

District of Ontario
Division No.: Toronto
Estate No.: 31-458698, 31-458700, 31-458701, 31-458702

In the matter of the receivership of Best Made Toys International, ULC including its affiliates Best Made Toys LLC, Best Made Toys Global Enterprises Limited, Best Made Toys Holding LLC (together, the “Debtor”)

REPORT OF THE RECEIVER
(Pursuant to S.246 (2) and Rule 126 of the Bankruptcy & Insolvency Act)

- a) By Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 25, 2019 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the receiver (the “**Receiver**”) of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to the business carried on by the Debtor (the “**Property**”).
- b) Attached hereto as **Exhibit “A”** is a copy of the Receiver’s Statement of Receipts and Disbursements for the period October 26, 2019 to April 26, 2020.
- c) As of November 1, 2019, the Receiver vacated the Debtor’s head office and warehouse.
- d) The Receiver completed all post-closing matters with the Purchaser, including settlement of a \$55,000 escrow related to damaged inventory.
- e) The Receiver terminated all remaining employees of the estate in March, 2020.
- f) The Appointment Order permitted the Receiver to make an assignment in bankruptcy on behalf of any or all of the Debtors. The Receiver filed an assignment in bankruptcy for Best Made Toys International, ULC and the Office of the Superintendent of Bankruptcy issued a Certificate of Appointment of Deloitte Restructuring Inc. as trustee in bankruptcy of Best Made Toys International, ULC on December 20, 2019. The creditor package is attached hereto as **Exhibit “B”**.
- g) The Receiver is required to settle all CRA obligations before completion of the receivership and is intending to work on such activities in due course.

Dated at Toronto this 10th day of December, 2020

DELOITTE RESTRUCTURING INC.,
in its capacity as Receiver of
Best Made Toys International, ULC, Best Made Toys LLC, Best
Made Toys Global Enterprises Limited, Best Made Toys
Holding LLC and not in its personal capacity



Jorden Sleeth, CPA, CA, CIRP, LIT
Senior Vice President

Exhibit "A"

District of Ontario
 Division No.: Toronto
 Estate No.: 31-458698, 31-458700, 31-458701, 31-458702

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 October 26, 2019 to April 26, 2020

	April 25, 2019 to October 25, 2019		October 26, 2019 to April 26, 2020		Total		Note
	CDN\$	US\$	CDN\$	US\$	CDN\$	US\$	
Receipts							
Accounts receivable collections	72,622	3,686,648	10,000	57,639	82,622	3,744,287	
Cash on hand	-	-	132,645	879,998	132,645	879,998	
Sale of assets	18,768	720,000	-	(55,000)	18,768	665,000	
Income tax refund	799,893	-	-	-	799,893	-	
Reimbursement from Kelly Toys	-	251,502	-	207,479	-	458,981	
HST collected	120,271	26,047	-	32,347	120,271	58,394	
Other	-	-	-	-	-	-	
<i>Other receipts</i>	3,938	-	-	-	3,938	-	
<i>Miscellaneous refunds</i>	291	-	-	-	291	-	
<i>Interest</i>	157	-	-	-	157	-	
Cumulative effect of foreign exchange	4,350	-	-	-	4,350	-	
Total Receipts	\$1,020,289	\$4,684,197	\$142,645	\$1,122,464	\$1,158,584	\$5,806,661	
Disbursements							
Operating disbursements							
<i>Operating expenses</i>	296,645	69,802	215,157	1,932	511,803	71,734	
<i>Wages/Employee expenses</i>	195,977	45,393	36,546	-	232,523	45,393	
<i>Occupation rent</i>	254,686	-	18,764	-	273,450	-	
<i>Source deductions</i>	224,505	-	23,565	-	248,070	-	
<i>Insurance</i>	23,575	42,473	-	6,081	23,575	48,555	
<i>Utilities on operations</i>	18,571	-	220	-	18,791	-	
<i>Storage</i>	10,424	-	-	-	10,424	-	
<i>Repairs and maintenance</i>	7,933	-	-	-	7,933	-	
<i>Computer services</i>	3,460	-	-	-	3,460	-	
<i>Auctioneer commissions</i>	1,966	-	-	-	1,966	-	
<i>Security</i>	1,160	-	-	-	1,160	-	
<i>Bank charges</i>	299	269	285	144	584	412	
<i>Redirection of mail</i>	327	-	-	-	327	-	
Funds transfer to bankruptcy	-	-	3,000	-	3,000	-	
Taxes paid on operating disbursements	-	-	-	-	-	-	
<i>HST paid</i>	86,827	-	29,271	-	116,098	-	
<i>GST paid</i>	286	-	-	-	286	-	
<i>PST paid</i>	2,650	1,914	-	-	2,650	1,914	
Receiver's fees and costs	-	-	-	-	-	-	
<i>Receiver Fees</i>	274,937	-	184,628	-	459,565	-	
<i>HST on receiver's fees and costs</i>	35,705	-	24,002	-	59,707	-	
Legal fees/disbursements	-	-	-	-	-	-	
<i>Legal Fees</i>	73,584	-	166,350	-	239,934	-	
<i>HST on legal fees</i>	9,566	-	21,545	-	31,111	-	
Total Disbursements	\$1,523,082	\$159,851	\$723,333	\$8,157	\$2,246,415	\$168,008	
Excess of receipts over disbursements	\$ (502,794)	\$4,524,346	\$(580,688)	\$1,114,306	\$(1,087,832)	\$5,638,653	
Combined balance in USD						\$ 4,864,552	A

CAD balance converted using the Bank of Canada spot rate as at April 27, 2020 (0.7116)

Notes:

A CDN disbursements in excess of receipts funded by converting to USD at the reporting date.

Exhibit "B"

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2599042
Estate No. 31-2599042

FORM 68
Notice of Bankruptcy, First Meeting of Creditors
(Subsection 102(1) of the Act)

Original Amended

In the matter of the bankruptcy of
Best Made Toys International, ULC
of the City of North York, in the Province of Ontario

Take notice that:

1. Best Made Toys International, ULC filed (or was deemed to have filed) an assignment on the 20th day of December 2019, and the undersigned, Deloitte Restructuring Inc., was appointed as trustee of the estate of the bankrupt by the official receiver (or the Court), subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.

2. The first meeting of creditors of the bankrupt will be held on the 8th day of January 2020, at 10:00 AM, at the office of Deloitte Restructuring Inc., at 8 Adelaide Street West, Suite 200, Toronto, ON, M5H 0A9.

3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.

4. Enclosed with this notice is a proof of claim form, proxy form, and list of creditors with claims amounting to \$25 or more showing the amounts of their claims.

5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at the City of Toronto in the Province of Ontario, this 20th day of December 2019.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



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

Fax: (416) 601-6690

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2599042
Estate No. 31-2599042

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the bankruptcy of
Best Made Toys International, ULC
of the City of North York, in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the bankruptcy of Best Made Toys International, ULC of the City of North York in the Province of Ontario and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____ creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy, namely the 20th day of December 2019, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

- E. CLAIM BY WAGE EARNER OF \$ _____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____.
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____.
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____.
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____.
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____.

Witness

Creditor

Phone Number: _____
Fax Number : _____
E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Instructions To Creditors

Proof of Claim form

General

Creditors are required to file their claims with the Trustee prior to the time appointed for the meeting of creditors in order to be eligible to vote.

The proper name of the claimant and its complete address, to which all notices or correspondence are to be forwarded, must be shown.

The proof of claim form must be completed by a person, not by a corporation. The person completing the proof of claim form on behalf of a corporation shall indicate his official capacity, such as "Credit Manager", "Secretary", "Authorized Agent", etc.

A proper proof of claim must be supported by a Statement of Account, marked "A", providing details, such as date, invoice numbers and amounts owing, the total of which agrees with the amount indicated on the claim.

All sections of the proof of claim must be completed. Any non-applicable wording should be crossed out.

The signature of the creditor or declarant on the claim must be witnessed.

Paragraph 3

A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payment. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 4

The individual completing the proof of claim must strike out those subsections which do not apply. The priority referred to in subsection C a landlord for rent arrears and acceleration rent, if included in the lease, municipalities, if their claims are not a charge against title, and departments of federal and provincial governments.

All Secured Creditors must attach to their proofs of claim, a certified true copy of their security documents and details of registration.

Paragraph 5

All claimants must indicate whether or not they are related to the debtor, as defined by The Bankruptcy & Insolvency Act, by striking out "ARE" or "ARE NOT".

Paragraph 6

All claimants must attach a detailed list of all payments or credits received or granted, as follows:

- a) within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related.
- b) within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

Voting/Proxy

Any unsecured creditor may vote in person or by proxy, but when a proxy is attending the meeting, he must be so appointed by the creditor. When the creditor is a corporation, the person attending the meeting of the creditors, including the declarant, must be appointed proxy by an officer of the corporation having status to make such an appointment.

Note

Section 201(1) of The Bankruptcy & Insolvency Act states: "Where a creditor, or a person claiming to be a creditor, in any proceedings under this Act, wilfully and with intent to defraud, makes any false claim or any proof, declaration or statement of account, that is untrue in any material particular, he is guilty of an offence and is liable on summary conviction to a fine not exceeding one thousand dollars, or to imprisonment for a term not exceeding one year, or both."

Deloitte Restructuring Inc.

Attention: Emily Klein

Bay Adelaide East

8 Adelaide Street West, Suite 200

Toronto, Ontario M5H 0A9

Telephone: (416) 601-6696

Fax : (416) 601-6690

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2599042
Estate No. 31-2599042

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the bankruptcy of
Best Made Toys International, ULC
of the City of North York, in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Deloitte Restructuring Inc. - Licensed Insolvency Trustee

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

Fax: (416) 601-6690

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

Original Amended

Form 78
 Statement of Affairs (Business Bankruptcy) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)
 In the matter of the bankruptcy of
 Best Made Toys International, ULC
 of the City of North York, in the Province of Ontario

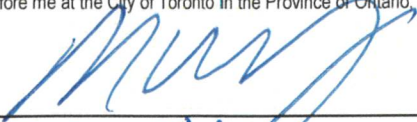
To the bankrupt
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 19th day of December 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	20,206,276.87
Balance of secured claims as per list "B"	17,449,485.44
Total unsecured creditors	37,655,762.31
2. Secured creditors as per list "B"	3,799,171.56
3. Preferred creditors as per list "C"	1,514.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	41,456,447.87
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	246,229.00
Doubtful	0.00
Bad	0.00
Estimated to produce	246,229.00
4. Bills of exchange, promissory note, etc., as per list "F"	0.00
5. Deposits in financial institutions	0.00
6. Cash	3,552,942.56
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
If bankrupt is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	3,799,171.56
Deficiency	37,657,276.31

I, DRI as Receiver & Manager of Best Made Toys International, ULC, of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 19th day of December 2019 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Toronto in the Province of Ontario, on this 19th day of December 2019.



 Robert J. Kennedy
 Dentons Cavendish LLP



 DRI as Receiver & Manager of Best Made
 Toys International, ULC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 76 - Continued
 List "A"
 Unsecured Creditors
 Best Made Toys International, ULC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Act Security Services Canada	615-16th Street S.E. Calgary AB T2E 6J5	482.97	0.00	482.97
2	Applied Industrial Technologie	3377 Sovereign Rd London ON N6M 1A6	3,441.45	0.00	3,441.45
3	Bank of Montreal	150 King Street West, 11th Floor Toronto ON M5H 1J9	0.00	17,449,485.44	17,449,485.44
4	Bee Clean	3745 Niara Avenue Winnipeg MB R2L 0W6	2,180.17	0.00	2,180.17
5	Bell Canada	PO Box 9000 North York ON M3C 2Z7	231.93	0.00	231.93
6	Bureau Veritas Inc. Limited	Unit 1219 Vanta Ind Centre, 2133 7th Ln Pk Rd Kwesi, Ontario China	163.56	0.00	163.56
7	Business Solutions With Integrity, Inc.	Suite 200/64170 The Denway West Toronto ON M3C 2E8	176.10	0.00	176.10
8	Caliper Canada (2003) Ltd Attn: Andrew Case 3696 - Inv 15593	110 Sheppard Avenue, East, Suite 720 Toronto ON M2N 6Y8	1.00	0.00	1.00
9	Camcarp Ltd	155 Signal Drive Toronto ON M6L 1V1	517.76	0.00	517.76
10	Canada Revenue Agency Attn: Harinder Aujla	10 - 9700 Jasper Avenue NW Edmonton AB	178,306.99	0.00	178,306.99
11	Canadian Border Services Agency	355 North River Road, Tower B, 8th Floor Ottawa, ON K1A 0L8	201,803.71	0.00	201,803.71
12	Canadian Springs	PO Box 4514, 5th A Toronto ON M5W 1A7	183.04	0.00	183.04
13	Carrefour Global Sourcing Asia Ltd	46F - China Resources Building, 26 Harbour Rd. Wanchai HK China	11,110.57	0.00	11,110.57
14	Ch Robinson	610 Applewood Crescent Suite 601 Vaughan ON L4K 0E3	3,281.67	0.00	3,281.67
15	Chop Canada Inc.	C/O Th 203C, PO Box 4250, 5th A Toronto ON M5W 0E1	1,052.34	0.00	1,052.34
16	Classic Toy Company, Inc.	12825 7th Ave. Cleveland OH 44108 USA	29,002.96	0.00	29,002.96
17	Commercial Air Compressor	55 Korndt Crescent Meridian ON L3R 8T8	8,598.06	0.00	8,598.06
18	Commonwealth Of Pennsylvania	651 Ebas Street, Room 1606 Harrisburg PA 17121 USA	76.65	0.00	76.65
19	Con-Jin International Limited	RM 1502-71 Eassey Comm Bldg 253-261 Hennessy Rd. Wanchai Hong Kong	15,480.00	0.00	15,480.00
20	Consolidated Fibers, Inc.	8100 South Blvd. Charlotte NC 28273 USA	32,428.20	0.00	32,428.20
21	Consumer Testing Laboratories	Box 952766 Atlanta GA 31192-2766 USA	122.00	0.00	122.00
22	Cornerstone Marketing Group	3737 Roundbottom Rd Cincinnati OH 45244 USA	4,209.23	0.00	4,209.23
23	Corporation Service Company	251 Lilla Falls Drive Wilmington DE 19808 USA	300.00	0.00	300.00

John Sleep For:
 DRI as Receiver & Manager of Best Made Toys
 International, ULC

19-Dec-2019
 Date

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 76 - Continued
 List "A"
 Unsecured Creditors
 Best Made Toys International, ULC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Crosscode Systems Inc	1771 Mimco Blvd Mississauga ON L4W H77	16,565.88	0.00	16,565.88
25	Delta Customs Brokers	103-300 St. Sacramento Montreal QC H2Y 1X4	7,508.25	0.00	7,508.25
26	DHL Express (Canada) Ltd.	Acct 966278002- PO Box 4488, 5th A Toronto ON M5W 4H1	38,465.99	0.00	38,465.99
27	Diners Club International	P.O. Box 3100, Sarasota, ON L5M 0S1	37,314.60	0.00	37,314.60
28	Duffy And Duffy Marketing And Licensing Inc.	4049 Via Pimpabos Verdes Perris CA 92274 USA	5,000.00	0.00	5,000.00
29	Eco Systems, Inc.	PO Box L3115 Columbus OH 43260 USA	373.30	0.00	373.30
30	Enbridge Consumers Gas	Payment Processing, PO Box 664 Scarborough ON M1K 8H1	4,161.45	0.00	4,161.45
31	Eventlow Services Mechanical Ltd.	75 Orscone Dr Woodbridge ON L6H 1P8	1.00	0.00	1.00
32	Expeditors	250 Snowal Drive, Suite 254 Buffalo NY 14225 USA	8,696.76	0.00	8,696.76
33	Expeditors Hong Kong Ltd.	20/F- 21/F, Skyking Tower 69 Wang Kwong Rd., Kowloon Bay HK China	2,724.50	0.00	2,724.50
34	Fair Advisors Group Inc.	20 Adelaide Street East, Unit 920 Toronto ON M5C 2T6	5,627.53	0.00	5,627.53
35	Fairfield	58 Rose Hill Ave., PO Box 1157 Danbury CT 06813-1157 USA	607,504.00	0.00	607,504.00
36	Federal Express Canada Corp	P.O. Box 4626 Toronto Station A Toronto ON M5W 5B4	10,090.16	0.00	10,090.16
37	Gamm Memorials, Llc	194 Tabor Industrial Park Tabor NC 28643 USA	35,328.38	0.00	35,328.38
38	Gerald and Anne-Marie Seeber	7 Woodford Place Toronto, ON M2J 4C5	13,110,751.00	0.00	13,110,751.00
39	Grant Thornton Lp	Nova Centre, North Tower Suite 1001, 1615 Grafton Halifax NS B3J 0E9	8,075.62	0.00	8,075.62
40	Graphic Measures, Inc	1905 Wayzata Blvd E, Suite 100 Wayzata MN 55391 USA	10.00	0.00	10.00
41	Green and Spigal LLP	150 York Street, 5th Floor Toronto ON M5H 3S5	2,825.00	0.00	2,825.00
42	Hub Group Inc	33773 Treasury Ctr Chicago IL 60694-3700 USA	5,519.00	0.00	5,519.00
43	Hopaco Wood Products Ltd	71 Thomson Street Alex ON L1S 1E3	6,139.62	0.00	6,139.62
44	Imowitz Koenig & Co., Lp	622 Third Avenue, 33 Rd Floor New York NY 10017 USA	1,642.98	0.00	1,642.98
45	In Truck'S Garage	57 Lily Cup Avenue Toronto ON M1L 0H4	4,779.96	0.00	4,779.96
46	ISS Transportation Inc.	7585 Goreway Dr, Unit No. 2 Brampton ON L6T 5T5	40,206.20	0.00	40,206.20
47	ISS Warehousing Inc.	7585 Goreway Dr, Unit No. 2 Brampton ON L6T 5T5	11,740.26	0.00	11,740.26

19-Dec-2019
 Date

John Sleep For:
 DRI as Receiver & Manager of Best Made Toys
 International, ULC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 76 - Continued
 List "A"
 Unsecured Creditors
 Best Made Toys International, ULC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
46	Ess Esopment Property Management Limited	P.O. 0104 General Post Office HK China	3,187.35	0.00	3,187.35
49	J.B. Hunt Transport, Inc.	C/O 156331 P.O. Box 5531 5th A Toronto ON M5W 4L1	3,284.51	0.00	3,284.51
50	J.B. Hunt Transport, Inc.	P.O. Box 9545 Chicago IL 60693-9545 USA	1.00	0.00	1.00
51	Zibbell	822 Hollywood Boulevard, Suite 500 Los Angeles CA 90028 USA	57.20	0.00	57.20
52	Jiang Su Guodian International Group Co., Ltd	1524F Building A Global Times Plaza 65 Renmin Rd Jiangsu, China	13,000.00	0.00	13,000.00
53	John Gerde & Co. Ltd	94 Kenhar Drumit 13 Winston ON M5L 1N2	378.20	0.00	378.20
54	K.H. Logistic & Warehouse Company	Unknown HK China	419.15	0.00	419.15
55	Kum Wah Label Co.	No. 1-2, 22/F., Laurels Industrial Centre 32 Tai Yau St San Po Hong HK China	1,349.96	0.00	1,349.96
56	Kum Wah Label Co.	No. 1220/F. Laurels Industrial Centre, 32 Tai Yau St. San Po Hong KOWLOON HK China	618.50	0.00	618.50
57	Kun-Tai Transport Ltd	19 (Upper Cross Street) North York ON M5L 2E7	26,099.03	0.00	26,099.03
58	Kamer Levin Hatalis & Frankal	1177 Avenue Of The Americas New York NY 10036 USA	7,903.16	0.00	7,903.16
59	Kurthe Nagel Ltd	77 Foster Crescent Mississauga ON L5R 0K1	11,989.35	0.00	11,989.35
60	Manitoux Warehousing & Dist.	7035 Ordan Drive Mississauga ON L5T 1T1	4,716.86	0.00	4,716.86
61	Marco	470 Harry Road Bramford ON N3V 1T1	215,156.81	0.00	215,156.81
62	Marco	84 Aero Drive Buffalo NY 14225-1435 USA	1.00	0.00	1.00
63	Melcom Canada Limited	302-318 Mimico Rd Oshawa ON K1L 6B3	7.94	0.00	7.94
64	M/S Paler Truck Service	1090 Brianna Fre East, Unit # 7 Mississauga ON L4W 4T1	5,102.82	0.00	5,102.82
65	M/I Akhts	1500-1874 Scarth Street Regina SK S4P 4E9	1,171.36	0.00	1,171.36
66	Moore Packaging Corporation	191 John St. Barrie Barrie ON L4N 2L4	207,274.41	0.00	207,274.41
67	Morning Express & Logistics Limited	1/F, 1st Floor, Yigao Industrial Centre, 653 Medical St. Cheung Sha Wan China	103.14	0.00	103.14
68	Nanjing Cuiyao Imp. & Exp. Trading Co. Ltd	Rm 1007-1009 Hailong Bldg, 100 Dohai Rd. Jiangning District 21100 China	712,233.58	0.00	712,233.58
69	Nanjing Cuiyao Imp. & Exp. Trading Co. Ltd	Rm 1003-1008 Hailong Bldg, 100 Dohai Rd. Jiangning District 21100 China	185,010.31	0.00	185,010.31

19-Dec-2019
 Date

John Steel fac:
 DRI as Receiver & Manager of Best Made Toys International, ULC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 76 - Continued
 List "A"
 Unsecured Creditors
 Best Made Toys International, ULC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
70	Nanjing Delta Toys & Novelty Co., Ltd	5/F., Highzone Science & Technology Center 66 Ruanfan Blvd. Yuhua District China	24,786.75	0.00	24,786.75
71	Ozagon Manpower Services Inc.	809-1665 Victoria Park Ave Toronto ON M7R 5E5	14,851.70	0.00	14,851.70
72	Ontario Bell & Power Transmission Co. Ltd.	371 Henlan Road Woodbridge ON L4L 3T1	3,020.73	0.00	3,020.73
73	Open Text Inc.	24685 Woodmark Place Chicago IL 60672-1246 USA	322.05	0.00	322.05
74	Panapina	P.O. Box 4386, Pasaal Str A Toronto ON N5W 5T2	127,922.81	0.00	127,922.81
75	Panapina	6350 Cantray Rd Mississauga ON L5R 4E2	1.00	0.00	1.00
76	Pic Children's Charity	41 Frasee Ave Toronto ON M6K 1Y7	28,057.68	0.00	28,057.68
77	Pico Pallet Canada, Inc	156932 Ujo Box 55392, Str A Toronto ON M5W 4L1	42,423.07	0.00	42,423.07
78	PECO Pallet, Inc.	2890 Monnetum Place Chicago IL 606 89-8329 USA	163,338.00	0.00	163,338.00
79	Prest Elpart	984138 7th Line Elsamton ON L5M 8E9	288.35	0.00	288.35
80	Pretty Cash	Unknown HK China	307.19	0.00	307.19
81	PMISA Inc.	8400 Lakeshore Parkway, Ste 600 Ahn Mark Van Gurse Pleasant Prairie WI 53158 USA	1.00	0.00	1.00
82	Premier Markings Incorporated	6155 Tomken Road Unit 10 Mississauga ON L5T 1X3	955.93	0.00	955.99
83	Qingdao Future Toys Co. Ltd	45 Ziangnan Road Shandong Province China	724,169.87	0.00	724,169.87
84	Qingdao Future Toys Co. Ltd	45 Ziangnan Road Shandong Province China	132,572.84	0.00	132,572.84
85	Rendell	C/O Mackayson Canada - E Lanata 131 Mackay Street Markham ON L3R 9V7	20,000.00	0.00	20,000.00
86	Rogers	P.O. Box 4100 Don Mills ON M3C 3N9	111.53	0.00	111.53
87	Royal Canadian Supply Chain In	65A Wingold Ave North York ON M6B 1P8	25,642.50	0.00	25,642.50
88	Royal Canadian Supply Chain In	5109 Siretes Ave W., Suite 340 North York ON M8L 2Y8	1.00	0.00	1.00
89	S.A.S. Electric Company Ltd	71/F, Bldg B&D, Foxy Industrial Centre 56-66, Tai Lun Paid Rd. Kwai Chung New Ter Hong Kong	270.54	0.00	270.54
90	S.F. Express	Unknown HK China	5,242.40	0.00	5,242.40
91	Security Management Systems	Bl Halo Security Inc, 1574 Queen Street East Toronto ON M4L 1G1	7,086.09	0.00	7,086.09
92	Shandong Fortune Ever Toys Co.Ltd	No 8 South Huaihan Rd Zaocunwang City Shandong Province China	66,937.41	0.00	66,937.41

19-Dec-2019
 Date

John Steel fac:
 DRI as Receiver & Manager of Best Made Toys International, ULC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 78 - Continued
 List "A"
 Unsecured Creditors
 Best Made Toys International, LLC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
93	Shandong Fortune Ever Toys Co Ltd	No 8 South Huashan Rd Zaoshuang City Shandong Province China	191,820.85	0.00	191,820.85
94	Shengshou Gu Shengyuan Co. Ltd	The East Ditanmin Road Shanghai, China	42,271.00	0.00	42,271.00
95	Shing Kee Transport	Unknown HK China	1,192.68	0.00	1,192.68
96	Simtech Supply Chain Management	1025 Green Valley Road London ON N6N 1E3	16,859.41	0.00	16,859.41
97	SJ Capital Partners V, LLC	25 High Meadows Rd Mt Kisco NY 10549 USA	1,000,000.00	0.00	1,000,000.00
98	SJ Capital Partners V, LLC	25 High Meadows Rd Mt Kisco NY 10549 USA	38,380.00	0.00	38,380.00
99	Small Business (1738289 Ontario Inc.) Am. Nat. Inc. - Director	16 West Dr. 85 Hampton Ave Buffalo NY 14207 USA	314,564.77	0.00	314,564.77
100	Speed Global Services	2295 Kenmore Ave Buffalo NY 14207 USA	2,260.44	0.00	2,260.44
101	Spe Commerce, Inc	210 1932050po Box 99205, Sbn A Toronto ON M5W 0J6	1,511.52	0.00	1,511.52
102	Stain Fibers, Ltd	1 Computer Drive West Albany NY 12205 USA	167,512.69	0.00	167,512.69
103	The Mason Group	3 Robert Stock Parkway Suite 240 Massachusetts ON L4E 2S6	17,706.83	0.00	17,706.83
104	Toronto Hydro Electric System Limited	300 Commissioners St., 2nd Floor Toronto ON M4W 3M7	4,667.15	0.00	4,667.15
105	Toronto Water & Solid Waste Management Services	Box 6000 North York ON M2N 5V3	2,646.29	0.00	2,646.29
106	Total Quality Logistics	Po Box 634656 Cincinnati OH 45265-4656 USA	51,864.00	0.00	51,864.00
107	Tratix	1375 Wheelabrator Way Melton OH L9T 3C1	200,150.04	0.00	200,150.04
108	Treasure State Of Ohio	6606 Tasting Rd., P O Box 4709 Reynoldsburg OH 43068-9009 USA	395.00	0.00	395.00
109	Tuy Rheinland (Shanghai) Co., Ltd	10-15th Floor, Huasheng Building, No 88, Lane 777 West Guangzhong, 200072 China	2,345.00	0.00	2,345.00
110	UJ-Vs-Shanghai Ltd	Unknown Unknown	5,669.00	0.00	5,669.00
111	UJ-Vs-Shanghai Ltd	Unknown Unknown	1,332.00	0.00	1,332.00
112	Uline Canada Corporation	P O Box 3500Pro Streetsville Mississauga ON L5M 0S8	1,013.32	0.00	1,013.32
113	Wage Earner Protection Program (WEPF)	Service Canada PO Box 3344, Station Bureau-Chef Maine QC G4V 0R6	36,079.44	0.00	36,079.44
114	Waste Connections Of Canada Inc	558 Creditzione Road Concord ON L4K 5C8	4,778.37	0.00	4,778.37
115	Waste Management	Po Box 4320 Postal Station A Toronto ON M5W 3G7	907.15	0.00	907.15
116	Wenhui Toys Toy Co., Ltd.	No. 3 Huashan Road Shanghai, China	9,000.00	0.00	9,000.00

19-Dec-2019
 Date
 Jinhua Sheff sp.
 DRI as Receiver & Manager of Best Made Toys International, LLC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 78 - Continued
 List "A"
 Unsecured Creditors
 Best Made Toys International, LLC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
117	Walesley Mechanical Group	Po Box 6330 Sbn B Burlington ON L7R 4Z2	2,650.99	0.00	2,650.99
118	Wsb	P.O. Box 4115Station A Toronto ON M5W 2V3	2,575.58	0.00	2,575.58
119	Yangzhou Hengqi Toys Co Ltd	Xiao Ji Industrial Area Jiangsu, China	137,669.93	0.00	137,669.93
120	Yangzhou Hengqi Toys Co Ltd	Xiao Ji Industrial Area Jiangsu, China	133,197.19	0.00	133,197.19
121	Yiran Farah Toys, Ltd.	The South Of Danyang Road Shangdong, China	45,732.19	0.00	45,732.19
122	Zaoshuang Fuyuan Toy Co Ltd	Yichang Industrial Zone Zaoshuang Shandong Province China	349,432.92	0.00	349,432.92
123	Zaoshuang Fuyuan Toy Co Ltd	Yichang Industrial Zone Zaoshuang Shandong Province China	164,527.22	0.00	164,527.22
Total:			20,206,276.87	17,449,485.44	37,655,762.31

19-Dec-2019
 Date
 Jinhua Sheff sp.
 DRI as Receiver & Manager of Best Made Toys International, LLC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 75 - Continued

List "B"
 Secured Creditors

Best Made Toys International, LLC

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Bank of Montreal	150 King Street West, 11th Floor Toronto, ON M5H 1J9	21,248,657.00	Cash on hand - Cash in bank - Funds Held in receivership Debts Due - Business - Accounts Receivable		3,552,942.56 246,228.00 3,799,171.56		17,449,485.44
Total:			21,248,657.00			3,799,171.56	0.00	17,449,485.44

19-Dec-2019
 Date

John Steel Fe:
 DRI as Receiver & Manager of Best Made Toys
 International, LLC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 75 - Continued

List "C"

Preferred Creditors for Wages, Rent, etc

Best Made Toys International, LLC

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
1	Wage Earner Protection Program (WEP)	Service Canada PO Box 3304, Station Bureau-Chief Montreal QC H3W 0K6			1,514.00	0.00	1,514.00
Total:					1,514.00	0.00	1,514.00

19-Dec-2019
 Date

John Steel Fe:
 DRI as Receiver & Manager of Best Made Toys
 International, LLC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 78 - Continued
 List "D"
 Contingent or Other Liabilities
 Best Made Toys International, LLC

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
			0.00	0.00		
		Total:	0.00	0.00		

19-Dec-2019
 Date

John Steel For:
 DRI as Receiver & Manager of Best Made Toys International, LLC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 78 - Continued
 List "E"
 Debts Due to the Bankrupt
 Best Made Toys International, LLC

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable	8 Adelaide Street West Suite 200 Toronto ON	Accounts Receivable	246,229.00 0.00		25-Apr-2019	246,229.00	Accounts Receivable
			Total:	246,229.00 0.00			246,229.00	

19-Dec-2019
 Date

John Steel For:
 DRI as Receiver & Manager of Best Made Toys International, LLC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 78 - Continued

List "F"
 Basis of Exchange, Promissory Notes, Lien Notes, Chattel
 Mortgages, etc., Available as Assets

No.	Name of all promissory acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 78 - Continued

List "C"
 Real Property or Interests Owned by Bankrupt
 Best Made Toys International, LLC

Description of property	Nature of bankruptcy interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

19-Dec-2019
 Date

John Sleaf For:
 DRI as Receiver & Manager of Best Made Toys International, LLC

19-Dec-2019
 Date

John Sleaf For:
 DRI as Receiver & Manager of Best Made Toys International, LLC

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

FORM 78 - Concluded

List of
 Property
 Best Made Toys International, ULC
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(f) Cash on hand			3,552,942.56	3,552,942.56
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
Total:			3,552,942.56	3,552,942.56

Court No.
 Estate No.

In the matter of the bankruptcy of
 Best Made Toys International, ULC
 of the City of North York, in the Province of Ontario

Form 78 (Bill C-12)
 Statement of affairs (Business bankruptcy)

Deloitte Restructuring Inc. - Licensed Insolvency
 Trustee

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

Phone: (416) 601-6072 Fax: (416) 601-6690

19-Dec-2019
 Date

John Skelton
 DR as Receiver & Manager of Best Made Toys
 International, ULC



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

Phone: (416) 601-6150
Fax: (416) 601-6690
www.deloitte.ca

C A N A D A
DISTRICT OF ONTARIO
DIVISION No.: 09 - Toronto
COURT No.: 31-2599042
ESTATE No.: 31-2599042

IN THE MATTER OF THE BANKRUPTCY OF: BEST MADE TOYS INTERNATIONAL, ULC ("Best Made Toys" or "BMT" or the "Bankrupt"), formed under the laws of Ontario, formerly having its head office at 120 St. Regis Crescent N, North York, Ontario, M3J 1Z3

Bankrupt

TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION

The *Bankruptcy and Insolvency Act* provides for a first meeting of creditors. The purpose of this Report is to provide information to the creditors of the Bankrupt for consideration at the first meeting of creditors. Unless otherwise noted all figures are in USD, the Bankrupt's reporting currency.

SECTION A – BACKGROUND

Deloitte Restructuring Inc. was appointed as Receiver and Manager (the "**Receiver**") of Best Made Toys by Order of the Ontario Superior Court of Justice (the "**Court**") on April 25, 2019. For a copy of the appointment order issued April 25, 2019 (the "**Receivership Order**"), subsequent Court orders, the reports of the Receiver to date and further information on the activities of the Receiver, please refer to the Receivership website (the "**Website**") at:

<http://www.insolvencies.deloitte.ca/en-ca/bmt>

The largest creditor of BMT is the Bank of Montreal ("**BMO**") pursuant to a credit agreement between BMO and BMT. As security for BMT'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 all of BMT's assets. The outstanding balance on the BMO credit facilities at the time the Receivership Order was issued was approximately \$22.4 million. The accounting book value of BMT's assets at the date of bankruptcy totaled approximately \$3.8 million and all owned assets are subject to BMO's security.

The Receiver began exercising its powers in respect to its appointment on April 25, 2019. On the Receivership date, the Receiver took possession of the property located at 120 St. Regis Crescent N, North York, Ontario, M3J 1Z3 and an additional leased premise at 53 Bakersfield Street, North York, Ontario, M3J 1Z4. As of November 1, 2019, the Receiver has vacated the leased premise at 120 St. Regis Crescent North. As of November 30, 2019, the Receiver vacated the leased premise at 53 Bakersfield.

On June 27, 2019, the Receiver entered into an Asset Purchase Agreement ("**APA**") with Kellytoy Worldwide, Inc. ("**Kellytoy**"). Pursuant to the APA, Kellytoy purchased substantially all of BMT's inventory, other raw materials, and certain fixed assets.

The Receiver engaged Platinum Assets Services Inc. to sell various remaining fixed assets that were excluded in the APA.

Pursuant to paragraph 3(r) of the Receivership Order, the Receiver is empowered and authorized to assign BMT into bankruptcy.

For additional information in respect of factors leading to BMT's insolvency, please see the Report of the Proposed Receiver, dated April 23, 2019, posted on the Website.

SECTION B – PRELIMINARY EVALUATION OF ASSETS AND DETAILS OF SECURITY INTERESTS

A preliminary evaluation of the assets and liabilities of BMT as at the Date of Bankruptcy is as follows:

Best Made Toys International, ULC	
Preliminary assessment of assets and liabilities	
As at the date of bankruptcy (\$000)	
Assets	
Cash	-
Accounts receivable	-
Inventory	-
Other	-
Fixed assets	-
Total assets	<u>-</u>
Liabilities	
Secured claims - BMO	3,799
Secured claims - other	-
Unsecured claims	37,656
Preferred Creditor	<u>2</u>
Total liabilities	<u>41,456</u>
Deficit	<u>(41,456)</u>

The primary assets of BMT are cash and accounts receivable balances. The Receiver continues to collect the outstanding accounts receivables in due course.

As noted above, the main creditor of BMT is BMO. Other creditors include BMT's former employees (all of whose employment was terminated on April 25, 2019), SJ Capital Partners V LLC as a holder of unsecured subordinated notes, Gerald and Anne-Marie Seetner as lenders of an unsecured vendor take-back loan, and Canada Revenue Agency ("**CRA**") for HST amounts resulting from the GST/HST returns for the period from January 1, 2018 to April 25, 2019.

The Receiver has administered the employees' Wage Earner Protection Program ("**WEPP**") applications and responded to employee inquiries as received. The WEPP packages were mailed to employees on May 3, 2019. A total of 16 packages were mailed to former employees, as two employees were not eligible for WEPP. A total of 15 proofs of claim in respect of WEPP have been received by the Receiver. The Receiver will continue to administer the WEPP program on behalf of former employees as required.

Former employees of BMT who have submitted proofs of claim to the Receiver do not need to re-submit proofs of claim to BMT's Licensed Insolvency Trustee (the "**Trustee**") for the purpose of the bankruptcy administration. All accepted claims filed with the Receiver will be accepted by the Trustee, subject to the appropriate reduction in claims for WEPP receipts.

SECTION C – BOOKS AND RECORDS

The Trustee, via the Receiver, has access to available books and records of BMT. The Receiver has taken an electronic back up of BMT file and email servers.

SECTION D – CONSERVATORY AND PROTECTIVE MEASURES

Upon appointment, the Receiver took possession of all of the assets, undertakings and properties of BMT and remains in possession of the residual owned assets of BMT. Accordingly, there are no assets in the possession and control of the Trustee.

SECTION E – PROVABLE CLAIMS AND DESCRIPTION OF CREDITORS

Based on the books and records of BMT, there are 123 unsecured creditors owed approximately \$37.7 million, which includes the anticipated shortfall in BMO's secured position of approximately \$17.5 million. The preferred claim relates to amounts due for unpaid wages. No other parties have registered security interests against BMT as evidenced by a Personal Property Security Act search result.

SECTION F – LEGAL PROCEEDINGS, REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS

No legal proceedings have been instituted by the Trustee to date. The Trustee is not aware of any legal proceedings by or against BMT.

SECTION G – DETAILS OF THIRD PARTY DEPOSITS OR GUARANTEES

As there are no assets in the bankruptcy estate to fund any claims, fees and costs of administration, the Trustee has obtained a limited fee indemnity from BMO in respect of the costs of administration of the estate, including the fees and disbursements of the Trustee and its legal counsel by way of advances to the bankrupt estate from Court-approved distributions from BMT's receivership estate.

SECTION H – TRUSTEE'S INTENTION TO ACT FOR SECURED CREDITORS

At the outset of the Receivership, the Receiver engaged Dentons LLP ("**Dentons**") as the Receiver's independent legal counsel. Borden Ladner Gervais LLP ("**BLG**") acts as counsel to BMO. The Receivership Order provides that the Receiver is permitted to engage the services of BLG for the sake of cost efficiency and retain Dentons for respect of competing stakeholder priorities to those of BMO.

The Receiver will obtain Court approval prior to distributing any funds to BMO. The Receiver has obtained an independent legal opinion on the validity and enforceability of BMO's security from Dentons. Dentons' opinion is that, subject to the customary and usual qualifications and limitations of such opinions, BMO's security has been properly perfected under the PPSA (to the extent required), and would rank in priority to the interest of a trustee in bankruptcy in the assets, properties and undertakings of the Bankrupt, which are located in the Province of Ontario, or, in the case of accounts, where the party obligated to pay an account is a resident of the Province of Ontario.

In its motion materials in support of the Receivership Order, BMO has indicated that it expects to suffer a significant shortfall on the indebtedness owing to it. The Receiver advises that realizations in the Receivership are materially below the amount due to BMO and BMO will suffer a significant shortfall on its loans.

SECTION I – PROJECTED DISTRIBUTION AND TRUSTEE COMMENTS ON ANTICIPATED ASSET REALIZATIONS

As noted above, the Trustee advises that there will be no assets available after the claims of the secured creditors available to unsecured creditors.

Dated at Toronto, Ontario this 20th day of December, 2019.

DELOITTE RESTRUCTURING INC.

In its capacity as
Licensed Insolvency Trustee of
Best Made Toys International, ULC



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