

Final Report of the Receiver
(subsection 246(3) of the *Bankruptcy and Insolvency Act*)

**In the Matter of the Receivership of
Di-Cut Industries Ltd.
of the City of Toronto
in the Province of Ontario**

The Receiver gives notice and declares that:

1. On the 12th day of February, 2016, Richter Advisory Group Inc. ("**Richter**") was privately appointed as receiver (the "**Receiver**") of all of the assets, undertakings and properties (the "**Property**") of Di-Cut Industries Ltd. ("**Di-Cut**" or the "**Company**"), pursuant to section 243(2)(b) of the *Bankruptcy and Insolvency Act* (Canada). The Receiver was appointed by 720065 Ontario Inc. ("**720**") pursuant to the terms of certain security agreements granted by Di-Cut in favour of 720.
2. On the same day, Di-Cut filed an assignment in bankruptcy in which Richter was appointed as trustee.
3. On February 12, 2016, the Receiver took possession or control of certain of the Company's Property, which primarily consisted of:

Assets	Net Book Value (\$000s)
Cash and Cash Equivalents	Nil
Accounts Receivable	65
Prepaid Expenses	92
Fixed Assets	731
Total	888

Note: The above amounts represent book values of the Company's assets as detailed in the Company's books and records and do not necessarily represent the sale or liquidation value of the Property.

4. Prior to the Receiver's appointment, on February 4, 2016, Di-Cut (after soliciting several liquidation/auction proposals for the Company's fixed assets) entered into an agreement with Infinity Asset Solutions Inc. to conduct an auction for Di-Cut's machinery/equipment and other fixed assets (the "**Auction**"). Following its appointment, the Receiver completed the Auction.
5. Attached, as Appendix "A" is the Receiver's Final Statement of Receipts and Disbursements.



6. The realizations from the sale of the Property subject to the receivership proceedings were insufficient to pay, in full, the secured claim of 720. Accordingly, there are no funds available to support a distribution to the Company's unsecured creditors.
7. On August 8, 2016, 720 terminated the appointment of Richter as Receiver. Accordingly, no further reports regarding the status of the receivership proceedings will be prepared in accordance with subsection 246(2) of the BIA, as the Receiver has completed its duties in accordance with its appointment documents. This report is the Receiver's final report.
8. Creditors who wish to receive a copy of the interim reports or this final report may request a copy by writing to the Receiver at the following address:

Richter Advisory Group Inc.
181 Bay Street, Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3
9. Further information regarding the receivership proceedings and materials relating to the Company's bankruptcy proceedings may be obtained from Richter's website at <https://www.richter.ca/insolvencycase/di-cut-industries-ltd/>.

Dated at Toronto, Province of Ontario, on April 11, 2019.

Richter Advisory Group Inc.
in its capacity as Receiver of
Di-Cut Industries Ltd.

Per:



Adam Sherman, MBA, CIRP, LIT
Senior Vice President

**IN THE MATTER OF THE RECEIVERSHIP OF
DI-CUT INDUSTRIES LTD.
FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS**

Receipts

720065 Ontario Ltd.	\$ 48,970.00
Infinity Asset Solutions Inc. re: Auction	465,389.54
Accounts Receivable	35,981.05
Tax Refund	160.89
Interest	1,267.63

Total Receipts	\$ 551,769.11
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Disbursements to Secured Creditor (720065 Ontario Limited)	404,250.00
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Funds Available for Administrative Disbursements	\$ 147,519.11
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Administrative Disbursements

Filing Fee	70.00
Rent (1401 Huntingwood Drive)	36,149.03
Contractor Payments (V. Lozano)	16,100.00
Payments to Former Employees re Unpaid Wages/Vacation Pay	21,298.17
Fogler Rubinoff LLP	3,364.00
Insurance	1,297.20
Payroll Services (Ceridian)	150.89
Miscellaneous Expenses (postage, courier, transportation, other)	201.46
Utilities (Enbridge, Hydro, Bell Canada)	19,261.93
Bank Charges	385.94
HST Paid on Administrative Disbursements	7,667.98
Richter Advisory Group Inc. - Receivership Fees	64,131.50
HST on Receivership Fees	8,337.10

Total Disbursements	\$ 178,415.20
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Surplus/(Shortfall) of Receipts over Disbursements (Note 1)	\$ (30,896.09)
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Notes:

1. The shortfall to the receivership administration was borne by the Receiver.