconcile bank to GL to obtain listing of outstanding cheques.	0.2
4/6/2020	Greenbaum, Stacey	Call with BMO re claim form and updating claim	0.4
4/7/2020	Klein, Emily	Investigating outstanding cheque listing and contacting these vendors whom have not cashed these respective cheques.	0.4
4/7/2020	Greenbaum, Stacey	EDC claim form	0.5
4/9/2020	Greenbaum, Stacey	Call with BMO & EDC re claim form	0.3
4/23/2020	Klein, Emily	Re-issuing payment for outstanding Cheques that had stop payments made on them.	0.3
4/23/2020	Brown, Rose	Prepare stop payment, have signed and send to BMO.	0.2
4/24/2020	Brown, Rose	Trust Banking Administration - Prepare replacement cheque for employee and input stop payment in Ascend.	0.3
4/29/2020	Sleeth, Jordan	Call with S. Greenbaum re: HK employees, tax returns, paths to finalizing file.	0.5
4/29/2020	Klein, Emily	Calculating the WSIB remittance for the period October 1, 2019 to March 31, 2020.	0.9
4/29/2020	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.3
4/30/2020	Brown, Rose	Trust Banking Administration - Disbursement wire, confirm wire with BMO.	0.4
4/30/2020	Klein, Emily	Finalizing WSIB remittance paper work for the period October, 2019 to March, 2020.	0.2
5/4/2020	Greenbaum, Stacey	Call with Grant Thornton HK & follow up email	0.3

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
5/6/2020	Brown, Rose	Scan and send mail to SG.	0.1
5/12/2020	Klein, Emily	Calling the CRA regarding the corporate tax return details for 2019. Investigating how to object against penalties incurred from income tax returns.	0.9
6/15/2020	Greenbaum, Stacey	Prepare to do list for o/s items	1.0
6/15/2020	Sleeth, Jordan	Respond to R. Kiefer email, circulate status update to R. Kennedy.	0.4
6/15/2020	Klein, Emily	Calling the WSIB to close the account and reconcile payments made. Calling the CRA regarding outstanding penalties owed and notifying them of the bankrupt estate.	1.2
6/16/2020	Greenbaum, Stacey	Status update call with J. Sleeth; Call with J. Sleeth and R. Kennedy; various follow up items (HK, security deposit, tax)	1.2
6/16/2020	Sleeth, Jordan	Calls with S. Greenbaum re: outstanding items to resolve; call with S. Greenbaum and R. Kennedy re: plan to attend in court for distribution order.	1.0
6/17/2020	Klein, Emily	Completing an income tax objection form to dispute a tax form penalty, updating and reconciling the R&D to May 31, 2020, sending a request to have payroll audits complete.	2.2
6/18/2020	Sleeth, Jordan	Call with S. Gobin re: tax reporting and finalizing estate.	0.3
6/23/2020	Sleeth, Jordan	Review updated R&D, circulate estimated distribution memo to R. Kiefer; call with R. Kennedy and S. Greenbaum re: distribution motion, report preparation.	1.0
6/28/2020	Sleeth, Jordan	Review and revise receiver report, circulate comments to S. Greenbaum and E. Klein.	1.5
6/29/2020	Klein, Emily	Updating the First Receiver's Report using J. Sleeth's and S. Greenbaum's comments. Corresponding with the WSIB regarding outstanding premiums owed.	1.9
6/29/2020	Greenbaum, Stacey	Review of receiver's report re J. Sleeth comments	0.2
6/30/2020	Klein, Emily	Updating the First Receiver's Report and discussing over conference call with S. Greenbaum and J. Sleeth.	1.0
6/30/2020	Sleeth, Jordan	Call with S. Greenbaum and E. Klein re: receiver report revisions.	0.8
6/30/2020	Greenbaum, Stacey	Call with J. Sleeth and E. Klein re receiver's report	0.5
7/2/2020	Klein, Emily	Updating the First Receiver's Report and the R&D to June 30.	0.8
7/6/2020	Sleeth, Jordan	Review and revise distribution court report, circulate to R. Kennedy for review.	3.0
7/7/2020	Klein, Emily	Creating a summary table of all legal fees paid during the Receivership.	1.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
7/7/2020	Brown, Rose	Trust Banking - Disbursement voucher. Confirm investment not renew with the bank and input into Ascend.	0.4
7/8/2020	Klein, Emily	Corresponding with the CRA regarding outstanding documents required for the RT0002 audit.	0.3
7/9/2020	Greenbaum, Stacey	Review of CRA correspondence & Walmart emails re E. Klein; follow up emails with HK employees	1.0
7/9/2020	Klein, Emily	Corresponding with S. Greenbaum regarding outstanding CRA audit requests. Going through current files to locate relevant documents for the audit.	0.5
7/13/2020	Greenbaum, Stacey	Call with HK employees	0.5
<b>Total</b>			<b>31.7</b>

**Appendix “H”**  
to the First Report of the Receiver  
dated July 22, 2020

Court File No.: CV-19-00618506-00CL

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

B E T W E E N:

**BANK OF MONTREAL**

Applicant

- and -

**BEST MADE TOYS INTERNATIONAL, ULC, BEST MADE TOYS LLC,  
BEST MADE TOYS GLOBAL ENTERPRISES LIMITED and BEST MADE TOYS  
HOLDINGS LLC**

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**AFFIDAVIT OF ROBERT KENNEDY  
(sworn July 22nd, 2020)**

I, **ROBERT KENNEDY**, of the City of Toronto, in the Province of Ontario, **SWEAR  
AND SAY AS FOLLOWS:**

1. I am a Partner with Dentons Canada LLP (“**Dentons**”), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated April 25, 2019 (the “**Receivership Order**”), Deloitte Restructuring Inc. was appointed Receiver and Manager of Best Made Toys International, ULC, Best Made Toys LLC, Best Made Toys Global Enterprises Limited and Best Made Toys Holdings LLC in the within proceedings (the “**Receiver**”).

3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.
4. The Receivership Order provides at paragraph 19 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The Dentons fees and disbursements for the period of April 17, 2019 to July 20, 2020 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. Attached and marked as **Exhibit “A”** are the Invoices.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoices, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.



9. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.
10. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

**SWORN** before me by video conference from City of Toronto in the Province of Ontario, to City of Toronto in the Province of Ontario, on 22nd day of July, 2020.



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A Commissioner for Taking Affidavits, etc.



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**ROBERT KENNEDY**

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 22nd DAY OF JULY,  
2020.

A handwritten signature in blue ink, appearing to read "J. Meyer", is centered below the text. The signature is written in a cursive style.

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A Commissioner for Taking Affidavits, etc.

Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Attention: Jordan Sleeth

**INVOICE # 3462424**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
October 31, 2019	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$ 92,269.00
Less: Discount	<u>(3,776.50)</u>
Net Professional Fees	\$ 88,492.50
Disbursements	23,878.12
HST (13.0%) on \$112,370.62	<u>14,608.19</u>
<b>Total Amount Due</b>	<b><u>\$ 126,978.81 CAD</u></b>

**Payment Options:****Cheques:**

Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
17-Apr-19	Robert Kennedy	Review correspondence from Alex MacFarlane. Review loan documentation. Conference with Kori Williams. Various correspondence to and from Jordan Sleeth. Review draft order. Various conversations with Jordan Sleeth. Conversation with Alex MacFarlane. Review notice of application.
18-Apr-19	Kori Williams	Emails in connection with documents for security review.
18-Apr-19	Robert Kennedy	Conversation with Jordan Sleeth regarding appointment. Correspondence to Jordan Sleeth regarding report. Conference with Kori Williams. Review loan documentation. Correspondence from and to Christine Mason.
21-Apr-19	Robert Kennedy	Review loan and security documentation. Correspondence to and from Jordan Sleeth.
22-Apr-19	Kori Williams	Emails and telephone calls in connection with security review.
22-Apr-19	Robert Kennedy	Various correspondence from and to Kori Williams regarding security review. Review loan and security documentation. Review application materials. Work on Receiver's Report. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth.
23-Apr-19	Rennie Ali	Conducting ON, BC and UCC searches with respect to Canadian borrower, US borrower and guarantor.
23-Apr-19	Kori Williams	Emails in connection with security review. Begin review of security and credit agreement. Office conferences with Danijel Augustinovic.
23-Apr-19	Danijel Augustinovic	Review security. Review BLG security review. Various correspondence regarding same.
23-Apr-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review various correspondence regarding security review. Voicemail from and to Kori Williams regarding security review. Review correspondence from BLG regarding application record. Review application record. Review various correspondence from Alex MacFarlane regarding HK matters.
24-Apr-19	Danijel Augustinovic	Review security. Various correspondence regarding same.
24-Apr-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review application materials. Review various

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		correspondence regarding HK matters. Consider appointment matters. Various conversations with Jordan Sleeth regarding appointment matters. Correspondence to and from Bevan Brooksbank.
25-Apr-19	Rennie Ali	Conducting BIA and PPSA searches.
25-Apr-19	Danijel Augustinovic	Review and revise security report.
25-Apr-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review appointment order. Work on HK matters. Various correspondence to and from Alex MacFarlane.
29-Apr-19	Robert Kennedy	Various correspondence to and from Alex MacFarlane. Various correspondence to and from Robert Rhoda. Review and consider matters re: HK enforcement. Preperation for conference call. Attend conference call. Correspondence to and from Jordan Sleeth re: insurance matters. Conversation with Alex MacFarlane re: insurance matters. Conference call with Robert Rhoda and James Wong re: HK matters and strategy. Correspondence to Robert Rhoda and James Wong. Conversation with Jordan Sleeth.
30-Apr-19	Robert Kennedy	Review correspondence from James Wong. Conference with Kori Williams regarding security reviews. Review receivership order regarding bank accounts. Consider HK issues. Review correspondence from Jordan Sleeth.
01-May-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth and Andrew Whittingham re: administration and HK matters. Correspondence from and to Alex MacFarlane. Correspondence to James Wong.
02-May-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Correspondence from and to Alex MacFarlane. Voicemail to and from Alex MacFarlane.
03-May-19	Kori Williams	Emails and office conferences in connection with security review. Review lease agreement with Commercial Air Compressor Ltd.
03-May-19	Robert Kennedy	Correspondence from and to Jordan Sleeth. Correspondence to Robert Rhoda re: HK matters.
06-May-19	Jonathan Meyer	Reviewing the law relating to unregistered equipment leases for Kori Williams. Meeting with Kori Williams regarding same.
06-May-19	Kori Williams	Emails and office conferences with Jonathan Meyer. Office conferences with Robert Kennedy. Review and revise security report/opinion. Review lease.
06-May-19	Robert Kennedy	Review and revise memorandum re: HK strategy. Correspondence to Jordan Sleeth. Consider HK strategy matters and review security documentation. Conference with Kori Williams re: security opinion

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		matters. Correspondence to Robert Rhoda.
07-May-19	Kori Williams	Review equipment lease and analyze same to determine whether it is a true or a financing lease.
07-May-19	Robert Kennedy	Review correspondence from Robert Rhoda. Consider HK strategy. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth re: strategy. Prepare notes re: HK strategy. Correspondence from and to Andrew Whittingham. Correspondence to Robert Rhoda. Conversation with Alex MacFarlane.
08-May-19	Kori Williams	Finalize review of leases in connection with title issue. Email correspondence to and from Robert Kennedy in connection with same.
08-May-19	Robert Kennedy	Work on HK matters and strategy. Correspondence to Robert Rhoda and James Wong. Review AR list and revise demand letter. Review lease documentation. Various correspondence to and from Andrew Whittingham. Correspondence to Alex MacFarlane. Conversation with Alex MacFarlane. Conference with Kori Williams.
09-May-19	Robert Kennedy	Review and consider HK options. Various correspondence to and from Robert Rhoda. Attend conference call re: HK enforcement options. Various conversations with Jordan Sleeth re: enforcement strategy.
10-May-19	Kori Williams	Emails in connection with leases. Review security documents in connection with security opinion. Review and revise opinion.
10-May-19	Robert Kennedy	Various correspondence to and from Andrew Whittingham. Work on HK matters. Correspondence to Jordan Sleeth re: HK receivables. Conference with Daniel Augustinovic re: opinions.
13-May-19	Kori Williams	Telephone call with Deloitte. Review security report. Further research on true leases. Review forklift lease.
13-May-19	Robert Kennedy	Correspondence to Robert Rhoda. Review draft demand letter re: AR. Consider receivable collection matters. Various correspondence to and from Jordan Sleeth. Conference with Kori Williams. Various correspondence to and from Andrew Whittingham. Review lease matters. Attend conference call re: lease and security reviews. Conference with Kori Williams re: release.
14-May-19	Robert Kennedy	Various correspondence to and from Robert Rhoda. Various correspondence to and from Jordan Sleeth. Review draft statutory demand. Various correspondence to and from Alex MacFarlane.

Date	Timekeeper	Description of Work
		Correspondence to and from Andrew Whittingham. Correspondence to Robert Rhoda re: third party demands. Conversation with Alex MacFarlane re: administration matters.
15-May-19	Kim Lawton	Emails and discussions with Kori Williams regarding full and final release.
15-May-19	Kori Williams	Prepare and circulate receipt and releases to be executed by lessors of equipment. Emails in connection with replicated additional release.
15-May-19	Danijel Augustinovic	Prepare draft release. Various correspondences regarding same. Review invoices.
15-May-19	Robert Kennedy	Various correspondence to and from Alex MacFarlane. Conversation with Alex MacFarlane. Review statutory demand. Review draft release. Various correspondence to and from Andrew Whittingham.
16-May-19	Rennie Ali	Ordering updated ON and BC PPSA and BIA searches.
16-May-19	Kori Williams	Arrange for additional searches, review same. Emails in connection with amended and restated forbearance agreement. Emails in connection with release letters. Emails in connection with PPSA registration in connection with PPSA registration against the HK registration.
16-May-19	Danijel Augustinovic	Review and revise security opinion. Correspondence regarding return of equipment.
16-May-19	Robert Kennedy	Review correspondence from Jordan Sleeth. Correspondence to Alex MacFarlane. Conference with Kori Williams. Work on HK matters. Correspondence to Andrew Whittingham.
17-May-19	Kori Williams	Emails in connection with PPSA registration in connection with the HK entity.
17-May-19	Robert Kennedy	Conversation with Alex MacFarlane re: administration matters.
22-May-19	Rennie Ali	Obtaining ON PPSA search with respect to Best Made Toys Global Enterprises Limited
22-May-19	Kori Williams	Review and revise security report. Emails to and from Dentons US in connection with US report. Office conferences with Danijel Augustinovic.
23-May-19	Kori Williams	Revise and circulate security report. Telephone call with Danijel Augustinovic and Scott Thompson (Dentons US) in connection with the US security report.
23-May-19	Danijel Augustinovic	Call with Scott Thompson regarding security review.
24-May-19	Robert Kennedy	Various correspondence re: administration matters. Conversation with Alex MacFarlane.
26-May-19	Robert Kennedy	Work on HK matters. Various correspondence to and from Robert Rhoda. Correspondence to Alex

Date	Timekeeper	Description of Work
		MacFarlane. Correspondence to Jordan Sleeth.
27-May-19	Robert Kennedy	Review correspondence from Robert Rhoda. Correspondence from and to Jordan Sleeth. Conversation with Jordan Sleeth re: administration matters. Review various correspondence from Chris Savo.
28-May-19	Robert Kennedy	Review correspondence re: commission claims. Review statutory demand. Correspondence from and to Chris Savo. Various correspondence to and from Andrew Whittingham re: administration matters. Conversation with Andrew Whittingham.
29-May-19	Robert Kennedy	Various correspondence from and to Jordan Sleeth re: administration matters. Review and consider landlord issues.
30-May-19	Robert Kennedy	Review various correspondence re: administration matters. Conversation with Jordan Sleeth and Andrew Whittingham. Review correspondence from Robert Rhoda. Review draft notice re: debenture. Review executed demand. Correspondence to Robert Rhoda.
31-May-19	Robert Kennedy	Review notice. Various correspondence to and from Alex MacFarlane. Various correspondence to Robert Rhoda. Review and consider commission issue. Conference with Mark Freake. Voicemail left with Gordon Hearn.
31-May-19	Robert Kennedy	Review notice. Various correspondence to and from Alex MacFarlane. Various correspondence to Robert Rhoda. Review and consider commission issue. Conference with Mark Freake. Voicemail left with Gordon Hearn. Correspondence to Jordan Sleeth and Andrew Whittingham.
03-Jun-19	Mark Freake	Review letter from Fernandes Hearn LLP regarding trust claim by PSMA Inc. Review case law regarding trust issues.
03-Jun-19	Robert Kennedy	Various correspondence to and from James Wong. Review statutory demand package. Review correspondence from Christine Mason. Review comments. Correspondence to Christine Mason. Review correspondence from Andrew Whittingham.
04-Jun-19	Mark Freake	Review case law regarding implied and constructive trusts in the context of a receivership. Email Robert Kennedy regarding PSMA Inc. trust claim.
04-Jun-19	Robert Kennedy	Review correspondence from Andrew Whittingham. Correspondence to Alex MacFarlane re: demand. Review memorandum re: commissions. Consider commission / trust claim issue. Review notice re: floating charge. Correspondence to Robert Rhoda (x2).



<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		Correspondence to Christine Mason. Conversation with Christine Mason. Review APA and provide comments. Various conversations with Andrew Whittingham re: administration matters. Conversation with Jordan Sleeth. Conference with Mark Freake. Correspondence to Andrew Whittingham re: APA and comments.
05-Jun-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review correspondence from Andrew Whittingham. Review draft APA. Voicemail received from Gordon Hearn. Correspondence from and to Gordon Hearn. Conversation with Gordon Hearn.
06-Jun-19	Mark Freake	Draft response to Gordon Hearn regarding PSMA Inc. claim.
06-Jun-19	Robert Kennedy	Correspondence from and to Andrew Whittingham. Correspondence to Robert Rhoda. Conversation with Jordan Sleeth. Correspondence to Gord Hearn. Conference with Mark Freake re: administration matters. Review correspondence from Gord Hearn.
10-Jun-19	Mark Freake	Review case law regarding PSMA Inc.'s trust claim.
10-Jun-19	Robert Kennedy	Review correspondence from Gordon Hearn. Consider claim matters. Various correspondence to and from Mark Freake re: next steps. Correspondence to Jordan Sleeth.
11-Jun-19	Mark Freake	Further review of case law regarding PSMA Inc.'s trust claim. Email Jordan Sleeth and Andrew Whittingham regarding same.
12-Jun-19	Mark Freake	Email correspondence with clients regarding PSMA's trust claim.
12-Jun-19	Robert Kennedy	Correspondence from and to Mark Freake. Review demand. Review correspondence from Alex MacFarlane.
13-Jun-19	Robert Kennedy	Various correspondence to and from Alex MacFarlane re: HK matters. Conference with Mark Freake re: trust claim.
14-Jun-19	Mark Freake	Conference call with Gordon Hearn regarding PSMA trust claim. Conversation with Robert Kennedy and email correspondence with Jordan Sleeth and Andrew Whittingham regarding same.
14-Jun-19	Robert Kennedy	Conference with Mark Freake. Review trust claim correspondence. Various correspondence to and from Robert Rhoda. Correspondence to Alex MacFarlane. Attend conference call re: trust claim.
19-Jun-19	Robert Kennedy	Various correspondence to and from Andrew Whittingham. Various correspondence to and from Mark Freake. Review correspondence from Alex MacFarlane.

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
20-Jun-19	Mark Freake	Email correspondence with Jordan Sleeth, Andrew Whittingham and Gordon Hearn regarding PSMA trust claim.
20-Jun-19	Robert Kennedy	Review file re: service of statutory notice. Various correspondence to and from Alex MacFarlane. Correspondence to Andrew Whittingham re: administration matters.
25-Jun-19	Mark Freake	Review corroborating documents from Gordon Hearn and PSMA Inc. regarding alleged trust. Draft responding letter to Gordon Hearn regarding Receiver's position on alleged trust. Various email correspondence with Jordan Sleeth, Andrew Whittingham and Robert Kennedy regarding same.
26-Jun-19	Mark Freake	Revise letter to Gordon Hearn. Email correspondence with the Receiver and Gordon Hearn regarding same.
26-Jun-19	Robert Kennedy	Review various correspondence re: sale commission claim. Review draft reply. Conversation with Jordan Sleeth.
28-Jun-19	Robert Kennedy	Various correspondence to and from Scott Johnson. Conversation with Scott Johnson re: foreign companies. Correspondence to Jordan Sleeth and Andrew Whittingham.
03-Jul-19	Kori Williams	Email correspondence to and from Scott Thompson in connection with US security review.
05-Jul-19	Kori Williams	Emails in connection with US security review.
08-Jul-19	Kori Williams	Emails in connection with US security review.
11-Jul-19	Mark Freake	Email Gordon Hearn regarding PSMA trust claim. Attend conference call with Jordan Sleeth, Andrew Whittingham Robert Kennedy and Alex MacFarlane regarding HST priority issues.
11-Jul-19	Robert Kennedy	Various correspondence to and from Andrew Whittingham. Attend conference call re: administration update, CRA and HK / China. Conference with Mark Freake.
12-Jul-19	Mark Freake	Review correspondence and notices from CRA regarding GST/HST issues. Email Larry Nevsky regarding tax on imports. Discuss same with Robert Kennedy.
15-Jul-19	Mark Freake	Review correspondence and notices from CRA regarding GST/HST issues. Email Larry Nevsky regarding tax on imports. Discuss same with Robert Kennedy.
15-Jul-19	Robert Kennedy	Review various correspondence re: HST priority matters.
15-Jul-19	Yves St-Cyr	Review correspondence and attached documents.
16-Jul-19	Mark Freake	Telephone call with Manon Jubinville regarding Best Made Toys' liability for unpaid GST on imports.

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
16-Jul-19	Yves St-Cyr	Review documents. Review provisions of the Excise Tax Act and the Income Tax Act. Conference call with Manon Jubinville.
16-Jul-19	Manon Jubinville	Various discussions with Mark Freake and exchanges of emails. Working session with Yves St-Cyr.
17-Jul-19	Mark Freake	Review correspondence regarding Best Made Toys accounts receivable collections. Email Robert Kennedy regarding same.
18-Jul-19	Mark Freake	Email Manon Jubinville regarding import tax issue. Draft demand letters regarding accounts receivable.
18-Jul-19	Robert Kennedy	Review memorandum re: HST priority. Various correspondence to and from Mark Freake. Conference with Mark Freake.
18-Jul-19	Yves St-Cyr	Review of Manon Jubinville's tax memorandum regarding HST liabilities (CRA's priority).
18-Jul-19	Manon Jubinville	Review of the legislation. Writing of an email with our comments regarding the CRA's priority with respect to GST paid at customs.
19-Jul-19	Mark Freake	Email Manon Jubinville regarding import tax issue. Draft demand letters regarding accounts receivable.
24-Jul-19	Mark Freake	Draft demand letters regarding accounts receivable. Email correspondence with Gordon Hearn regarding PSMA claim.
25-Jul-19	Mark Freake	Draft and revise demand letters regarding accounts receivable. Telephone call with Gordon Hearn regarding PSMA claim. Report to clients regarding same.
28-Jul-19	Robert Kennedy	Review trust claim. Correspondence to Jordan Sleeth and Andrew Whittingham re: bankruptcy strategy.
08-Aug-19	Robert Kennedy	Correspondence to and from Scott Johnson. Correspondence to Jordan Sleeth re: records.
12-Aug-19	Mark Freake	Email correspondence with Receiver regarding PSMA claim.
13-Aug-19	Robert Kennedy	Conversation with Andrew Whittingham regarding AR and next steps.
14-Aug-19	Mark Freake	Email correspondence with Gordon Hearn regarding PSMA claim.
16-Aug-19	Robert Kennedy	Various correspondence to and from Andrew Whittingham. Conversation with Andrew Whittingham re: lease and sale matters. Review purchase agreement.
19-Aug-19	Robert Kennedy	Review lease. Review purchase agreement. Consider next steps re: purchase agreement and lease matters. Voicemail left with Jordan Sleeth. Review demand letter. Conference with Mark Freake. Conversation with Andrew Whittingham.

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
20-Aug-19	Robert Kennedy	Review correspondence from Scott Johnson. Correspondence to Jordan Sleeth and Andrew Whittingham re: lease and purchase agreement. Conference with Mark Freake. Review purchase agreement.
21-Aug-19	Mark Freake	Draft and revise accounts receivable demand letters. Email correspondence with Robert Kennedy regarding same.
21-Aug-19	Robert Kennedy	Conference with Mark Freake re: demand letter. Review correspondence from Andrew Whittingham. Review demand letter.
22-Aug-19	Mark Freake	Finalize and send accounts receivable demand letters. Email Receiver regarding same.
22-Aug-19	Robert Kennedy	Review demand letters.
05-Sep-19	Robert Kennedy	Various correspondence to and from Andrew Whittingham. Review demand letters Correspondence to Alex Cheung.
10-Sep-19	Mark Freake	Email correspondence with Stacey Greenbaum regarding account receivables demand letters.
11-Sep-19	Mark Freake	Draft letters to Tokmanni Oy and Hamleys of London Ltd. regarding accounts receivable. Email correspondence with Stacey Greenbaum and Robert Kennedy regarding same.
11-Sep-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth and Stacey Greenbaum. Review and consider lease documentation. Review replacement quote. Conversation with Jordan Sleeth. Conference with Mark Freake re: third party demands. Review demand letters. Review correspondence to third parties.
16-Sep-19	Mark Freake	Receive and review letter and payment information from Tokmanni Oy. Email correspondence with Stacey Greenbaum regarding same.
16-Sep-19	Robert Kennedy	Review correspondence from Heli Halmela re: account payment. Review various correspondence re: receivables.
17-Sep-19	Robert Kennedy	Review demand letters. Various correspondence to and from Stacey Greenbaum.
18-Sep-19	Robert Kennedy	Review demand letters. Correspondence to Stacey Greenbaum.
26-Sep-19	Mark Freake	Email Hamleys Asia Limited regarding accounts receivable. Email correspondence with Stacey Greenbaum regarding same.
26-Sep-19	Robert Kennedy	Review various correspondence re: collection of AR.
30-Sep-19	Mark Freake	Review correspondence from James Wong regarding Hong Kong employment matters.

Date	Timekeeper	Description of Work
18-Oct-19	Mark Freake	Email correspondence with Gordon Hearn regarding PSMA claim.
23-Oct-19	Mark Freake	Email correspondence with Stacey Greenbaum and Jordan Sleeth regarding Hamleys account receivable and next steps.
23-Oct-19	Robert Kennedy	Review various correspondence re: AR matters. Review demand letter.
29-Oct-19	Mark Freake	Telephone call with Robert Kennedy regarding air tank issue and related lease issues. Review file for 120 St Regis lease.
29-Oct-19	Robert Kennedy	Review various correspondence from Jordan Sleeth re: tank issue. Review attachments. Review transaction documents. Correspondence to Jordan Sleeth. Conversation with Jordan Sleeth re: sale of tanks.
31-Oct-19	Robert Kennedy	Review correspondence re: HK taxes. Conversation with Jordan Sleeth.

Timekeeper	Hours	Rate	Fees
Danijel Augustinovic	10.0	505.00	5,050.00
Jonathan Meyer	2.1	270.00	567.00
Kim Lawton	0.7	575.00	402.50
Kori Williams	23.0	680.00	15,640.00
Manon Jubinville	3.8	750.00	2,850.00
Mark Freake	25.2	560.00	14,112.00
Rennie Ali	1.0	200.00	200.00
Robert Kennedy	71.1	725.00	51,547.50
Yves St-Cyr	2.0	950.00	1,900.00
<b>Total</b>	<b>138.9</b>		<b>\$92,269.00</b>

**TOTAL PROFESSIONAL FEES** \$ 92,269.00  
 Less: Discount (3,776.50)  
**NET PROFESSIONAL FEES** \$ 88,492.50

**TAXABLE DISBURSEMENTS**

Conference Call charges \$ 1.36  
 Dentons Hong Kong 22,722.97  
 Photocopy & Printing Charges 204.75  
 Searches 949.04

**TOTAL TAXABLE DISBURSEMENTS** \$ 23,878.12

**TOTAL DISBURSEMENTS** 23,878.12

**TOTAL FEES AND DISBURSEMENTS** \$ 112,370.62

**TAXES**

HST (13.0%) on Professional Fees of \$88,492.50 \$ 11,504.03

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HST (13.0%) on Taxable Disbursements of \$23,878.12	<u>3,104.16</u>
<b>TOTAL TAXES</b>	<b><u>14,608.19</u></b>
<b>TOTAL AMOUNT DUE</b>	<b><u>\$ 126,978.81 CAD</u></b>

569588-3

221

*Handwritten signature*



Dentons Hong Kong LLP  
3201 Jardine House  
1 Connaught Place  
Central, Hong Kong

dentons.com

Dentons Canada LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario M5K 0A1  
Canada  
Attn: Robert Kennedy

June 14, 2019

Invoice No. 3007767

Client/Matter: 10001979-0001

Deloitte Restructuring Inc. - Advice on receivership

Payment Due Upon Receipt

Total This Invoice USD 16,815.00

*Dentons Hong Kong LLP*

Please make crossed cheque payable to Dentons Hong Kong LLP and return this page with your payment  
Or you can remit by wire transfer to the following bank account and reference our invoice number:

The Hong Kong and Shanghai Banking Corporation Limited  
HSBC Main Building  
1 Queen's Road Central, Central, Hong Kong  
Bank Swift Code: HSBCHKHHHKH  
Account Name: Dentons Hong Kong LLP - Office Account  
Account Number: 652-015389-838

Questions relating to this invoice should be directed to:  
Robert Rhoda  
at +852 2533 3600

**Interest**

We may charge you interest on any unpaid bill at the agreed rate set out in our terms of business from either the date when the bill becomes due for payment or from one month after delivery of the bill whichever is the earliest.

**Taxation**

If you are unsatisfied with our bill, you may be entitled to have our charges reviewed by the court. This is called taxation and the procedure is set out in sections 67, 68 and 69 of the Legal Practitioners Ordinance (Cap 159).

Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. Dentons Hong Kong LLP is regulated by the Law Society of Hong Kong. Partners include Keith Martin Brandt\* Jeffrey Hui Chen Julianne Pearl Doe\* Richard Keady\* Man Chiu Lee Allan Chun Yue Leung\* Gordon Ng\* Robert Christopher Rhoda\* Enoch Cheuk Hang Wong\*; Counsels include Desmond Stewart Lee\* Linda Lee Ngan# Chi Kwong Wong Jin Zhuang\* (\* Admitted to practise in England and Wales, # Notary Public and China-Appointed Attesting Officer). Please see dentons.com for Legal Notices.

Our firm, formerly called Dentons Hong Kong, was converted to a limited liability partnership under the Legal Practitioners Ordinance (Cap 159) on January 1, 2018. The name of our firm is now Dentons Hong Kong LLP.





Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9

Attention: Jordan Sleeth

**INVOICE # 3477042**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
December 31, 2019	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$ 3,394.00
Disbursements	7.00
HST (13.0%) on \$3,401.00	442.13
<b>Total Amount Due</b>	<b><u>\$ 3,843.13 CAD</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

**Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
05-Nov-19	Robert Kennedy	Conversation with Jordan Sleeth re: HK taxes. Various correspondence to and from Stacey Greenbaum.
12-Nov-19	Robert Kennedy	Review correspondence from Stacy Greenbaum. Conversation with Stacy Greenbaum re: HK tax issues and AR recoveries.
19-Nov-19	Robert Kennedy	Review correspondence from Stacey Greenbaum.
21-Nov-19	Robert Kennedy	Correspondence from and to Stacey Greenbaum.
04-Dec-19	Robert Kennedy	Conference with Kori Williams re: security review. Review draft.
09-Dec-19	Kori Williams	Lender opinion.
15-Dec-19	Robert Kennedy	Review draft bankruptcy materials. Correspondence to Stacey Greenbaum.
19-Dec-19	Robert Kennedy	Review bankruptcy materials. Review receivership order. Meeting with Jordan Sleeth re: bankruptcy and next steps.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Kori Williams	0.3	680.00	204.00
Robert Kennedy	4.4	725.00	3,190.00
<b>Total</b>	<b>4.7</b>		<b>\$3,394.00</b>

**TOTAL PROFESSIONAL FEES** \$ **3,394.00**

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges \$ 7.00  
**TOTAL TAXABLE DISBURSEMENTS** \$ **7.00**

**TOTAL DISBURSEMENTS** 7.00

**TOTAL FEES AND DISBURSEMENTS** \$ **3,401.00**

**TAXES**

HST (13.0%) on Professional Fees of \$3,394.00 \$ 441.22  
 HST (13.0%) on Taxable Disbursements of \$7.00 0.91

**TOTAL TAXES** 442.13

**TOTAL AMOUNT DUE** \$ **3,843.13** CAD



Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9

Attention: Jorden Sleeth

**INVOICE # 3483204**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 31, 2020	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$ 9,220.00
Disbursements	3.75
HST (13.0%) on \$9,223.75	<u>1,199.09</u>
<b>Total Amount Due</b>	<b><u>\$ 10,422.84 CAD</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
03-Jan-20	Robert Kennedy	Conversation with Jordan Sleeth re: bankruptcy administration matters. Review security opinion. Review bankruptcy documentation.
06-Jan-20	Robert Kennedy	Review bankruptcy documentation.
07-Jan-20	Robert Kennedy	Review correspondence from Stacey Greenbaum. Correspondence to Stacey Greenbaum. Consider HK matters. Preparation for first meeting of creditors.
08-Jan-20	Robert Kennedy	Preparation for First Meeting of Creditors. Attend meeting. Conversation with Jordan Sleeth re: meeting. Conference with Jordan Sleeth and Stacey Greenbaum re: administration issues. Review HK matter. Correspondence to Robert Rhoda. Conference with Mark Freake re: AR recoveries.
09-Jan-20	Mark Freake	Discuss Hamleys matter with Robert Kennedy. Conduct searches for Hamleys accounts payable line. Conference call with Stacey Greenbaum and Emily Klein regarding same.
15-Jan-20	Mark Freake	Email Robert Rhoda regarding Hong Kong tax issues.
17-Jan-20	Mark Freake	Email correspondence with Receiver regarding Hamleys accounts receivable issue and Hong Kong tax issue.
20-Jan-20	Mark Freake	Email correspondence with Robert Rhoda and Stacey Greenbaum regarding Hong Kong tax issues. Consider next steps regarding Hamleys.
21-Jan-20	Mark Freake	Discuss Hong Kong tax issue with Robert Kennedy. Email correspondence regarding conference call.
22-Jan-20	Mark Freake	Review correspondence and supporting documentation regarding Hong Kong tax issues. Email correspondence regarding conference call to discuss same.
23-Jan-20	Mark Freake	Prepare for and attend conference call with Receiver and Dentons Hong Kong regarding corporate tax and employee priority payables issues.
23-Jan-20	Robert Kennedy	Preparation for conference call with HK. Attend conference call. Consider next steps re: HK payables. Various correspondence to and from Jordan Sleeth.
27-Jan-20	Mark Freake	Review and approve letter to Hong Kong IRD. Discuss Hamleys collection issues with Robert Kennedy. Email Stacey Greenbaum regarding strategy for same.
30-Jan-20	Mark Freake	Review correspondence from Shelly Gobin regarding Hamleys receivable. Email Stacey Greenbaum regarding litigation and next steps.

Date	Timekeeper	Description of Work
30-Jan-20	Robert Kennedy	Review correspondence from Stacey Greenbaum. Review ToysRus AR matters and Red Rock insurance. Conversation with Stacey Greenbaum. Conference with Mark Freake re: AR matters.

Timekeeper	Hours	Rate	Fees
Mark Freake	4.4	610.00	2,684.00
Robert Kennedy	8.6	760.00	6,536.00
<b>Total</b>	<b>13.0</b>		<b>\$9,220.00</b>

**TOTAL PROFESSIONAL FEES** \$ 9,220.00

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges \$ 3.75  
**TOTAL TAXABLE DISBURSEMENTS** \$ 3.75

**TOTAL DISBURSEMENTS** 3.75

**TOTAL FEES AND DISBURSEMENTS** \$ 9,223.75

**TAXES**

HST (13.0%) on Professional Fees of \$9,220.00 \$ 1,198.60  
 HST (13.0%) on Taxable Disbursements of \$3.75 0.49

**TOTAL TAXES** 1,199.09

**TOTAL AMOUNT DUE** \$ 10,422.84 CAD



Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Attention: Jorden Sleeth

**INVOICE # 3490564**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
February 29, 2020	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$ 2,436.00
HST (13.0%) on \$2,436.00	316.68
<b>Total Amount Due</b>	<b>\$ <u>2,752.68</u> CAD</b>

**Payment Options:****Cheques:**

Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.



**Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
04-Feb-20	Mark Freake	Telephone and email correspondence with Tessa Blank of Dentons UK regarding Hamleys receivable and collection strategy. Discuss strategy with Robert Kennedy. Report to Stacey Greenbaum regarding same.
04-Feb-20	Robert Kennedy	Review various correspondence re: Hamley invoices. Consider strategy and next steps.
10-Feb-20	Mark Freake	Email Stacey Greenbaum regarding Hamleys strategy. Discuss same with Robert Kennedy.
10-Feb-20	Robert Kennedy	Review correspondence from Stacy Greenbaum. Conference with Mark Freake re: Hamley's and next steps.
11-Feb-20	Robert Kennedy	Conversation with Jordan Sleeth re: motion and distribution.
25-Feb-20	Mark Freake	Prepare for and attend conference call with Tessa Blank and Stacey Greenbaum regarding Hamley's receivables. Review draft demand letter from Tessa Blank. Provide instructions regarding service.
25-Feb-20	Robert Kennedy	Conference with Mark Freake re: AR matters.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Mark Freake	2.0	610.00	1,220.00
Robert Kennedy	1.6	760.00	1,216.00
<b>Total</b>	<b>3.6</b>		<b>\$2,436.00</b>

**TOTAL PROFESSIONAL FEES** \$ **2,436.00**

**TAXES**

HST (13.0%) on Professional Fees of \$2,436.00 \$ 316.68

**TOTAL TAXES** **316.68**

**TOTAL AMOUNT DUE** \$ **2,752.68** CAD



Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9

Attention: Jordan Sleeth

**INVOICE # 3498333**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
March 31, 2020	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$	228.00
Disbursements		24.41
HST (13.0%) on \$252.41		32.81
<b>Total Amount Due</b>	<b>\$</b>	<b><u>285.22</u> CAD</b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
19-Mar-20	Robert Kennedy	Review file. Correspondence to Mark Freake re: AR matters.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Robert Kennedy	0.3	760.00	228.00
<b>Total</b>	<b>0.3</b>		<b>\$228.00</b>

**TOTAL PROFESSIONAL FEES** \$ **228.00**

**TAXABLE DISBURSEMENTS**

Long Distance Telephone Calls \$ 4.83  
Courier & Delivery 19.58

**TOTAL TAXABLE DISBURSEMENTS** \$ **24.41**

**TOTAL DISBURSEMENTS** **24.41**

**TOTAL FEES AND DISBURSEMENTS** \$ **252.41**

**TAXES**

HST (13.0%) on Professional Fees of \$228.00 \$ 29.64  
HST (13.0%) on Taxable Disbursements of \$24.41 3.17

**TOTAL TAXES** **32.81**

**TOTAL AMOUNT DUE** **\$ 285.22 CAD**



Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9

Attention: Jorden Sleeth

**INVOICE # 3504203**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
April 30, 2020	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$ 426.00
Disbursements	11,642.87
HST (13.0%) on \$12,068.87	<u>1,568.95</u>
<b>Total Amount Due</b>	<b><u>\$ 13,637.82 CAD</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

**Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
02-Apr-20	Robert Kennedy	Correspondence from and to Rob Kiefer re: distribution order. Review A/R matters. Consider next steps.
30-Apr-20	Mark Freake	Review correspondence regarding Hong Kong employee issues.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Mark Freake	0.2	610.00	122.00
Robert Kennedy	0.4	760.00	304.00
<b>Total</b>	<b>0.6</b>		<b>\$426.00</b>

**TOTAL PROFESSIONAL FEES** \$ **426.00**

**TAXABLE DISBURSEMENTS**

Dentons Hong Kong \$ 11,642.87

**TOTAL TAXABLE DISBURSEMENTS** \$ **11,642.87**

**TOTAL DISBURSEMENTS** **11,642.87**

**TOTAL FEES AND DISBURSEMENTS** \$ **12,068.87**

**TAXES**

HST (13.0%) on Professional Fees of \$426.00 \$ 55.38

HST (13.0%) on Taxable Disbursements of \$11,642.87 1,513.57

**TOTAL TAXES** **1,568.95**

**TOTAL AMOUNT DUE** \$ **13,637.82** CAD

**DENTONS**

Dentons Hong Kong LLP  
 3201 Jardine House  
 1 Connaught Place  
 Central, Hong Kong

dentons.com

Dentons Canada LLP  
 77 King Street West, Suite 400  
 Toronto-Dominion Centre  
 Toronto, Ontario M5K 0A1  
 Canada  
 Attn: Robert Kennedy



April 1, 2020

**Invoice No. 3008901**

Client/Matter: 10001979-0001

**Robert Kennedy**  
**Matter # 569588-3**

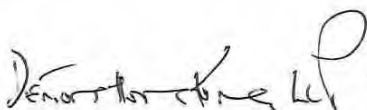
Deloitte Restructuring Inc. - Advice on receivership

Payment Due Upon Receipt

Total This Invoice

USD

8,150.01



Please make crossed cheque payable to Dentons Hong Kong LLP and return this page with your payment  
 Or you can remit by wire transfer to the following bank account and reference our invoice number:

The Hong Kong and Shanghai Banking Corporation Limited  
 HSBC Main Building  
 1 Queen's Road Central, Central, Hong Kong  
 Bank Swift Code: HSBCHKHCHK  
 Account Name: Dentons Hong Kong LLP - Office Account  
 Account Number: 652-015389-838

Questions relating to this invoice should be directed to:  
 Robert Rhoda  
 at +852 2533 3600

**Interest**

We may charge you interest on any unpaid bill at the agreed rate set out in our terms of business from either the date when the bill becomes due for payment or from one month after delivery of the bill whichever is the earliest.

**Taxation**

If you are unsatisfied with our bill, you may be entitled to have our charges reviewed by the court. This is called taxation and the procedure is set out in sections 67, 68 and 69 of the Legal Practitioners Ordinance (Cap 159).

Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. Dentons Hong Kong LLP is regulated by the Law Society of Hong Kong. Partners include Keith Martin Brandt\* Jeffrey Hui Chen Julianne Pearl Doe\* Richard Keady\* Man Chiu Lee Allan Chun Yue Leung\* Gordon Ng\* Robert Christopher Rhoda\* Enoch Cheuk Hang Wong\*; Counsels include Desmond Stewart Lee\* Linda Lee Ngan# Edward H Seto Chi Kwong Wong Jin Zhuang\* (\* Admitted to practise in England and Wales, # Notary Public and China-Appointed Attesting Officer). Please see dentons.com for Legal Notices.

Our firm, formerly called Dentons Hong Kong, was converted to a limited liability partnership under the Legal Practitioners Ordinance (Cap 159) on January 1, 2018. The name of our firm is now Dentons Hong Kong LLP.





Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9

Attention: Jorden Sleeth

**INVOICE # 3511768**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
May 31, 2020	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$ 1,703.00
HST (13.0%) on \$1,703.00	221.39
<b>Total Amount Due</b>	<b>\$ <u>1,924.39</u> CAD</b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
04-May-20	Robert Kennedy	Review correspondence from Stacy Greenbaum. Consider next steps re: employee payments.
08-May-20	Mark Freake	Review correspondence and notes regarding Hong Kong employee issues. Call with Robert Kennedy regarding same.
08-May-20	Robert Kennedy	Review correspondence from Stacey Greenbaum. Review HK employee priority issues. Conference with Mark Freake. Correspondence to Stacey Greenbaum.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Mark Freake	0.3	610.00	183.00
Robert Kennedy	2.0	760.00	1,520.00
<b>Total</b>	<b>2.3</b>		<b>\$1,703.00</b>

**TOTAL PROFESSIONAL FEES** \$ **1,703.00**

**TAXES**

HST (13.0%) on Professional Fees of \$1,703.00 \$ 221.39

**TOTAL TAXES** **221.39**

**TOTAL AMOUNT DUE** \$ **1,924.39** CAD



Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Attention: Jorden Sleeth

**INVOICE # 3518078**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
June 30, 2020	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$	4,988.00
HST (13.0%) on \$4,988.00		648.44
<b>Total Amount Due</b>	<b>\$</b>	<b><u>5,636.44</u> CAD</b>

**Payment Options:****Cheques:**

Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

**Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
17-Jun-20	Robert Kennedy	Conversation with Jordan Sleeth re: discharge matters. Consider motion matters.
22-Jun-20	Robert Kennedy	Correspondence from and to Jordan Sleeth. Various correspondence to and from Rob Kiefer. Consider distribution motion matters.
23-Jun-20	Robert Kennedy	Review file. Various correspondence to and from Rob Kiefer. Consider and preparation of motion materials.
24-Jun-20	Robert Kennedy	Various correspondence to and from Stacey Greenbaum and Jordan Sleeth. Review and consider record matter. Conference with Jordan Schultz. Consider motion matters.
25-Jun-20	Robert Kennedy	Correspondence from and to Jordan Sleeth. Correspondence to Rob Kiefer. Attend to scheduling. Conversation with Stacey Greenbaum. Review correspondence re: BMT ULC minute book. Conference with Jordan Schultz.
26-Jun-20	Jordan Schultz	Email to MLT regarding production of minute book.
26-Jun-20	Robert Kennedy	Correspondence from and to Jordan Sleeth. Review correspondence from Jordan Schultz.
29-Jun-20	Robert Kennedy	Conversation with Jordan Sleeth re: motion matters. Review various correspondence re: records.
30-Jun-20	Robert Kennedy	Review various correspondence from Jordan Schultz. Various correspondence to and from Jordan Sleeth. Attend to scheduling. Correspondence from and to Rob Kiefer. Conversation with Jordan Schultz regarding records. Conversation with Rob Kiefer regarding discharge. Review correspondence from Stacey Greenbaum.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Jordan Schultz	0.4	500.00	200.00
Robert Kennedy	6.3	760.00	4,788.00
<b>Total</b>	<b>6.7</b>		<b>\$4,988.00</b>

**TOTAL PROFESSIONAL FEES** \$ **4,988.00**

**TAXES**

HST (13.0%) on Professional Fees of \$4,988.00 \$ 648.44

**TOTAL TAXES** **648.44**

DENTONS CANADA LLP  
Deloitte Restructuring Inc.  
Re: Best Made Toys International Inc. et al.

INVOICE 351245  
Page 3 of 3  
Matter # 569588-000003

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**TOTAL AMOUNT DUE**

**\$ 5,636.44 CAD**





Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Attention: Jorden Sleeth

**INVOICE # 3520973**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
July 20, 2020	569588-000003	Robert Kennedy

**Deloitte Restructuring Inc.**  
**Re: Best Made Toys International Inc. et al.**

Professional Fees	\$ 23,755.00
HST (13.0%) on \$23,755.00	<u>3,088.15</u>
<b>Total Amount Due</b>	<b><u>\$ 26,843.15 CAD</u></b>

**Payment Options:****Cheques:**

Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 569588. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
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**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

**Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
08-Jul-20	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review draft report and consider next steps.
13-Jul-20	Robert Kennedy	Work on Receiver's Report. Correspondence from and Jordan Sleeth.
14-Jul-20	Robert Kennedy	Work on Receiver's Report.
15-Jul-20	Robert Kennedy	Work on Receiver's Report and motion matters. Various correspondence re: AR recoveries. Conversation with Jordan Sleeth. Conference with Mark Freake.
15-Jul-20	Kenneth Kraft	Discuss with Rob Kennedy issues around dealing with HK claimants to certain receivables and how to address potentially dealing with funds if employee/claimants can't be located.
16-Jul-20	Mark Freake	Draft and revise Notice of Motion and Order regarding Distribution and Discharge motion.
16-Jul-20	Robert Kennedy	Work on Receiver's Report. Correspondence to Robert Rhoda. Various correspondence to and from Stacey Greenbaum.
17-Jul-20	Mark Freake	Call with Robert Kennedy regarding Distribution and Discharge motion. Review and revise First Report of the Receiver. Draft and revise Notice of Motion and Order.
17-Jul-20	Robert Kennedy	Work on motion materials. Conference with Mark Freake. Consider HK employee issue.
20-Jul-20	Mark Freake	Review and revise Receiver's First Report. Draft and revise Notice of Motion and Distribution and Discharge Order. Discussions with Robert Kennedy regarding same.
20-Jul-20	Robert Kennedy	Work on motion materials. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth re: motion matters. Attend conference call with Jordan Sleeth and Alex MacFarlane re: HK matters.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Kenneth Kraft	0.4	925.00	370.00
Mark Freake	11.3	610.00	6,893.00
Robert Kennedy	21.7	760.00	16,492.00
<b>Total</b>	<b>33.4</b>		<b>\$23,755.00</b>

**TOTAL PROFESSIONAL FEES**

**\$ 23,755.00**

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**TAXES**

HST (13.0%) on Professional Fees of \$23,755.00

\$ 3,088.15

**TOTAL TAXES**

3,088.15

**TOTAL AMOUNT DUE**

\$ 26,843.15 CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 22nd DAY OF JULY,  
2020.

A handwritten signature in blue ink, appearing to read "J. Meyer", is centered below the text. The signature is written in a cursive style with a large initial "J" and a long horizontal stroke.

---

A Commissioner for Taking Affidavits, etc.

**EXHIBIT "B"****Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP****The Period from April 17, 2019 to July 20, 2020**

<b>Date</b>	<b>Invoice No.</b>	<b>Fees</b>	<b>Discount</b>	<b>Disbursements</b>	<b>Taxes(HST)</b>	<b>Hours</b>	<b>Average Rate</b>	<b>Total</b>
October 31, 2019	3462424	92,269.00	3,776.50	23,878.12	14,608.19	138.9	637.10	126,978.81
December 31, 2019	3477042	3,394.00	-	7.00	442.13	4.7	722.13	3,843.13
January 31, 2020	3483204	9,220.00	-	3.75	1,199.09	13	709.23	10,422.84
February 29, 2020	3490564	2,436.00	-	-	316.68	3.6	676.67	2,752.68
March 31, 2020	3498333	228.00	-	24.41	32.81	0.3	760.00	285.22
April 30, 2020	3504203	426.00	-	11,642.87	1,568.95	0.6	710.00	13,637.82
May 31, 2020	3511768	1,703.00	-	-	221.39	2.3	740.00	1,924.39
June 30, 2020	3518078	4,988.00	-	-	648.44	6.7	744.48	5,636.44
July 20, 2020	3520973	23,755.00	-	-	3,088.15	33.4	711.23	26,843.15
<b>TOTALS:</b>		\$138,419.00	\$3,776.50	\$35,556.15	\$22,125.83	203.5	\$661.63	\$192,324.48

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 22nd DAY OF JULY,  
2020.

A handwritten signature in blue ink, appearing to read "J. Meyer", is centered on the page. The signature is written in a cursive style with a large initial "J" and a long, sweeping tail.

---

A Commissioner for Taking Affidavits, etc.

**EXHIBIT "C"****Billing Rates of Dentons Canada LLP**

For the period April 17, 2019 to July 20, 2020

	<b><u>2019 Rate</u></b>	<b><u>2020 Rate</u></b>	<b><u>Year of Call</u></b>
Manon Jubinville	\$750	N/A	1987 (QB)
Kenneth Kraft	N/A	\$925	1991
Robert Kennedy	\$725	\$760	2002
Kori Williams	\$680	N/A	2008
Jordan Shultz	N/A	\$500	2009 (BC)
Yves St-Cyr	\$950	N/A	2011
Kim Lawton	\$575	N/A	2012
Mark Freake	\$560	\$610	2013
Danijel Augustinovic	\$505	N/A	2015
Jonathan Meyer	\$270	N/A	Articling Student
Rennie Ali	\$200	N/A	Law Clerk

**BANK OF MONTREAL**

- and -

**BEST MADE TOYS INTERNATIONAL, ULC et al.**

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ROBERT KENNEDY**  
 Sworn July 22, 2020

**DENTONS CANADA LLP**  
 77 King Street West, Suite 400  
 Toronto-Dominion Centre  
 Toronto, ON M5K 0A1

**Robert J. Kennedy** (LSO # 474070)  
 Tel: (416) 367-6756  
 Fax: (416) 863-4592  
[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)

**Mark A. Freake** (LSO #63656H)  
 Tel: (416) 863-4456  
[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for Deloitte Restructuring Inc., in its capacity as  
 Court-appointed Receiver of Best Made Toys  
 International., ULC, et al.*



**BANK OF MONTREAL**

- and -

**BEST MADE TOYS INTERNATIONAL, ULC et al.**

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

**FIRST REPORT OF THE RECEIVER  
DATED JULY 22, 2020**

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

**Robert J. Kennedy** (LSO # 474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)

**Mark A. Freake** (LSO #63656H)

Tel: (416) 863-4456

[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for Deloitte Restructuring Inc., in its capacity as  
Court-appointed Receiver of Best Made Toys  
International., ULC, et al.*