

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

BETWEEN:

STRELLSON AG

Applicant

-and-

STRELLMAX LTD.

Respondent

**MOTION RECORD
(Returnable March 15, 2018)**

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Lawyers for the Receiver

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TAB 1

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

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

NOTICE OF MOTION

RICHTER ADVISORY GROUP INC. (“**Richter**”), in its capacity as the Court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (collectively, the **Assets**) of Strellmax Ltd. (“**Strellmax**”) will make a motion before a Judge of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), on a date to be agreed to by the Receiver, Accord Financial Ltd. (“**Accord**”) and Strellson AG (“**Strellson**”) in January 2018 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. the advice and direction of the Court with respect to:
 - (a) the relative priorities of (i) the secured claims held by Strellson as assignee of the debt and security of the Toronto-Dominion Bank (“**TD**”); and (ii) the claims of Accord including, without limitation, as assignee of the debt and security of Adamray Investments Ltd. (“**Adamray**”), as against the net proceeds of

realization of the Assets, including, without limitation, the Controlled Funds (as defined herein) in the Receiver's possession (collectively the "**Net Proceeds**");

- (b) if necessary, the quantum of the secured claims of one or both of Strellson and Accord as against the Net Proceeds;
- (c) authorizing the Receiver to make one or more distributions of the Net Proceeds in accordance with the foregoing determinations, subject to any holdback maintained by the Receiver until the date that the Receiver files the Discharge Certificate (as defined herein) (the "**Effective Discharge Date**"), and authorizing the Receiver to make further distributions of any unapplied holdback amounts and any additional proceeds that come into the Receiver's possession prior to the Effective Discharge Date;
- (d) the costs of the Receiver's motion;

2. an Order substantially in the form attached at Tab 3 of the Motion Record:

- (a) approving the second report of the Receiver, to be filed (the "**Second Report**"), and the Receiver's conduct and activities described therein;
- (b) approving the Receiver's interim statement of receipts and disbursements appended to the Second Report;
- (c) approving the fees and disbursements of the Receiver and the Receiver's counsel, WeirFoulds LLP, and the Receiver's fee estimate for completion of the administration of the estate;
- (d) vacating the Director's Charge (as defined in the Receivership Order);
- (d) subject to the Receiver's completion of any remaining activities necessary for the completion of its mandate and upon the Receiver filing a discharge certificate

with the Court (the “**Discharge Certificate**”), vacating the Administration Charge (as defined in the Receivership Order) and discharging the Receiver and releasing Richter of and from any and all further obligations as Receiver of Strellmax’s property and any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting as Receiver, save and except for the Receiver’s gross negligence or willful misconduct; and

- (e) such other and further relief as counsel may request and this Honourable Court may allow.

THE GROUNDS FOR THE MOTION ARE:

1. Strellmax carried on business as a wholesaler and retailer of “Strellson” brand menswear in North America. Strellmax sold through its wholesale channel, predominantly to large Canadian and U.S. retailers and independent menswear stores, and through its retail channel at five retail locations;
2. Strellmax purchased and distributed apparel and accessories carrying the “Strellson” brand pursuant to licence and distribution agreements with the Applicant, Strellson;
3. pursuant to an assignment agreement dated June 30, 2017 between Strellson and TD, TD assigned approximately \$3.7 million of indebtedness owed to it by Strellmax, together with the associated security agreements to Strellson;
4. pursuant to the Order of the Honourable Madam Justice Conway dated July 7, 2017 (the “**Receivership Order**”), Richter was appointed as Receiver over the Assets of Strellmax;
5. pursuant to an agreement dated as of June 1, 2010 between Strellmax and Accord (the “**Services Agreement**”), Accord provided certain accounts receivable administration and credit protection services to Strellmax, which services include Accord assuming the

credit risk arising from the potential insolvency of a prescribed subset of Strellmax's Canadian customers (the "**Covered Customers**"), subject to established credit limits;

6. as part of Accord's administration of Strellmax's accounts receivable, all accounts receivable payments from the Covered Customers, regardless if they are made in excess of the established credit limits, are deposited into a bank account controlled by Accord (the "**Controlled Account**"). Pursuant to the terms of the Services Agreement, the funds received by Accord into the Controlled Account (the "**Controlled Funds**") are to be promptly and regularly delivered by Accord to Strellmax, net of Accord's agreed commission for providing the prescribed services;
7. pursuant to an agreement dated March 1, 2016 (the "**LC Agreement**") between Strellmax and Accord, Accord agreed to provide an irrevocable letter of credit (the "**LC**") to a maximum amount of \$500,000 in favour of Strellson to secure payment by Strellmax for Strellson products;
8. in consideration for Accord providing the LC, Mark Altow ("**Altow**"), Strellmax's president, agreed to subordinate the indebtedness owed to him by Strellmax to any indebtedness of Strellmax to Accord under the LC Agreement. All indebtedness owed to Adamray, Altow's holding company, was also subordinated to the contingent indebtedness of Strellmax to Accord under the LC;
9. on August 14, 2017, Strellson called upon the LC in the maximum amount of \$500,000;
10. during the week of August 28, 2017 and again in September 2017, the Receiver requested that Accord turn over the Controlled Funds to the Receiver in accordance with the provisions of the Receivership Order;
11. on or about October 25, 2015, Accord paid Strellson \$1 on an asserted "without prejudice basis", including as to Accord's right to refuse further payments under the LC;

12. Accord asserts the position that it is entitled to a contractual right of set-off whereby it can set-off the amount of Strellson's demand under the LC, plus the costs incurred by Accord, against Accord's obligation to turn over the Controlled Funds pursuant to the terms of the Services Agreement or, in the alternative, pursuant to the doctrine of legal or equitable set off;
13. pursuant to the Order of the Honourable Mr. Justice Hainey dated November 7, 2017, Accord was ordered to deliver all Controlled Funds in its possession as of October 28, 2017 to the Receiver which are to be held pending the Court's direction regarding the determination of priorities between Strellson and Accord and the Court's authorization for the Receiver to make a distribution or distributions of the Net Proceeds;
14. such further and other grounds as set out in the first report of the Receiver dated October 6, 2017 (the "**First Report**") and the Second Report;
15. the provisions of the Receivership Order, the BIA and the inherent and equitable jurisdiction of this Honourable Court;
16. Rules 1.04, 1.05, 2.01, 2.03, 16 and 37 of the *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended.

AND FURTHER TAKE NOTICE that the following materials will be filed in support of this application, namely:

- (a) the First Report;
- (b) the Second Report; and
- (c) such further and other material as counsel may advise and this Honourable Court may allow.

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BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

NOTICE OF MOTION

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TAB 2

Court File No. CV-17-11864-00CL

STRELLMAX LTD.

SECOND REPORT OF THE RECEIVER

FEBRUARY 7, 2018

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

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43**

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
STRELLMAX LTD.**

FEBRUARY 7, 2018

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I. INTRODUCTION

1. Pursuant to an Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated July 7, 2017 (the "**Receivership Order**"), Richter Advisory Group Inc. ("**Richter**") was appointed as receiver, 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 (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties (the "**Property**") of Strellmax Ltd. ("**Strellmax**" or the "**Company**"). Pursuant to the Receivership Order, the Court authorized Strellmax to remain in day-to-day operation of its Business to commence a liquidation sale of certain of its assets, principally retail store inventory, (the "**Liquidation Sale**") and approved certain Sale Guidelines (as defined in the Receivership Order) pursuant to which the Liquidation Sale would be conducted. A copy of the Receivership Order is attached hereto as **Appendix "A"**.
2. Pursuant to a further Order dated July 7, 2017 (the "**Approval and Vesting Order**"), the Court approved the sale transaction contemplated by an asset purchase agreement (the "**APA**") in respect of certain of the Property not subject to the Liquidation Sale, principally Strellmax's wholesale inventory and assets associated with Strellmax's wholesale business (the "**Purchased Assets**"), to be entered into between Strellson AG ("**Strellson**", in such capacity, the "**Purchaser**"), Strellson North American Ltd. (formerly Strellson Canada Ltd., the "**Buyer**"), Strellmax and the Receiver (the "**SNAL Transaction**"). The SNAL Transaction was completed on August 1, 2017 (the "**Closing Date**"), and the Receiver's Certificate was delivered to the Purchaser on the same date and filed with the Court. A copy of the Approval and Vesting Order is attached hereto as **Appendix "B"**.
3. In support of the Receivership Order and the Approval and Vesting Order, Richter, in its capacity as proposed receiver of the Property of Strellmax, filed a report with the Court dated July 5, 2017 (the "**Pre-Filing Report**"). A copy of the Pre-Filing Report is attached hereto as **Appendix "C"**.
4. Pursuant to the Order of the Honourable Mr. Justice Hainey dated October 27, 2017 (the "**Samples AVO**"), the Court approved the sale transaction contemplated by an asset purchase agreement (the "**Samples APA**") entered into on the same date, in respect of certain of the Company's inventory not subject to the Liquidation Sale or the SNAL Transaction (the "**Samples Transaction**"). The Samples Transaction closed upon the delivery of a Receiver's Certificate on November 28, 2017, which was then filed with the Court. A copy of the Samples AVO is attached hereto as **Appendix "D"**.
5. Pursuant to the Order of the Honourable Mr. Justice Hainey dated November 7, 2017 (the "**Controlled Funds Order**"), the Court directed, among other things, Accord Financial Ltd. ("**Accord**") to deliver the

Controlled Funds (as hereinafter defined) in its possession as of October 28, 2017 to the Receiver, to be held by the Receiver pending the outcome of the Priority and Distribution Motion (as defined in the Controlled Funds Order), and to deliver future Controlled Funds to the Receiver. Matters concerning Accord and the Controlled Funds are further discussed later in this, the Receiver's second report (the "**Second Report**"). A copy of the Controlled Funds Order is attached hereto as **Appendix "E"**.

6. In support of the Samples AVO and the Controlled Funds Order, Richter filed a first report in its capacity as Receiver with the Court dated October 6, 2017 (the "**First Report**" and together with the Pre-Filing Report, the "**Reports**"). A copy of the First Report is attached hereto as **Appendix "F"**.
7. The Reports, the Orders of the Court and other materials relevant to these proceedings are posted on the Receiver's website at <http://www.richter.ca/en/folder/insolvency-cases/s/strellmax-ltd>.

II. PURPOSE OF REPORT

8. The purpose of this Second Report is to:
 - a) provide this Court with information regarding:
 - (i) an update on the status of the SNAL Transaction, specifically as it relates to support services arrangements with the Buyer after the Closing Date;
 - (ii) the completion of the Liquidation Sale and the status of the Company's employees;
 - (iii) an update on the actions taken with respect to the Controlled Funds and cross-motion brought by Accord since the date of the First Report, and related communications between Accord, the Receiver and the Receiver's counsel, WeirFoulds LLP ("**WeirFoulds**"), and – since January 1, 2018 – the Receiver's counsel, DLA Piper (Canada) LLP ("**DLA**");
 - (iv) the activities of the Receiver since the date of the Receivership Order;
 - (v) the Receiver's receipts and disbursements for the period from the date of the Receivership Order to and including January 31, 2018; and
 - (vi) the Receiver's estimate of accrued and unpaid obligations as of the date of this Second Report (the "**Accrued Obligations**"), and subject to the filing of the Supplemental Report (as hereinafter defined), the Receiver's estimate of professional fees and disbursements, including those of its counsel, DLA, and administrative costs required to complete these receivership proceedings (the "**Remaining Costs**", and together with the Accrued Obligations, the "**Outstanding Disbursements**").
 - b) recommend that the Court issue Orders:

- (i) approving the Second Report, and the actions, activities and conduct of the Receiver set out herein;
- (ii) approving the Interim R&D (as hereinafter defined);
- (iii) terminating the D&O Charge (as defined in the Receivership Order);
- (iv) determining the relative priorities of the secured claims of the Secured Creditor (as hereinafter defined) and Accord, respectively, against the Property, and the quantum of each of the foregoing secured claims, if necessary;
- (v) subject to the filing of the Supplemental Report, authorizing and directing the Receiver to make an interim distribution (the "**Proposed Interim Distribution**") to Strellson, in its capacity as Secured Creditor (or as Strellson may direct), and/or Accord, based upon the Court's determination of the relative priorities of their secured claims against the Property, and in partial satisfaction of Strellson's secured claim against the Property;
- (vi) authorizing and directing the Receiver to make subsequent distributions, as the Receiver may determine are available, to Strellson up to the amount of Strellson's secured claim against the Property (or as the Court may otherwise direct), without further order of the Court;
- (vii) discharging Richter as Receiver upon completion of the Remaining Matters (as hereinafter defined), including terminating the Receiver's Charge, as provided for in the Receivership Order, and subject to the Receiver filing a discharge certificate (the "**Discharge Certificate**") confirming the same with the Court; and
- (viii) ordering and declaring that, effective upon its discharge as Receiver, Richter has duly and properly discharged its duties, responsibilities and obligations as the Receiver of Strellmax and discharging and releasing the Receiver from any and all further obligations as Receiver of Strellmax and any and all liability relating in any way to the acts or omissions of Richter while acting as Receiver, save and except for the Receiver's gross negligence or willful misconduct.

III. QUALIFICATIONS

9. In preparing this Second Report, the Receiver has relied upon certain unaudited, draft, and/or internal financial information prepared by the Company's representatives, the Company's books and records, and discussions with the Company's representatives, its legal counsel and the Secured Creditor (collectively, the "**Information**").
10. In accordance with industry practice, except as described in this Second Report:

- a) Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook; and
 - b) Richter has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants Canada Handbook.
11. Since future-oriented information is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, Richter expresses no assurance as to whether projections will be achieved. Richter expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Second Report, or relied upon by Richter in preparing this Second Report.
12. Unless otherwise noted, all monetary amounts contained in this Second Report are expressed in Canadian dollars ("**CAD**").

IV. THE SNAL TRANSACTION

13. As noted in the First Report, subsequent to the Court's approval of the SNAL Transaction, the APA was executed on July 7, 2017, as amended and restated effective the same date (the "**Amended APA**"). The amendments to the APA were minor and thus, pursuant to the terms of the Approval and Vesting Order, did not require Court approval.
14. The key elements of the SNAL Transaction have been outlined in the Reports and, therefore, have not been repeated herein (all terms not otherwise defined herein shall have the meanings as defined in the Amended APA). Also as noted earlier in this Second Report, the SNAL Transaction was completed on the Closing Date, and the Receiver's Certificate was delivered to the Purchaser on August 2, 2017 and filed with the Court.
15. As detailed in the First Report, pursuant to the SNAL Transaction and in accordance with the terms of the Amended APA, the Buyer, Strellmax and the Receiver entered into an agreement (the "**Support Services Agreement**") for transition services from and after the Closing Date and terminating no later than the Receiver's discharge (the "**Post-Closing Services**"). The Post-Closing Services include the allocation of space at the Buyer's office and warehouse, access to the employees and the computer systems of each of the Buyer and Strellmax, and the Buyer's assistance to the Company in collecting accounts receivable from the Wholesale Customers.

16. Also as noted in the First Report, subsequent to the Closing Date, an amendment to the Support Services Agreement (the "**First SSA Amendment**") was executed effective September 8, 2017, to provide for, among other things, Strellmax to act as the Buyer's agent and consignee for the sale of the Buyer's inventory in the Company's Bloor Street West retail location (the "**Bloor Store**", until October 31, 2017, being the "**Bloor Term**") and 745 Thurlow retail location (the "**Vancouver Store**") (until such time as the Buyer takes assignment of Strellmax's lease, or enters into a new lease, for the Vancouver Store), in exchange for consideration in the form of a credit bid of Strellson's secured debt in the amount of \$25,000, and the reimbursement of Strellmax's associated out-of-pocket expenses. As discussed later in this Second Report, the Liquidation Sale was substantially complete by September 15, 2017.
17. The Receiver understands that the Buyer had been in negotiations with the Vancouver Store landlord (the "**Vancouver Landlord**") to take assignment of the Vancouver Store lease, but that the Vancouver Landlord was unwilling to consent to the assignment of the Vancouver Store lease to the Buyer. The Receiver further understands that consequently Strellmax, after discussion with the Buyer, served notice of repudiation effective October 31, 2017, in accordance with the Sale Guidelines, and vacated the Vancouver Store on or prior to that date.
18. On October 31, 2017, at the request of the Buyer, a second amendment to the Support Services Agreement (the "**Second SSA Amendment**", and together with the First SSA Amendment, the "**SSA Amendments**") was executed, extending the Bloor Term from October 31, 2017 to November 7, 2017 (the "**Extended Bloor Term**"). The purpose of the Extended Bloor Term was to allow the Buyer sufficient time to transfer its inventory to a new retail location operated by the Buyer.
19. The Receiver understands that the lease term for the Bloor Store had expired on April 30, 2017, but that the landlord (the "**Bloor Landlord**") had agreed to permit Strellmax to continue to occupy the premises on a month-to-month basis until September 30, 2017. In order to facilitate the SSA Amendments, Strellmax and the Bloor Landlord agreed to two (2) extensions, respectively, of the Bloor Store lease term: (i) from September 30, 2017 to October 31, 2017; and (ii) from October 31, 2017 to November 7, 2017. The Receiver further understands that Strellmax vacated the Bloor Store on November 7, 2017.
20. The Amended APA provided the Buyer with the option to offer employment to the Company's employees at its discretion, in order to continue the Company's wholesale business. As detailed in the First Report, sixteen (16) of the Company's employees (the "**Wholesale Employees**") accepted employment with the Buyer effective on the Closing Date, representing the vast majority of the employees associated with the Company's wholesale business. The Buyer assumed Strellmax's liabilities existing as at the Closing Date in respect of the Wholesale Employees' severance entitlement.

21. Following the Closing Date:

- a) as noted in the First Report, once the Liquidation Sale was completed at the Bayview Village retail location (the "**Bayview Store**"), four (4) of the Company's employees (the "**Bayview Employees**") who had been engaged in the operation of the Bayview Store accepted employment with the Buyer, on substantially similar terms as the Wholesale Employees (as applicable); and
- b) three (3) Strellmax employees who had been engaged in the operation of the Bloor Store (the "**Bloor Employees**") also accepted employment with the Buyer on substantially similar terms as the Wholesale Employees (as applicable), upon the termination of the Extended Bloor Term.

V. THE LIQUIDATION SALE

THE LIQUIDATION SALE

- 22. As noted earlier in this Second Report, the Court approved the Liquidation Sale and the Sale Guidelines pursuant to the Receivership Order.
- 23. As detailed in the Reports, the Company engaged the services of HyperAMS, LLC (the "**Consultant**") pursuant to an agreement dated June 28, 2017 (the "**Liquidation Plan Consulting Agreement**") between the Consultant and Strellmax, to advise Strellmax in respect of the liquidation of the Company's inventory and furniture, fixtures and equipment ("**FF&E**") not subject to the SNAL Transaction (the "**Excluded Assets**"). Following the execution of the Liquidation Plan Consulting Agreement, Strellmax developed the Liquidation Plan with the assistance of the Consultant in order to enable the Company to conduct an orderly liquidation (being the Liquidation Sale) of the Excluded Assets.
- 24. The key elements of the Liquidation Sale have been outlined in the Reports and, therefore, have not been repeated in their entirety herein. Below is a summary of certain key aspects of the Liquidation Sale:
 - a) pursuant to the Receivership Order, the Liquidation Sale was conducted by the Company, under the supervision of the Receiver and in accordance with the Sale Guidelines;
 - b) the Liquidation Sale commenced under the supervision of the Receiver on July 7, 2017 (the "**Sale Commencement Date**") at the five (5) Closing Stores (as defined in the Sale Guidelines) which, pursuant to the Sale Guidelines, was to terminate no later than October 31, 2017. The Liquidation Sale was substantially completed in all of the Closing Stores on or before September 15, 2017 (the "**Sale Termination Date**", the period from the Sale Commencement Date through the Sale Termination Date being the "**Liquidation Period**");
 - c) the Consultant advised Strellmax on the conduct of the Liquidation Sale and the Company was responsible for all costs and expenses in connection with the Liquidation Sale. The Consultant's

engagement with the Company was terminated by Strellmax effective the week of September 8, 2017;

- d) as detailed in the First Report, the Receiver had completed separate sale transactions to the Buyer (together, the "**Initial FF&E Sales**") for all of the FF&E at three (3) of the five (5) Closing Stores at the end of the Liquidation Period;
- e) as noted earlier in this Second Report, Strellmax continued to operate the remaining two (2) retail locations, (the Vancouver Store and the Bloor Store) as agent and consignee for the Buyer pursuant to the SSA Amendments until October 31, 2017 and November 7, 2017, respectively. The Receiver completed separate sale transactions of the FF&E located at the Bloor Store and the Vancouver Store to the Buyer (together, the "**Subsequent FF&E Sales**") on substantially similar terms as the Initial FF&E Sales;
- f) as noted in the First Report, effective on the Closing Date, Strellmax vacated its head office and warehouse premises (the "**Premises**"), and the Buyer entered into a new lease with the landlord for the Premises on that same date. On December 6, 2017, the Receiver completed a sale (the "**Premises Assets Sale**", and together with the Initial FF&E Sales and the Subsequent FF&E Sales, the "**FF&E Sales**") of certain for the FF&E located at the Premises – which was being used by both Strellmax and the Buyer pursuant to the Support Services Agreement – also on substantially similar terms as the Initial FF&E Sales.

25. Each of the FF&E Sales:

- (i) were completed on an "as is, where is" basis;
- (ii) were acquired for transaction values not exceeding \$25,000 (~\$87,000 in the aggregate). The purchase prices paid for each of the FF&E Sales were in excess of liquidation value (as estimated by the Consultant, except for the Premises Assets Sale as noted below) and, as such, the Receiver determined it was not practical to market the assets further in the circumstances. The agreed-upon purchase price for the Premises Assets Sale between the Receiver and the Buyer was for an amount in excess of liquidation value, as estimated by the Receiver based on past experience in similar situations and considering the cost savings of the Buyer as compared to a third party purchaser (the assets were already located in the Buyer's head office and did not need to be removed);

- (iii) were sold to the Buyer by the Receiver (and not the Consultant) and, as such, pursuant to the Liquidation Plan Consulting Agreement, no incremental fee was earned by the Consultant on the FF&E Sales, resulting in the preservation of net proceeds which would not have been the case in the event of a third party offer; and
 - (iv) were paid for in the form of a credit bid by the Purchaser of a portion of the TD Facility in the amount of the respective purchase prices.
26. Strellson, in its capacity as Secured Creditor, supported the FF&E Sales. As the aggregate consideration for the FF&E Sales amounted to less than the \$200,000 threshold outlined in the Receivership Order, no Court approval was sought by the Receiver.
27. As noted earlier in this Second Report, the Samples Transaction was approved by the Court pursuant to the Samples AVO, whereby the Buyer would take title to the Company's remaining sample merchandise (the "**Samples**") for a purchase price of approximately \$38,000, being the value of the Samples on the Company's books and records. The Samples purchase price was satisfied by a credit bid of a portion of the TD Facility and the Samples Transaction closed upon the delivery of a Receiver's Certificate on November 28, 2017 which was then filed with the Court. As at the date of this Second Report, in the Receiver's view, the only realizable physical assets of Strellmax remaining are of nominal estimated net realizable value.

EMPLOYEES

28. As at the date of the Receivership Order, Strellmax employed 46 individuals (the "**Employees**") at the Premises and in the Company's retail stores in Ontario and British Columbia ("**B.C.**"). The Company's workforce was not unionized and the Company did not maintain a pension plan.
29. As noted in the Pre-Filing Report, accrued wages were owing to the Employees for the most recent pay period leading up to the date of the Receivership Order (the "**Stub Period Wages**"). Subsequent to the date of the Receivership Order, the Receiver, with the approval of the Secured Creditor, provided sufficient funding to the Company for the payment of the Stub Period Wages, in the ordinary course. In addition, the Receiver understands that the Company maintained existing employee benefit plans during the course of the Employees' continued employment with Strellmax, including honouring employees' use of vacation entitlements earned outside of the six-month period leading up to the date of the Receivership Order, subject to the Company's staffing needs. The Receiver understands that the use of vacation entitlements by Employees during the receivership was limited and necessary to maintain the cooperation of the Employees during the receivership.

30. As noted above, on and following the Closing Date, the Buyer hired a total of 24 Employees, being the Wholesale Employees, the Bayview Employees, the Bloor Employees and Strellmax's sole director, Mark Altow (collectively, the "**Transferred Employees**"). The remaining Premises and retail Employees resigned or were terminated by Strellmax during the course of the receivership, as the Company deemed appropriate. All Employees who were not Transferred Employees were provided written notice of termination (as necessary) and the last of the Employees (with the exception of Mark Altow) were terminated effective on or about November 7, 2017, following the Company's exit from all of the Closing Stores. As further discussed later in this Second Report, notwithstanding his employment with the Buyer, Mark Altow has continued to act as officer and sole director of Strellmax during these receivership proceedings.
31. During the Liquidation Sale and pursuant to the SSA Amendments, the Company maintained the majority of its workforce at the Closing Stores up to the vacate date at each Closing Store. The Employees were paid in the ordinary course up to their last day worked, including any vacation accrued since the date of the Receivership Order. In addition, the Company provided certain of the Employees with incentive bonuses in the range of approximately \$450 to \$750 (the "**Incentive Bonuses**"), earned during the Liquidation Sale, to ensure cooperation. The Incentive Bonuses were offered to those Employees working at the Closing Stores whose employment was not expected, at the time, to be continued by the Buyer after the conclusion of the Liquidation Sale. As noted earlier in this Second Report, of the retail Employees, ultimately the Buyer offered employment to the Bayview Employees and the Bloor Employees.
32. Following the date of the Receivership Order, Strellmax agreed to honour the pre-filing vacation pay (the "**Vacation Incentive**") owing to a key finance employee who was not offered employment by the Buyer, but whose cooperation was needed for a defined period during the receivership proceedings. The amount of the Vacation Incentive was in excess of the amount which would be eligible under section 81.4 of the BIA and the provisions of the *Wage Earner Protection Program Act* ("**WEPPA**"), and was approved by the Secured Creditor. The Vacation Incentive, in the amount of approximately \$7,000, was paid by the Company in December 2017.
33. Following the date of the Receivership Order, the Receiver contacted Service Canada to establish a protocol for the submission of employee claims pursuant to WEPPA, given the nature of the receivership proceedings and the continued employment of the Employees by Strellmax at the outset of these proceedings. As Employee terminations were anticipated to be made by the Company on a periodic basis, Service Canada agreed to extend the application deadline for WEPPA claims by employees from 56 days from the date of the Receivership Order to 56 days from the date of termination by Strellmax, and advised the Receiver to submit these claims on a periodic basis during the receivership proceedings.

34. Following the termination of each Employee's employment with the Company, Strellmax issued a record of employment to Service Canada and the Employee, and provided the Receiver with the information necessary for the Receiver to comply with the provisions of WEPPA. Based on the Company's books and records, the Receiver filed a proof of claim on behalf of all Employees (including the Transferred Employees) in accordance with the provisions of WEPPA, its regulations and the applicable labour standards legislation in the province of employment, a copy of which was provided to each Employee along with instructions on submitting an application for payment pursuant to WEPPA. As at the date of the Second Report, the Receiver has submitted all employee claims pursuant to WEPPA of which the Receiver is aware. In the event the Receiver is made aware of any further claims, it will fulfil its duties under WEPPA in respect of those claims.

VI. ACCORD FINANCIAL LTD.

THE ACCORD AGREEMENT

35. As detailed in the First Report, pursuant to a letter agreement dated June 1, 2010, as amended from time to time (the "**Accord Agreement**"), Accord has provided accounts receivable management services and certain credit protection services (the "**Accord Services**") to the Company since 2010. The key terms of the Accord Agreement are as follows:

- a) Accord provides protection against the risk of loss on credit sales made by Strellmax to a prescribed subset of its customers as a result of the customer's insolvency, subject to certain credit limits established on a customer-by-customer basis (the "**Covered Customers**");
- b) the proceeds of all sales made to Covered Customers, regardless if they are made in excess of the established credit limits, are to be collected by Accord directly from the Covered Customers (being the "**Controlled Funds**");
- c) the Controlled Funds are to be remitted by Accord to Strellmax regularly, or when demanded by Strellmax, net of a pre-determined commission payable to Accord for the Accord Services; and
- d) as more fully outlined in the First Report, accounts receivable from Covered Customers and the proceeds thereof are at no time the property of Accord, save and except in circumstances where funds are advanced by Accord to Strellmax in relation to a particular uncollected customer account, and are then transferred to Accord only at the request of Accord. Also as referenced in the First Report, pursuant to a letter from Accord to TD dated July 18, 2012 (a copy of which is attached hereto as **Appendix "G"**), Accord confirmed that it does not have a security interest in the Property and that title to the Company's accounts receivable, including the Controlled Funds, remain with Strellmax at all times.

THE CONTROLLED FUNDS

36. As outlined in the First Report, prior to the Court's direction pursuant to the Controlled Funds Order, Accord had refused to deliver certain Controlled Funds to the Receiver on the basis that Accord had a right of set-off against the Controlled Funds for its liability, if any, under the Accord LOC (as hereinafter defined). The details of the events leading to the Receiver's motion for the Controlled Funds Order (up to the date of the First Report) are outlined in the First Report, and are therefore not repeated in their entirety herein).
37. As detailed in the Affidavit of Jim Bates, President of Accord, sworn October 27, 2017 (the "**Bates Affidavit**") in support of Accord's Cross-Motion Record dated the same date, Strellson made demand for payment under the Accord LOC in August 2017 and Accord paid \$1.00 to Strellson on a without prejudice basis. The Bates Affidavit is included in Tab "2" of Accord's Cross-Motion Record.
38. On November 7, 2017, pursuant to the Controlled Funds Order, Accord was ordered and directed to immediately deliver to the Receiver all Controlled Funds in Accord's possession as of October 28, 2017, which amounted to approximately \$550,000 as at the date of the Controlled Funds Order (the "**Held Funds**"). On November 8, 2017, Accord deposited the Held Funds into Strellmax's bank account and the Receiver took possession and control of those funds. As directed in the Controlled Funds Order, the Receiver is holding the Held Funds pending the Court's determination of the Priority and Distribution Motion.
39. Also pursuant to the Controlled Funds Order, Accord was further ordered and directed to remit all Controlled Funds coming into its possession after October 28, 2017 to the Receiver at the expiry of ten (10) days (being the normal course time period established with Strellmax prior to the date of the Receivership Order). Since the date of the Controlled Funds Order, Accord has regularly deposited funds into Strellmax's bank account, which deposits appear to comply with 10-day period provided for in the Controlled Funds Order.

THE PRIORITY AND DISTRIBUTION MOTION

40. Pursuant to the Controlled Funds Order, the Receiver was authorized and directed to bring the Priority and Distribution Motion for the Court to determine the relative priorities of the secured claims of the Secured Creditor and Accord, to the Held Funds, and directions with respect to the Receiver's distribution of same.
41. As detailed later in this Second Report, the security opinion obtained by the Receiver from its prior independent legal counsel, WeirFoulds, on Strellson's security provides that, subject to the customary qualifications and assumptions, the security interest granted to the Toronto-Dominion Bank ("**TD**") pursuant to the security over certain of the Property and assigned to Strellson under the Assignment Agreement (as hereinafter defined), is valid and enforceable.

42. The Receiver has reviewed the Affidavit of Valeria Gomon, Chief Financial Officer of Strellson sworn December 8, 2017 (the "**Gomon Affidavit**") and the supplemental Affidavit of Jim Bates of Accord (the "**Supplemental Bates Affidavit**") sworn February 6, 2018. As at the date of this Second Report, nothing has come to the Receiver's attention, including in the contents of the Gomon Affidavit and the Supplemental Bates Affidavit that, in the Receiver's view, would alter the priority of the Secured Creditor's claim as outlined in the security opinion obtained.

VII. CREDITORS

ASSIGNMENT OF TD BANK DEBT TO STRELLSON AG

43. As outlined in the Reports, TD provided certain credit facilities to Strellmax commencing in 2012 pursuant to a credit agreement dated June 6, 2016, as amended by amending agreements dated June 30, 2016 and December 6, 2016, respectively (the "**TD Facility**"). As security for its advances under the TD Facility and prior credit facilities, TD was granted a first-ranking security interest in the Property (together with the TD Facility, the "**TD Debt and Security**").
44. Also as detailed in the Reports, TD assigned certain of its rights and obligations under the TD Debt and Security to Strellson (the "**Secured Creditor**") pursuant to an assignment agreement dated June 30, 2017 (the "**Assignment Agreement**"). A copy of the Assignment Agreement is attached as Exhibit "C" to the Braun Affidavit (as defined in the Pre-Filing Report), filed in support of the Secured Creditor's application for the Receivership Order.
45. In order to continue the use of the Company's existing cash management arrangements with TD, TD retained cash collateral in the amount of \$71,500 (the "**Cash Collateral**") to secure the corporate credit card facility. Subsequent to the closing of the SNAL Transaction, the Receiver terminated the Company's corporate credit card facility and the Cash Collateral (net of outstanding charges) was subsequently refunded to the Company by TD.
46. According to the Company's books and records, the balance outstanding to the Secured Creditor as at July 7, 2017 was approximately \$3.8 million, which balance was subsequently increased to approximately \$4.0 million by a further advance by the Secured Creditor following the date of the Receivership Order. The Secured Creditor has provided the Receiver with an updated account of its secured indebtedness as at January 31, 2018, which indicates an outstanding balance of approximately \$4.7 million, as follows:

Strellmax Ltd. Summary of Strellson Secured Indebtedness As at January 31, 2018 (\$000's)	
Balance - July 7, 2017	\$ 3,889
Additional advances by the Secured Creditor	192
	4,081
Accrued interest	95
Billed legal fees & expenses	531
Total Secured Indebtedness	\$ 4,707

47. During the receivership proceedings, Strellson satisfied a portion of the purchase price related to various transactions, including the SNAL Transaction, by credit bids of a portion of the TD Facility (as discussed elsewhere in this Second Report) in the aggregate amount of approximately \$0.9 million. The remaining balance of Strellson's secured indebtedness after consideration of the credit bids is approximately \$3.8 million. Based on the net proceeds to date in these receivership proceedings, a significant shortfall (in the amount of approximately \$2.0 million, net of costs of administration) is anticipated to the Secured Creditor. A copy of the Receiver's estimated realizations on the Property as at January 31, 2018 is attached hereto as **Appendix "H"**.

SECURITY OPINION

48. As noted in the Reports, Richter received an opinion on Strellson's security from its independent legal counsel dated July 4, 2017. The security opinion provides that, subject to the customary qualifications and assumptions, the security interest granted to TD pursuant to the assigned security over certain of the Property located in Ontario, and assigned to Strellson under the Assignment Agreement, is valid and enforceable as against a trustee in bankruptcy of Strellmax.
49. As part of the Assignment Agreement, a contractual Postponement and Assignment of Creditor's Claim and Postponement of Security granted by Strellmax's shareholder, Adamray Investments Inc. ("**Adamray**"), in favour of TD was assigned, among other things, to Strellson. Searches conducted in Ontario by the Receiver's legal counsel confirm that the registrations originally in favour of TD against all classes of collateral, excluding consumer goods, have been amended to account for the assignment to Strellson and that the registrations were either registered prior in time to all other registrants or are subordinate to the registrations in favour of TD.
50. Only one Ontario PPSA registration, in favour of National Leasing Inc. ("**National**") in respect of certain leased computer software (the "**National Lease**"), appeared to qualify as a potential purchase money security interest in the collateral described therein capable of having priority over TD's registrations

assigned to Strellson. The Receiver understands that subsequent to the Closing Date, the Buyer executed a buyout agreement with National for the assets subject to the National Lease, in order to facilitate its continuation of the 'Strellson' brand business. National has released both Strellmax and the Receiver from any further obligation related to the National Lease.

51. A search conducted under the B.C. PPSA confirmed that Strellson has also registered its security interest against all of Strellmax's present and after-acquired personal property. The Strellson registration was the only registration against Strellmax that appeared in the B.C. PPSA search as at the relevant date.

OTHER SECURED CREDITORS

52. Also as noted in the Reports and the Bates Affidavit, the Receiver understands that Adamray provided a shareholder loan to Strellmax in the amount of approximately \$1,150,000 (the "**Shareholder Loan**"), secured by a security interest against the Property which is contractually and temporally subordinate to the TD Debt and Security assigned to the Secured Creditor (the "**Subordinated Security**").
53. On March 1, 2016, at Strellmax's request, Accord provided an irrevocable letter of credit in favour of Strellson (the "**Accord LOC**") as security for amounts owing to Strellson on account of purchases of merchandise made by Strellmax from Strellson to a maximum amount of \$500,000. Accord did not take security from Strellmax in respect of Strellmax's reimbursement obligation to Accord in respect of the Accord LOC (the "**Reimbursement Obligation**"). A copy of the Accord LOC agreement is attached as **Appendix "C"** to the Bates Affidavit.
54. However, Accord did obtain subordination from Mark Allow on behalf of Adamray in respect of the Reimbursement Obligation and in connection therewith took an assignment of the Shareholder Loan and the Subordinated Security. Copies of the documentation in support of the subordination are attached as **Appendix "B"** to the Bates Affidavit.

OTHER PPSA REGISTRANTS

55. As noted in the Pre-Filing Report, in addition to the secured claims of Strellson, Adamray, and Accord noted above, the search report prepared by the Receiver's legal counsel setting out registrations filed under the applicable personal property security registries indicated that the only other Ontario or B.C. PPSA registration against Strellmax is the one in favour of National referenced above.

VIII. PRIORITY CLAIMS

56. The secured claims of Strellson and/or Accord are subject to prior charges and security interests or claims against the Property which rank, or may rank, in priority, including:

- a) the Administration Charge (as defined in the Receivership Order);
- b) the D&O Charge (as defined in the Receivership Order);
- c) Crown deemed trusts; and
- d) statutory claims pursuant to the BIA (the "**BIA Claims**").

ADMINISTRATION CHARGE

- 57. The Receivership Order provides for a first ranking charge in favour of the Receiver, the Receiver's counsel, and counsel to the Company (the "**Insolvency Professionals**") in an amount not to exceed \$400,000, subject to further Order of the Court, charging all of the Property as security for the professional fees and disbursements incurred both before and after the date of the Receivership Order.
- 58. As at the date of this Second Report, the Insolvency Professionals have received payment for fees and disbursements invoiced to date and incurred as part of these receivership proceedings. As discussed later in this Second Report, the Receiver proposes to hold a reserve sufficient to cover, among other things, the Accrued Obligations and Remaining Fees and Disbursements (as hereinafter defined) to complete these receivership proceedings.
- 59. The Receiver is seeking this Court's approval to terminate the Administration Charge and the security interest therein, upon the completion of the Remaining Matters, and the Receiver filing the Discharge Certificate with the Court.

D&O CHARGE

- 60. The Receivership Order provides for a charge in the maximum amount of \$150,000, subject to further Order of the Court, charging the Property to indemnify its directors and officers for liabilities incurred by the Company that result in post-filing claims against the directors and officers in their personal capacities. As at the date of this Second Report, Mark Altow remains as sole director of Strellmax.
- 61. The Receiver understands that, as at the date of this Second Report, all post-filing source deductions and sales taxes owing by Strellmax since the date of the Receivership Order were remitted in the ordinary course and that any sales tax returns not yet filed are anticipated to result in a refund for the Company. Further, Strellmax paid all wages, commissions and vacation earned since the date of the Receivership Order in the normal course. There are no remaining Strellmax operations or other Employees as at the date of this Second Report. As such, the Receiver is not aware of any potential outstanding amounts that could result in a claim against the directors and officers of Strellmax under the D&O Charge.

62. Accordingly, the Receiver is seeking this Court's approval to terminate the D&O Charge and the security interest therein. The termination of the D&O Charge has been discussed with counsel to Mark Altow, as sole director, and as at the date of this Second Report, the Receiver is not aware of any objections of Mark Altow or his counsel.

CROWN DEEMED TRUSTS

63. The Company's books and records indicated, as at the date of the Receivership Order, that Strellmax owed HST and B.C. PST, net of input tax credits, to Canada Revenue Agency ("**CRA**") and provincial taxing authorities in the amount of approximately \$35,000 (the "**Pre-Filing HST**"), which could potentially rank in priority to the Secured Creditor's security as against the Property. The Company, with the approval of the Secured Creditor, has paid the Pre-Filing HST. CRA completed a trust examination on September 6, 2017 and no material items were highlighted to the Receiver.

64. Also as noted above, the Company has remitted all post-filing source deductions and sales taxes owing in the normal course.

65. Accordingly, the Receiver is not aware of any deemed trust amounts which could rank in priority to the claims of the Secured Creditor and/or Accord (as applicable).

BIA CLAIMS

66. As noted earlier in this Second Report, following the date of the Receivership Order, the Company paid the Stub Period Wages owing to the Employees (including source deductions). The Receiver has reviewed the Company's books and records, and based on the information available, the Receiver has determined that potential claims could be asserted by the Employees pursuant to section 81.4 of the BIA (the "**81.4 Claims**") in the amount of approximately \$21,000.

67. Also as noted earlier in this Second Report, the Receiver, to the best of its knowledge, has complied with its obligations under WEPPA and will continue to do so as required, including providing information to Service Canada and the Employees for the purpose of administering claims pursuant to WEPPA. As at the date of this Second Report, the Receiver has not settled any of the 81.4 Claims as it is anticipated that subrogation letters will be filed by Service Canada pursuant to the provisions of WEPPA (where Service Canada is subrogated to the rights of the Employees), in which case the amount of the 81.4 Claims would be payable directly to Service Canada. As a result, the Receiver will maintain a reserve to, among other things, provide for the payment of any 81.4 Claims.

68. As noted earlier in this Second Report, the Receiver understands that the Company did not maintain a pension plan and, accordingly, is not aware of any potential claims pursuant to section 81.6 of the BIA.

IX. ACTIVITIES OF THE RECEIVER

POWERS OF THE RECEIVER

69. Pursuant to the Receivership Order, the Receiver was authorized and directed to take possession and control of the Company's Treasury Assets (as defined in the Receivership Order), which included without limitation, all proceeds in respect of the Liquidation Sale, the SNAL Transaction and the Company's accounts receivable. As mentioned earlier in this Second Report, the terms of the Receivership Order also contemplated that Strellmax would remain in possession and control of its Property (other than the Treasury Assets) and its Business (as defined in the Receivership Order), through its sole director, Mark Allow. The Receiver was authorized and directed to remit sufficient funding to Strellmax to operate its Business.
70. Also pursuant to the Receivership Order, the Receiver was empowered and authorized, but not obligated, to expand its role by also exercising the customary powers of a receiver pursuant to the BIA (the "**Permissive Powers**"), where it considered it necessary or desirable.
71. Prior to the conclusion of the Company's operations, the Receiver exercised certain Permissive Powers, as it considered appropriate in the circumstances, predominantly related to the FF&E Sales and the Samples Transaction (including its motion for the Samples AVO).
72. As noted earlier in this Second Report, operations were substantially complete by November 7, 2017, when the Company vacated the final Closing Store. Accordingly, the Receiver further expanded its role by exercising certain further Permissive Powers as it considered appropriate in the circumstances to, among other things, reconcile the payments owing under the SSA Amendments, and carry out the administration of the receivership generally.

ACTIVITIES OF THE RECEIVER

73. The Receiver's activities since the date of the Receivership Order have included:
 - a) opening new bank accounts under the Receiver's name and taking possession and control over the Treasury Assets;
 - b) sending to all known creditors the *Notice and Statement of Receiver* required under section 245(1) and 246(1) of the BIA;
 - c) assisting Strellmax in communications with its employees, landlords and suppliers with a view to minimizing disruption to the Liquidation Sale and to facilitate the completion of the SNAL Transaction;

- d) communicating with certain landlords, the Company and its counsel in respect of the payment of post-filing rent and the timing of repudiation notices sent in respect of the Closing Store leases;
- e) responding to inquiries from stakeholders, including addressing the questions or concerns of parties who contacted the Receiver by telephone and/or by email;
- f) overseeing and monitoring the proceeds from the Liquidation Sale, collections of Strellmax accounts receivable and other amounts;
- g) corresponding with the Secured Creditor and its counsel regarding the status of the receivership proceedings, the Liquidation Sale and the SNAL Transaction;
- h) reviewing and responding to demands for payment received from suppliers, vendors, and service providers;
- i) determining the amounts owed to the Employees as at the date of the Receivership Order and liaising with Service Canada on the administration of WEPPA;
- j) completing, with the assistance of the Company, the SNAL Transaction, including overseeing the inventory count by an independent third party and reviewing the calculation of the final purchase price at the Closing Date;
- k) filing a Receiver's Certificate with the Court attesting that the SNAL Transaction had been completed to the satisfaction of the Receiver and confirming the closing of the SNAL Transaction;
- l) expanding its role and exercising certain Permissive Powers to complete, among other things, the FF&E Sales and the Samples Transaction (and filing a Receiver's Certificate with the Court certifying same);
- m) working with the Company and the Buyer on the reconciliation of the Buyer's sales and reimbursable costs owing to Strellmax, pursuant to the SSA Amendments;
- n) corresponding with Mark Altow, the Employees and the Buyer's employees (pursuant to the Support Services Agreement) regarding Strellmax operations and the administration of these receivership proceedings;
- o) discussions and correspondence with the Receiver's legal counsel and Strellson's counsel, Gowling WLG, on a number of matters relating to these receivership proceedings, including but not limited to the SNAL Transaction, the Support Services Agreement and SSA Amendments and the administration of WEPPA;

- p) discussions and correspondence with the Receiver's legal counsel, the Company, Strellson, Strellson's counsel, Accord and Accord's counsel regarding the Controlled Funds and motions in respect of same;
- q) corresponding with the Company and the Company's tax preparer, Ernst & Young LLP, regarding the preparation of the fiscal year-end 2016 Strellmax corporate income tax return;
- r) attending before this Court in respect of the Receivership Order and the Approval and Vesting Order, the Samples AVO and the Controlled Funds Order;
- s) preparing the First Report, this Second Report and materials in support of the Controlled Funds Order and the Priority and Distribution Motion; and
- t) other matters pertaining to the administration of Strellmax's receivership proceedings.

X. RECEIVER'S STATEMENTS OF RECEIPTS AND DISBURSEMENTS

- 74. In accordance with the terms of the Receivership Order, the Receiver took possession and control of the Treasury Assets during the course of the receivership proceedings, including but not limited to: (i) the net proceeds from the Liquidation Sale; (ii) the cash purchase price from the SNAL Transaction; and (iii) proceeds from the Company's collection of outstanding accounts receivable from sales made by Strellmax both prior to, and following, the date of the Receivership Order.
- 75. The Receiver's CAD statement of receipts and disbursements for the period from the date of the Receivership Order to January 31, 2018 (the "CAD R&D") is summarized as follows:

Strellmax Ltd.		
Statement of Receipts and Disbursements (Canadian Dollars)		
For the period July 7, 2017 to January 31, 2018		
Receipts		Notes
Net proceeds from Strellmax	\$ 1,859,672.73	a
SNAL Transaction - cash purchase price	186,781.60	b
Cash in bank at the date of the Receivership Order	54,975.16	
Interest earned	8,330.54	
Miscellaneous refunds	188.14	
FF&E Sales	-	c
Samples Transaction	-	c
Total Receipts	2,109,948.17	
Disbursements		
Funding the Business	259,322.48	a
Professional fees - Receiver	143,541.18	d
Professional fees - Receiver's counsel	75,275.94	d
HST paid on disbursements	28,446.23	
Receivership filing fees	70.00	
Bank charges	67.16	
Total Disbursements	506,722.99	
Excess of Receipts over Disbursements/ Cash on Hand	\$ 1,603,225.18	

Notes:

- a) net proceeds from Strellmax in the amount of approximately \$1.9 million include the net proceeds from the Liquidation Sale and collections of the Company's accounts receivable (including the Controlled Funds). Of the net proceeds collected, the Receiver provided funding to Strellmax in the amount of approximately \$260,000 to operate the Business, as authorized and directed pursuant to the Receivership Order. The Company's cash flow statement (the "**Company Cash Flow**", a copy of which is attached hereto as **Appendix "I"**) presents, in CAD, the receipts and disbursements of the Business for the period from the date of the Receivership Order to January 31, 2018;
- b) the proceeds from the SNAL Transaction shown in the table above reflect the cash portion of the purchase price paid by Strellson in the amount of approximately \$187,000. The total purchase price of the SNAL Transaction amounted to approximately \$970,000, including the portion satisfied by a credit bid of a portion of Strellson's secured debt;
- c) the purchase prices for the FF&E Sales and the Samples Transaction were also satisfied by credit bids of a portion of Strellson's secured debt, in the amounts of approximately \$87,000 and \$38,000, respectively; and

- d) in addition to the professional fees paid to the Receiver and the Receiver's counsel reflected in the table above, Strellmax paid certain fees and disbursements of the Receiver and the Receiver's counsel directly, which payments are reflected in the Company Cash Flow.
76. As detailed in the above table, the Receiver had total CAD receipts of approximately \$2.1 million between the date of the Receivership Order and January 31, 2018, the majority of which related to net proceeds from Strellmax's Business. Total disbursements over the same period were approximately \$510,000, and as at January 31, 2018, cash on hand was approximately \$1.6 million.
77. The Receiver's United States dollar ("**USD**") statement of receipts and disbursements for the period from the date of the Receivership Order to January 31, 2018 (the "**USD R&D**", and together with the CAD R&D, the "**Interim R&D**") is summarized as follows:

Strellmax Ltd.	
Statement of Receipts and Disbursements (U.S. Dollars)	
For the period July 7, 2017 to January 31, 2018	
Receipts	
Net Proceeds from Strellmax	\$ 125,472.75
Interest earned	326.13
Total Receipts	125,798.88
Disbursements	
Bank charges	15.94
Total Disbursements	15.94
Excess of Receipts over Disbursements/Cash on Hand	\$ 125,782.94

78. As detailed in the above table, the Receiver had total USD receipts of approximately \$126,000 between the date of the Receivership Order and January 31, 2018, the majority of which related to net proceeds from Strellmax's Business, predominantly accounts receivable collections denominated in USD. Total disbursements over the same period were approximately \$16, and as at January 31, 2018, cash on hand was approximately \$126,000.
79. The Receiver estimates there remains approximately \$40,000 in Accrued Obligations relating to professional fees and disbursements, and Strellmax operating costs, incurred up to the date of this Second Report as part of these receivership proceedings. In addition, the Receiver may file a supplemental report (the "**Supplemental Report**") with the Court prior to the date of the Priority and Distribution Motion, to provide the Court with an estimate of the Remaining Costs, including remaining professional fees and disbursements of the Receiver and its counsel (the "**Remaining Fees and Disbursements**").

80. Subject to filing the Supplemental Report with the Court, the Receiver seeks authority to pay the Remaining Fees and Disbursements from cash on hand without further order of this Court.

XI. PROPOSED INTERIM DISTRIBUTION

81. As detailed in the Reports and summarized earlier in this Second Report, the security granted by the Company in favour of TD and assigned to Strellson pursuant to the Assignment Agreement, is valid and enforceable according to the independent, written legal opinion obtained by the Receiver in respect of same.

82. The table below sets out the Receiver's Proposed Interim Distribution of the net proceeds from realization to Strellson and/or Accord, in order of priority as determined by this Court:

Strellmax Ltd.	
Funds Available for Interim Distribution	
As at January 31, 2018	
Cash on Hand (in CAD) ⁽¹⁾	\$ 1,757,850.15
Less: Reserves	
81.4 Claims	(21,000.00)
Accrued Obligations	(40,000.00)
Remaining Fees and Disbursements	n/a
Other Remaining Costs	n/a
Contingency	(196,850.15)
Total Reserves	(257,850.15)
Proposed Interim Distribution (in CAD)	\$ 1,500,000.00
Note:	
¹ USD-denominated cash on hand has been converted to CAD at the Bank of Canada January 31, 2018 daily rate (1.2293) for presentation purposes.	

83. As at the date of this Second Report, the Receiver seeks this Court's authority to make the Proposed Interim Distribution in the amount of \$1,500,000. Funds reserved by the Receiver are anticipated to be sufficient to fund the estimated remaining operational/administrative costs and professional fees to complete the receivership, and any remaining priority claims of which the Receiver is aware and any further tax remittances required by Strellmax or the Receiver.

84. As the Priority and Distribution Motion is to be heard only on March 15, 2018, the Receiver intends to provide an updated figure for the Proposed Interim Distribution in the Supplemental Report, when additional information on the Remaining Costs anticipated in these receivership proceedings is available.

85. The Receiver notes that additional funds are expected to be received in the remaining administration, including income tax and import duties refunds, although the Receiver is unable to estimate the timing and likelihood of these recoveries at this time.

86. The Receiver respectfully requests that the Court authorize the Proposed Interim Distribution according to the Court's determination of the relative priorities, and amounts (if necessary), of the secured claims of Strellson and Accord and such subsequent distributions to Strellson (or as otherwise directed by the Court) as the Receiver determines appropriate and retaining sufficient reserves to address costs to complete the administration of, and any potential priority claims prior to the termination of, these receivership proceedings.

XII. REMAINING MATTERS TO BE COMPLETED IN THESE PROCEEDINGS

87. If this Court grants the Orders requested herein, the Receiver will have completed its duties, statutory or otherwise, except for the following (the "**Remaining Matters**"):

- a) responding, as necessary, to any requests of the Receiver for information, or further motions of interested parties related to Accord or the Controlled Funds, including as outlined in the Controlled Funds Order;
- b) collecting the Controlled Funds in Accord's possession from collection of the Company's remaining accounts receivable;
- c) paying the Outstanding Disbursements;
- d) providing sufficient funding to the Company to wind-down its operations, pursuant to the terms of the Receivership Order;
- e) pursuing the potential recovery of any unclaimed HST and/or import duties paid during these proceedings;
- f) pursuing the potential recovery of any uncollected pre-filing insurance claims made;
- g) ensuring the completion and filing of the Company's fiscal year-end 2016 and 2017 corporate income tax returns with CRA and pursuing the potential recovery of income tax refunds expected by the Company;
- h) realizing on any remaining net realizable physical assets of Strellmax, should the Receiver deem it appropriate to do so, depending on the estimated costs of realization. The Company's limited remaining physical assets consist primarily of office equipment not subject to the FF&E Sales or the SNAL Transaction, which the Receiver estimates will have nominal net realizable value;
- i) arranging for the redirection of Strellmax's mail from the Buyer's head office (being the former Premises) to the Receiver's offices, if necessary, prior to the termination of the Support Services Agreement;

- j) closing the Company's bank accounts with TD and taking possession and control of any remaining Treasury Assets;
 - k) making a final distribution(s) to the Secured Creditor in respect of its secured claim, or as the Court may otherwise direct. As discussed earlier in this Second Report, based on the estimated realizations for the Property, Strellson is anticipated to suffer as significant shortfall on its secured claim; and
 - l) attending to other administrative matters incidental to these proceedings such as filing the Receiver's reports pursuant to sections 246(2) and 246(3) of the BIA.
88. Upon the completion of the Remaining Matters, the Receiver will have realized on the Property and completed its statutory duties as well as those duties set out in the Receivership Order or subsequent Orders of this Court. Accordingly, the Receiver is of the view that it is appropriate to seek an Order of the Court discharging the Receiver upon the filing of the Discharge Certificate with this Court certifying that all of the Remaining Matters have been completed.

XIII. REQUEST FOR APPROVAL OF FEES

89. The Receiver and its counsel have maintained detailed records of their professional time and disbursements since the date of the Receivership Order.
90. The Receiver's professional fees incurred for services rendered from July 3, 2017 to January 31, 2018 amount to \$335,030.40, plus disbursements in the amount of \$546.73 (all excluding HST). The Receiver's professional fees and disbursements have not yet been approved by the Court. The Receiver intends to provide an updated account of the time spent by the Receiver's professionals in the Supplemental Report, which will be supported by affidavit at that time.
91. The fees of the Receiver's prior counsel, WeirFoulds, for services rendered from June 22, 2017 to December 31, 2017 amount to \$161,882.50, plus disbursements in the amount of \$2,032.39 (all excluding HST). The fees and disbursements of the Receiver's counsel have not yet been approved by the Court. An updated account of the time spent by the Receiver's current legal counsel, DLA, is intended to be included in the Supplemental Report, and supported by affidavit at that time.
92. The Receiver has reviewed WeirFoulds' accounts and has determined that the services have been duly authorized and duly rendered and that the charges are reasonable given the circumstances.
93. In addition to the fees incurred by the Receiver and its counsel to be updated in the Supplemental Report, and on the assumption that there are no delays, disputes or unforeseen developments in connection with

these proceedings, including the within motion and the performance of the Remaining Matters, the Receiver will provide an estimate of Remaining Fees and Disbursements for the Receiver and its counsel (all amounts excluding HST). These amounts shall represent the Receiver's best estimate of the reasonable professional and legal fees required to complete the administration of these proceedings up to the effective date of discharge.

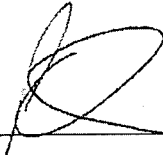
XIV. RECOMMENDATIONS

94. The Receiver recommends that this Court grant Orders:

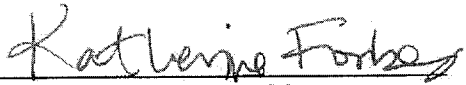
- a) approving the Second Report and the actions, activities and conduct of the Receiver set out herein;
- b) approving the Interim R&D;
- c) terminating the D&O Charge;
- d) determining the relative priorities of the secured claims of the Secured Creditor and Accord, respectively, against the Property and the quantum of each of the foregoing secured claims, if necessary;
- e) authorizing and directing the Receiver to make the Proposed Interim Distribution to Strellson, in its capacity as Secured Creditor (or as Strellson may direct), and/or Accord, based upon the Court's determination of the relative priorities of their secured claims against the Property, and in partial satisfaction of Strellson's secured claim against the Property;
- f) authorizing and directing the Receiver to make subsequent distributions, as the Receiver may determine are available, to Strellson up to the amount of Strellson's secured claim against the Property (or as the Court may otherwise direct), without further order of the Court;
- g) discharging Richter as Receiver upon completion of the Remaining Matters, including terminating the Receiver's Charge, and subject to the Receiver filing the Discharge Certificate confirming the same with the Court; and
- h) ordering and declaring that, effective upon its discharge as Receiver, Richter has duly and properly discharged its duties, responsibilities and obligations as the Receiver of Strellmax and discharging and releasing the Receiver from any and all further obligations as Receiver of Strellmax and any and all liability relating in any way to the acts or omissions of Richter while acting as Receiver, save and except for the Receiver's gross negligence or willful misconduct.

All of which is respectfully submitted on the 7th day of February, 2018.

Richter Advisory Group Inc.
as the Receiver of
Strellmax Limited
and not in its personal capacity



Paul van Eyk, CA·CIRP, CA·IFA
Senior Vice-President



Katherine Forbes, CPA, CA
Vice-President

APPENDIX “A”

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE

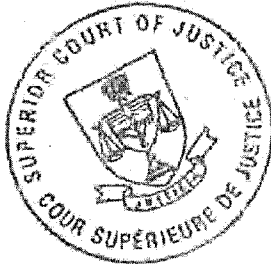
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FRIDAY, THE 7th DAY

JUSTICE CONWAY

)

OF JULY, 2017



STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER 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 Strellson AG (the "Applicant") for: (i) 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 Richter Advisory Group Inc. ("Richter") as receiver (the "Receiver") without security, of the assets, undertakings and properties of Strellmax Ltd. (the "Debtor") comprising, acquired for, or used in relation to, the business carried on by the Debtor; and (ii.) an Order approving a sale transaction in respect of certain assets (the "Purchased Assets") of the Debtor contemplated by an asset purchase agreement (the "APA"), to be entered into between the Company, the Applicant, Strellson Canada Ltd. (the "Buyer") and the Receiver, in the form appended to the Pre-Appointment Report of the Receiver dated July 5, 2017 (the "Pre-Appointment Report"), and vesting in the Buyer the Company's right, title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Marcel Braun sworn June 30, 2017, and the Exhibits thereto, and the Pre-Appointment Report and the Appendices thereto, and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, counsel for the Debtor, counsel for Accord

Financial Ltd. and those other parties listed on the counsel slip, no one appearing for any other person although duly served as appears from the affidavit of service of Thomas Gertner sworn July 4, 2017, filed, and on reading the consent of Richter to act as the Receiver and on being advised that Accord takes no position on the Order sought,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record and the Pre-Appointment Report is hereby abridged and 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, Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor comprising, acquired for or used in relation to the business (the "**Business**") carried on by the Debtor, including all proceeds thereof (the "**Property**").

3. **THIS COURT ORDERS** that subject to further Order of this Court, and subject to paragraph 7 hereof, the Debtor shall remain in possession and control of the Property and shall remain in day to day operation and control of the Business, subject at all times to the provisions of the Sale Guidelines, and the Receiver shall not be or be deemed to be in possession and control of the Property save and except as specifically provided for herein or pursuant to steps actually taken by the Receiver with respect to the Property under the permissive powers granted to the Receiver pursuant to paragraph 11 of this Order (the "**Permissive Powers**").

4. **THIS COURT ORDERS** that the Debtor shall be entitled to continue to utilize its central cash management system currently in place with Toronto-Dominion Bank ("**TD**") or, with the prior written consent of the Receiver, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that TD or any future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtor or Receiver of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, and shall be entitled to provide the Cash Management System without any liability in respect thereof to any person other than the Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash

Management System, an unstayed and unaffected creditor with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

LIQUIDATION SALE

5. **THIS COURT ORDERS** that the Sale Guidelines attached hereto as Schedule "A" (the "Sale Guidelines") and the transactions contemplated therein and thereunder are hereby approved, authorized and ratified.

6. **THIS COURT ORDERS** that the Debtor is authorized to, market and sell its assets not subject to the APA through a liquidation sale ("Sale") conducted by the Debtor under the supervision of the Receiver at the Closing Stores (as that term is defined in the Sale Guidelines), in accordance with the Sale Guidelines, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence on or prior to the date this Order or came into existence following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively, "Claims"), including, without limitation, the Administration Charge and the Director's Charge (each as defined below), and any other charges hereafter granted by this Court in these proceedings, and all Claims, charges, security interests or liens evidenced by registration pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA") or any other personal or removable property registration system (all such Claims, charges, security interests and liens collectively referred to herein as "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the assets sold in accordance with this paragraph 6 are hereby expunged and discharged as against such assets.

RECEIVER'S POWERS

Mandatory Powers

7. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to act at once in respect of and take possession and control of all of the Debtor's funds, cash, cash equivalents, investment items, treasury items, bank accounts, accounts with other financial institutions, including without limitation all proceeds in respect of the Sale and the APA (collectively "Treasury Assets").

8. **THIS COURT ORDERS** that the Receiver is authorized and directed to remit to the Debtor sufficient funding from the Treasury Assets to operate the Business. Without limiting the foregoing, the

Receiver is authorized and hereby directed to remit sufficient funds to the Debtor to enable the Debtor to pay the rent in full for the month of July, 2017 under each of the debtor's stores, head office, distribution centres and other real property leases (the "Leases"), to the extent such amounts have not already been remitted by the Debtor. Commencing on August 1, 2017, rent under all Leases (save and except any component of rent comprising percentage rent which shall be calculated and paid in accordance with the terms of the Lease) shall be paid by the Debtor twice monthly in advance in equal payments, up to and including the effective date of any notice of repudiation delivered by the Debtor to the relevant landlord, and the Receiver be and is hereby authorized and directed to remit to the Debtor sufficient funding from Treasury Assets to enable the Debtor to make such in advance rent payments in accordance herewith.

9. **THIS COURT ORDERS** that notwithstanding any term of this Order, but subject to the rights of the Receiver to repudiate, and any trustee in bankruptcy that may be appointed in respect of the Debtor, to disclaim, retain, or assign Leases:

- (a) any charges created by this Order over the Leases shall only be a charge in the Debtor's interest in such Leases;
- (b) except as expressly permitted by the terms of the Leases, none of the Leases shall be amended or varied or deemed to be amended or varied, in any way without obtaining the prior written consent of the applicable landlord or without further Order of this Court;
- (c) the Debtor shall provide the relevant landlord(s) with at least fifteen (15) days' prior notice of the intention to repudiate a Lease (the "**Repudiation Notice Period**");
- (d) if a notice of repudiation is delivered by the Debtor in respect of a Lease, then (a) during the Repudiation Notice Period, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor 24 hours prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtor in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation, if any, to mitigate any damages claimed in connection therewith.

10. **THIS COURT ORDERS** that the Debtor shall provide each of the relevant landlords with notice of the Debtor's intention to remove any fixtures from any leased premises at least six 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 Debtor'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 such landlord, the Debtor 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. If the Debtor repudiates the Lease governing such leased premises it shall not be required to pay rent under such lease pending resolution of any such dispute (other than rent payable for the Repudiation Notice Period), and the repudiation of the Lease shall be without prejudice to the Debtor's or Receiver's claim to the fixtures in dispute.

Permissive Powers

11. **THIS COURT ORDERS** that subject at all times to paragraph 7 above relating to Treasury Assets, 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, but not obligated, 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 of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises, or other assets to continue the business of the Debtor or any parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to sell, convey, transfer, lease or assign any Property or any part or parts thereof out of the ordinary course of business, without the approval of this Court in respect of any transaction not exceeding \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$200,000; and with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amounts set out above, and in each such case notice under subsection 63(4) of the PPSA, shall not be required.
- (k) 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;
- (l) 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;

- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property; and
- (n) 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, including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

12. **THIS COURT ORDERS** that: (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control and 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.

13. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 13 or in paragraph 14 of this Order shall require the delivery of the Records, or the granting of access to the 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.

14. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage ("**Computer Operating System**"), 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.

15. **THIS COURT ORDERS** that until the Receiver is discharged or upon further Order of the Court (i) the Receiver and the Debtor shall maintain all Records and Computer Operating Systems, or copies of such Records or Computer Operating Systems to the extent such Records or Computer Operating Systems are within their possession; and (ii) neither the Receiver nor the Debtor, nor anyone else with notice of this Order shall destroy, delete, or otherwise modify any Records within their possession.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

17. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

NO PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtor with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtor whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, without first obtaining leave of the Court on not less than seven days' notice to the Service List in these proceedings.

RECEIVER TO HOLD FUNDS

22. **THIS COURT ORDERS** that all Treasury Assets received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the Sale, the APA or 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 (i) one or more of the Receiver's new accounts to be opened by the Receiver (the "**Post Receivership Accounts**"); or (ii) one of the Debtor's existing accounts with TD which accounts shall be swept on a daily basis, or as soon as practicable, and the proceeds deposited into 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

23. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Debtor may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including, any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

D&O CHARGE

24. **THIS COURT ORDERS** that the Debtor shall indemnify its directors and officers (the "D&O") against obligations and liabilities that they may incur as D&O of the Debtor after the commencement of the within proceedings, except to the extent that, with respect to any D&O, the obligation or liability was incurred as a result of the D&O's gross negligence or wilful misconduct.

25. **THIS COURT ORDERS** that the D&O shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Property, which charge shall not exceed an aggregate amount of \$150,000.00, as security for the indemnity provided in paragraph 24 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.

26. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the D&O shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any D&O insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

PIPEDA

27. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Debtor and Receiver shall be authorized 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 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 a sale, and if it does not complete a sale, shall return all such information to the Debtor or

Receiver, as the case may be, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

28. **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

29. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment, the carrying out of the provisions of this Order, or arising from the Debtor's operation of the Business, including any liability or obligation in respect of taxes, withholdings, interest, penalties or other like claims, save and except for any gross negligence or wilful misconduct on its part, and it shall have no obligations under sections 81.4(5) or 81.6(3) of the BIA. Nothing in this Order shall derogate from the protections afforded to the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

30. **THIS COURT ORDERS** that the Receiver, counsel to the Receiver, and counsel to the Debtor 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, counsel to the Receiver and counsel to the Debtor shall be entitled to and are hereby granted a charge (the

"Administration Charge") on the Property, which charge shall not exceed the amount of \$400,000.00 in the aggregate unless further ordered by the Court, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 34 through 37. For clarity, counsel to the Debtor's access to the Administration Charge is solely for fees incurred and accrued on and after the date of this Order.

31. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

32. **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 counsel to the Debtor, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

33. **THIS COURT ORDERS** that the Receiver, in consultation with the Applicant shall be at liberty and it is hereby empowered to utilize the funds in the Post Receivership Accounts from time to time for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, and funding the Debtor's operations.

VALIDITY AND PRIORITY OF CHARGES

34. **THIS COURT ORDERS** that the priorities of the Administration Charge and the D&O Charge, as between them, shall be as follows:

First — the Administration Charge up to \$400,000.00

Second — the D&O Charge up to \$150,000.00

35. **THIS COURT ORDERS** that the filing, registration, or perfection of the Administration Charge and the D&O Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property in priority to any security interests of the Applicant as well as all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, which are properly perfected security interests as of the date of this Order in favour of any other Person except for security maintained by TD against the Debtor in certain cash collateral in the maximum amount of \$71,500, but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

37. **THIS COURT ORDERS** that any Charge created by this Order over Leases of real property in Canada shall only be a Charge in the Debtor's interest in such Lease.

SERVICE AND NOTICE

38. **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 (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scypractice/practice-directions/toronto/e-service-protocol/>) 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 URL <http://www.richter.ca/Folder/Insolvency-Cases/S/Strellmax-Ltd>

39. **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 intended recipient at their respective addresses as last shown on the records of the Debtor 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

40. **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 and is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

41. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

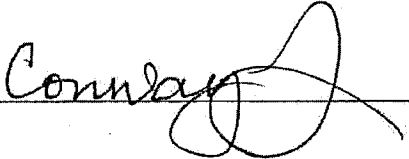
42. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, Or the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is 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.

43. **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 Debtor's estate with such priority and at such time as this Court may determine.

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

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 07 2017



PER / PAR:



Schedule "A"
Sale Guidelines

The following procedures shall apply to the sale ("Sale") to be conducted at the Closing Stores (as defined below) of Strellmax Ltd. (the "Debtor").

1. Except as otherwise expressly set out herein, and subject to: (i) the Appointment Order or any further Order of the Court; (ii) any subsequent written agreement between the Debtor or Richter Advisory Services Inc., solely in its capacity as court-appointed Receiver of the Debtor (the "Receiver") and the applicable landlord(s) (individually, a "Landlord" and, collectively, the "Landlords"); or (iii) as otherwise set forth herein, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements (individually, a "Lease" and, collectively, the "Leases") for the following stores:

- (a) 170 Bloor Street West, Toronto, Ontario;
- (b) 3401 Dufferin Street, Toronto, Ontario;
- (c) 2901 Bayview Avenue, Toronto, Ontario;
- (d) 50 Rideau Street, Unit E304, Ottawa, Ontario; and
- (e) 1108 Alberni Street, Vancouver, British Columbia.

(collectively the "Closing Stores", each a "Closing Store")

2. However, nothing contained herein shall be construed to create or impose upon the Debtor or the Receiver any additional restrictions not contained in the applicable Lease or other occupancy agreement.

3. The Sale shall be conducted so that each of the Closing Stores remain open during their normal hours of operation provided for in the respective Leases for the Closing Stores. The Sale at the Closing Stores shall end by no later than October 31, 2017. Any Rent payable under the respective Leases shall be paid as provided in the Appointment Order.

4. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise ordered by the Court.

5. All display and hanging signs used by the Debtor in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. The Debtor may advertise the Sale at the Closing Stores as a "store closing", "everything on sale", "everything must go", or similar theme sale at the Closing Stores (provided however that no signs shall advertise the Sale as a "bankruptcy", a "going out of business" sale or a "liquidation" sale it being understood that the French equivalent of "clearance" is "liquidation" and is permitted to be used). Forthwith upon request from a Landlord, the Landlord's counsel or the Receiver, the Debtor shall provide the proposed signage packages along with the proposed dimensions and number of signs by e-mail or

facsimile to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Debtor of any requirement for such signage to otherwise comply with the terms of the Lease and/or these Sale Guidelines and where the provisions of the Lease conflicts with these Sale Guidelines, these Sale Guidelines shall govern. The Debtor shall not use neon or day-glow or handwritten signage (unless otherwise contained in the sign package, including "you pay" or "topper" signs). In addition, the Debtor shall be permitted to utilize exterior banners/signs at stand alone or strip mall Closing Stores or enclosed mall Closing Stores with a separate entrance from the exterior of the enclosed mall; provided, however, that where such banners are not permitted by the applicable Lease or the Landlord requests in writing that the banner are not to be used, no banner shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Landlord. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Closing Store and shall not be wider than the premises occupied by the affected Closing Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Closing Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Debtor. If a Landlord is concerned with "store closing" signs being placed in the front window of a Closing Store or with the number or size of the signs in the front window, the Debtor and the Landlord will discuss the Landlord's concerns and work to resolve the dispute.

6. The Debtor shall be permitted to utilize sign walkers and street signage, provided, however, such sign walkers and street signage shall not be located on any applicable shopping centre or mall premises.
7. Conspicuous signs shall be posted in the cash register areas of each Closing Store to the effect that all sales are "final".
8. The Debtor shall not distribute handbills, leaflets or other written materials to customers outside of any of the Closing Stores on any Landlord's property, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Closing Store is located. Otherwise, the Debtor may solicit customers in the Closing Stores themselves. The Debtor shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease, or agreed to by the Landlord.
9. At the conclusion of the Sale in each Closing Store, the Debtor shall arrange that the premises for each Closing Store are in "broom swept" and clean condition, and shall arrange that the Closing Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Closing Store shall be removed or sold during the Sale. No permanent fixtures (other than the FF&E (as defined below)) may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease. Any fixtures or personal property left in a Closing Store after its lease has been repudiated by the Receiver and vacated by the Debtor shall be deemed abandoned, with the applicable Landlord having the right to dispose of the

same as the Landlord chooses, without any liability whatsoever on the part of the Landlord.

10. Subject to the terms of paragraph 9 above, the Debtor may sell furniture, trade fixtures and equipment owned by the Debtor ("**Owned FF&E**"), located in the Closing Stores during the Sale. The Debtor may advertise the sale of Owned FF&E consistent with these guidelines on the understanding that any Landlord may require that such signs be placed in discreet locations within the Closing Stores acceptable to the Landlord, acting reasonably. Additionally, the purchasers of any Owned FF&E sold during the Sale shall only be permitted to remove the Owned FF&E either through the back shipping areas designated by the Landlord or through other areas after regular store business hours or through the front door of the Closing Store during business hours if the Owned FF&E can fit in a shopping bag, with Landlord's supervision as required by the Landlord. The Debtor shall repair any damage to the Closing Stores resulting from the removal of any and all furniture, trade fixtures and equipment, including the Owned FF&E (collectively "**FF&E**") by the Debtor or by third party purchasers of Owned FF&E from the Debtor.
11. The Debtor shall not make any alterations to interior or exterior Closing Store lighting, except as authorized pursuant to the applicable Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these guidelines, shall not constitute an alteration to a Closing Store.
12. The Debtor hereby provides notice to the Landlords of the Debtor's intention to sell and remove FF&E from the Closing Stores. The Debtor will arrange with each Landlord represented by counsel on the service list or directed by the Landlord and with any other Landlord that so requests, a walk through with the Debtor to identify the FF&E subject to the sale. The relevant Landlord shall be entitled to have a representative present in the Closing Store to observe such removal. If the Landlord disputes the Debtor's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed to between the Receiver, the Debtor and such Landlord, or by further Order of the Court upon a motion by the Receiver on at least two (2) days' notice to such Landlord. If the Debtor or the Receiver has repudiated the Lease governing such Closing Store in accordance with the Appointment Order, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the Appointment Order), and the repudiation of the Lease shall be without prejudice to the Receiver's or the Debtor's claim to the FF&E in dispute.
13. If a notice of repudiation is delivered pursuant to the Appointment Order to a Landlord while the Sale is ongoing and the Closing Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor and the Receiver 24 hours' prior written notice; and (b) at the effective time of the repudiation, the relevant Landlord shall be entitled to take possession of any such Closing Store without waiver of or prejudice to any claims or rights such landlord may have against the Debtor in respect of such Lease or Closing

Store, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.

14. The Debtor and, where appropriate, the Receiver, shall not conduct any auctions of merchandise or FF&E at any of the Closing Stores.
15. If a Landlord and the Debtor are unable to resolve any dispute that may arise in connection with these Sale Guidelines or the Sale more generally, between themselves, the Landlord or the Receiver shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties, during which time the Debtor shall cease all activity in dispute other than activity expressly permitted herein, pending the determination of the matter by the Court; provided, however, that if a banner has been hung in accordance with these Sale Guidelines and is thereafter the subject of a dispute, the Debtor shall not be required to take any such banner down pending determination of the dispute.
16. Nothing herein is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or to grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
17. These Sale Guidelines may be amended by written agreement between the Debtor, the Receiver, and any applicable Landlord (provided that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving the amended Sale Guidelines).

Court File No. CV-17-11864-00CL

B E T W E E N:

STRELLSON AG
Applicant

- and -

STRELLMAX LTD.
Respondent

APPLICATION UNDER 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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)

ORDER
(Appointing Receiver)

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

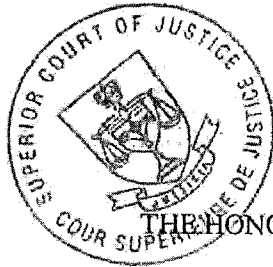
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LAWYERS FOR THE APPLICANT, STRELLSON AG

APPENDIX “B”



THE HONOURABLE
JUSTICE CONWAY

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

)

FRIDAY, THE 7th DAY

)

OF JULY, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER 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

APPROVAL AND VESTING ORDER

THIS APPLICATION made by Strellson AG (the "**Applicant**") for: (i) 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 appointing Richter Advisory Group Inc. as receiver (the "**Receiver**") without security, of the assets, undertakings and properties of Strellmax Ltd. (the "**Debtor**") comprising, acquired for, or used in relation to, the business carried on by the Debtor; and (ii.) an Order approving a sale transaction (the "**Transaction**") in respect of certain assets (the "**Purchased Assets**") of the Debtor contemplated by an asset purchase agreement (the "**APA**"), to be entered into between the Company, the Applicant (in such capacity, the "**Purchaser**"), Strellson Canada Ltd. (the "**Buyer**") and the Receiver, in the form appended to the Pre-Appointment Report of the Receiver dated July 5, 2017 (the "**Pre-Appointment Report**"), and vesting in the Buyer the Debtor's right, title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

1. **ON READING** the affidavit of Marcel Braun sworn June 30, 2017, and the Exhibits thereto (collectively, the "**Braun Affidavit**"), and the Pre-Appointment Report and the Appendices thereto, and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, counsel for

the Debtor, and those other parties listed on the counsel slip, no one appearing for any other person although duly served as appears from the affidavit of service of Thomas Gertner sworn July 4, 2017, filed,

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Buyer.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the APA shall vest absolutely in the Buyer, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Conway dated July 7, 2017 (the "**Appointment Order Charges**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system. Notwithstanding the foregoing, save and except with respect to the Appointment Order Charges, this Paragraph 3 of this Order shall not apply to any Claims that are determined by the Court to be in priority to the Purchaser's claim in these proceedings or in any subsequent bankruptcy proceedings in respect of the Debtor.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Buyer all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Buyer shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Debtor and any bankruptcy order issued pursuant to any such applications;
and
- (c) any assignment in bankruptcy made in respect of the Debtor;

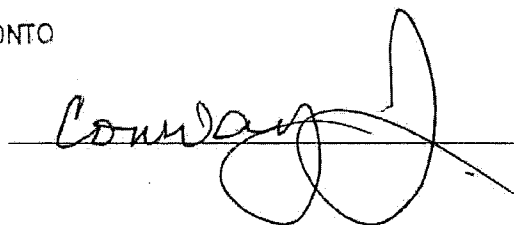
the vesting of the Purchased Assets in the Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 07 2017

PER / PAR:



Schedule A – Form of Receiver’s Certificate

Court File No. CV-17-11864-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 7th DAY
JUSTICE CONWAY) OF JULY, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER 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

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice [Commercial List] (the "Court") dated July 7, 2017, Richter Advisory Group Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Strellmax Ltd. (the "Debtor").

B. Pursuant to an Order of the Court dated July 7, 2017, the Court approved an asset purchase agreement made as of July 7, 2017 (the "APA") between the Debtor, the Receiver, Strellson AG (the "Purchaser") and Strellson Canada Ltd. (the "Buyer") and provided for the vesting in the Buyer of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the satisfaction by the Purchaser of the Purchase Price; (ii) that the conditions to Closing as set out in section 4.01 of the APA have been satisfied or waived by the Buyer, the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

THE RECEIVER CERTIFIES the following:

1. The Receiver confirms that the Purchaser has satisfied the Purchase Price for the Purchased Assets due on the Closing Date pursuant to the APA by effecting the Credit Bid and by assuming the Assumed Obligations.
2. The conditions to Closing as set out in section 4.01 of the APA have been satisfied or waived by the Buyer, the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity as
Receiver of the assets, undertakings and
properties of Strellmax Ltd., and not in its
personal capacity**

Per: _____

Name:

Title:

Court File No. CV-17-11864-00CL

B E T W E E N:

STRELLSON AG
Applicant

- and -

STRELLMAX LTD.
Respondents

APPLICATION UNDER 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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)

APPROVAL AND VESTING ORDER

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LAWYERS FOR THE APPLICANT, STRELLSON AG

APPENDIX “C”

Court File No. CV-17-11864-00CL

STRELLMAX LTD.

REPORT OF THE PROPOSED RECEIVER

JULY 5, 2017

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

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43**

**REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS PROPOSED RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES
OF STRELLMAX LTD.**

JULY 5, 2017

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I. INTRODUCTION

1. An application returnable July 7, 2017 was filed with the Ontario Superior Court of Justice (Commercial List) (the "**Court**") by Strellson AG ("**Strellson**" and in its capacity as holder of the assigned TD Debt and Security (as hereinafter defined), the "**Creditor**") for an order (the "**Receivership Order**"), among other things: (a) appointing Richter Advisory Group Inc. ("**Richter**") 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 (in such capacity, the "**Receiver**"), without security, of all the assets, properties and undertakings (the "**Property**") of Strellmax Ltd. ("**Strellmax**" or the "**Company**"); and (b) approving the Liquidation Plan and the Sale Guidelines (each as hereinafter defined). The Creditor is also seeking an order (the "**Approval and Vesting Order**") approving a proposed sale of certain Property of the Company, which is not subject to the Liquidation Plan, on the terms of an agreement of purchase and sale (the "**APA**") between Strellson (in such capacity, the "**Purchaser**"), Strellson Canada Ltd. (the "**Buyer**"), Strellmax and the Receiver, and authorizing and directing the Receiver to execute the APA and to take the necessary steps to complete the transaction contemplated therein (the "**Proposed Transaction**").
2. Richter was previously retained by Strellson to assist in exploring strategic alternatives in which Strellson could provide support to Strellmax in light of the Company's liquidity situation, working directly with the Company on financial forecasting, as appropriate, and later consulting with Strellson regarding the Proposed Transaction.
3. Richter is a licensed insolvency trustee within the meaning of section 2 of the BIA and has consented to act as Receiver in these proceedings. We are writing this report in Richter's capacity as proposed receiver of the Property of Strellmax (in such capacity, the "**Proposed Receiver**").

II. PURPOSE OF REPORT

4. The purpose of this report (the "**Report**") is to:
 - a) Provide this Court with:
 - (i) certain background information concerning Strellmax, including the Company's financial performance, debt structure and financial position; and
 - (ii) information regarding the proposed Administration Charge and the D&O Charge (each as hereinafter defined).

- b) Summarize the terms of the APA, for the sale of certain Strellmax assets to be acquired by the Purchaser for the go-forward wholesale business of the Strellson brand, subject to the approval of this Court;
- c) Outline the key aspects of the Company's liquidation plan with respect to certain assets related to its retail business (the "Liquidation Plan");
- d) Summarize the mandate and powers that are being sought for the Receiver under the Receivership Order; and
- e) Recommend that, in the event this Court appoints Richter as Receiver, the Court issue the Receivership Order and the Approval and Vesting Order:
 - (i) Approving the Proposed Transaction, and authorizing and directing the Receiver to execute the APA and to take the necessary steps to complete the Proposed Transaction;
 - (ii) Approving the Liquidation Plan and the Sale Guidelines (as hereinafter defined); and
 - (iii) Approving the terms of the Administration Charge and the D&O Charge, and the proposed priority rankings of such charges.

III. QUALIFICATIONS

- 5. In preparing this Report, the Proposed Receiver has relied upon certain unaudited, draft, and/or internal financial information prepared by the Company's representatives, the Company's books and records, and discussions with the Company's representatives, its legal counsel and the Creditor (collectively, the "Information").
- 6. In accordance with industry practice, except as described in this Report:
 - a) Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
 - b) Richter has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.
- 7. Since future-oriented information is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, Richter expresses no assurance as to whether projections will be achieved. Richter

expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by Richter in preparing this report.

8. Unless otherwise noted, all monetary amounts contained in this Report are expressed in Canadian dollars.

IV. BACKGROUND

9. Reference is made to the Affidavit of Marcel Braun, sworn June 30, 2017 (the "**Braun Affidavit**") filed in support of the Creditor's application for the Receivership Order and the Approval and Vesting Order, contained in the Applicant's Application Record dated June 30, 2017. While this Report summarizes some of the information set out in the Braun Affidavit for context, readers are directed to the Braun Affidavit for a more detailed explanation of the grounds for the Creditor's application. Further background information about Strellmax, including the causes of its financial difficulties and insolvency, is provided in the Braun Affidavit.

COMPANY OVERVIEW

10. Strellmax operates as a wholesaler and retailer of 'Strellson' brand menswear in North America. The Company sells in Canada through its wholesale channel, predominantly to large retailers and independent menswear stores, and through its retail channel comprising five (5) standalone retail locations. Strellmax also operates a store-in-store concession (the "**Concession Location**") inside the Hudson's Bay Company (Yorkdale Mall location). The United States ("**US**") market is served through its Canadian wholesale channel to large US department store retailers.
11. The Company distributes under the 'Strellson' brand, pursuant to a licence agreement with Strellson, as licensor, dated June 26, 2012, as amended from time to time (the "**Licence Agreement**"), and pays royalty fees to Strellson in connection with the Licence Agreement. The Proposed Receiver understands that 'Strellson' brand goods are either purchased directly from Strellson (representing approximately 60% of total purchases) pursuant to a distribution agreement (the "**Distribution Agreement**") dated September 22, 1998, as amended and replaced from time to time, or purchased from overseas third party manufacturers.
12. As outlined in the Braun Affidavit, the Strellmax head office and distribution centre is located at 3725 Chesswood Drive, Toronto, Ontario, Canada (the "**Headquarters**"). As at June 30, 2017, Strellmax employed approximately 45 individuals across Canada, comprising 29 employees at its Concession Location and five (5) retail locations in Ontario and British Columbia ("**B.C.**"), and 16 employees at the Headquarters. The Company's workforce is not unionized and Strellmax does not maintain a pension plan.

13. Strellmax was incorporated under the *Business Corporations Act* (Ontario) in 1990. Strellmax is indirectly 100% owned by its President, Mark Altow ("Altow"), through related entities which Altow controls, including Adamray Investments Inc. ("Adamray").
14. As detailed below, the Company had outstanding unsecured indebtedness owing to Strellson for royalty fees and merchandise deliveries, in the aggregate amount of approximately \$3.6 million as at June 30, 2017.

CAUSES OF FINANCIAL DIFFICULTIES

15. The Proposed Receiver understands that, since 1997, Strellmax has operated a wholesale "Strellson" business and that it opened a flagship retail location in 2012 on Bloor Street in Toronto. From 2014 through 2016, the Company expanded its retail footprint, opening 4 additional standalone stores across Canada.
16. The Company's current standalone retail locations are as follows:
 - a) Bayview Village – Toronto, Ontario;
 - b) Bloor Street West – Toronto, Ontario;
 - c) Yorkdale Mall – Toronto, Ontario;
 - d) Rideau Centre – Ottawa, Ontario; and
 - e) 745 Thurlow – Vancouver, B.C.
17. The Proposed Receiver understands that, in order to assist in funding the capital expenditures required to support the Company's retail expansion, the Company relied upon its existing cash flows and the TD Facility along with a related party loan from Adamray, which provided a secured Shareholder Loan (as hereinafter defined) to Strellmax in the amount of \$1,150,000.
18. As outlined in the Braun Affidavit, the Company has been operating with limited liquidity on the TD Facility for several months, and Strellson has provided numerous accommodations to Strellmax by allowing the trade payables owing to it for merchandise deliveries and royalties earned to go into significant arrears (in the amount of approximately \$1.4 million of the \$3.6 million total outstanding), and further increasing Strellson's exposure by continuing to ship new merchandise on credit notwithstanding certain defaults on the terms of the Licence Agreement and the Distribution Agreement, and continuing to fund certain marketing costs during that same time.
19. As detailed in the Braun Affidavit, the Company and Strellson have been in negotiations since January 2017 to develop a strategy to support the Company's liquidity needs and to informally restructure the business.

20. The Proposed Receiver understands that as the parties worked through these negotiations, the Company's sales continued to underperform, and as further detailed below, its financial position continued to deteriorate.
21. The Proposed Receiver understands that the Company's retail business was experiencing operating losses and that Strellmax had engaged a real estate consultant to assist in negotiating rent concessions from the landlords of the most unprofitable retail locations in order to improve store profitability. Despite meetings and discussions with these landlords, to date, the Company has been unsuccessful in obtaining rent concessions or other lease accommodations.
22. The Proposed Receiver understands that in February 2017, in light of the continued deterioration in the Company's financial position (as further detailed later in this Report), Strellmax engaged Pernica Advisory Services Inc. ("**Pernica**") as financial advisor to assist in evaluating its restructuring alternatives and continuing dialogue with Strellson.
23. As outlined in the Braun Affidavit, in light of the Company's continued poor financial performance and other defaults, Strellson is in the process of terminating the Licence Agreement and the Distribution Agreement.
24. As further detailed below, Strellson took an assignment of the TD Debt and Security on June 30, 2017. As outlined in the Braun Affidavit, in view of certain defaults thereunder, the Creditor demanded payment of all obligations owing to it by the Company by way of letter dated June 30, 2017 (the "**Demand Letter**"), and on that same day also issued its Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA to the Company. Strellmax shortly thereafter consented in writing to the transfer of the TD Debt and Security, and the immediate enforcement by the Creditor of its security.

V. FINANCIAL POSITION

HISTORICAL OPERATING RESULTS

25. Set out below is a summary of the Company's operating loss according to its most recent income statement for the year-to-date ("YTD") seven (7) month period ended May 31, 2017:

Strellmax Ltd.	
Income Statement	
(\$000's)	7 Months Ended May 2017
Sales	\$ 6,570
Cost of goods sold	(3,962)
Other cost of sales	(152)
Gross margin	2,456
Personnel	(1,538)
Occupancy	(1,088)
Selling, marketing, and administrative	(765)
Interest and financing	(358)
Strellson reimbursement of costs	332
Operating expenses	(3,417)
Operating Loss	\$ (961)

26. The fiscal 2017 YTD income statement above reflects a significant operating loss in the amount of approximately \$960,000, prior to approximately \$500,000 in non-recurring restructuring costs, depreciation, and other non-cash expenses. The Proposed Receiver understands that the operating loss is attributed to:

- a) softer than anticipated retail sales coupled with lower than forecast gross margin generated, which have been insufficient to cover the store-level personnel and occupancy costs; and
- b) despite certain cost reduction initiatives and reimbursement of costs by Strellson, the Company has been unable to sufficiently reduce its operating costs to offset the sales shortfall in both the retail and wholesale channels.

27. The Proposed Receiver understands that the Company experienced an operating loss in fiscal 2016 in excess of \$1 million, and projects operating losses for fiscal 2017 through 2019, absent any funding of costs by Strellson and/or additional accommodations from Strellson.

28. Set out below is a summary of the Company's unaudited balance sheet as at May 31, 2017:

Strellmax Ltd.	
Balance Sheet	
(\$000's)	As at May 2017
<u>Assets</u>	
Cash	\$ 407
Accounts receivable	1,580
Inventory	2,132
Prepays & other	61
Current Assets	4,180
Fixed assets	3,100
Total Assets	\$ 7,280
<u>Liabilities & Shareholder's Equity</u>	
Revolving Credit Facility	2,740
Accounts payable & accrued liabilities	5,119
Related party advances & other	20
Current Liabilities	7,879
Deferred rent & other occupancy-related	705
Loans from related parties	1,159
Term Loan	869
Long-term Liabilities	2,733
Deficit & Shareholder's Equity	(3,332)
Total Liabilities & Shareholder's Equity	\$ 7,280

29. The Company's internal balance sheet as at May 31, 2017 reflects that:

- a) the book value of current liabilities (approximately \$7.9 million) significantly exceeds the book value of current assets (approximately \$4.2 million). Even if the Company's outstanding secured indebtedness to the Creditor were excluded, Strellmax would still have a negative working capital position of approximately \$1 million;
- b) the Company had an accumulated retained earnings deficit of approximately \$3.3 million; and
- c) the Company is insolvent on a balance sheet basis.

ABILITY TO CONTINUE AS A GOING CONCERN

30. The Proposed Receiver understands that the Company's ongoing financial results continue to be a concern. The Proposed Receiver is of the view that Strellmax will be challenged to continue to operate as a going concern due to the following:
- a) the Company's projections indicate that over the next 24 months, nearly all of the retail locations are forecast to suffer significant operating losses absent continued support from Strellson, and that if it continues to operate at status quo, the wholesale business is also forecast to suffer significant operating losses;
 - b) the Proposed Receiver understands that the Creditor is not prepared to advance further funds to the Company, and is anticipated to suffer a shortfall on its security position under any realistic realization scenario; and
 - c) as noted above, the Proposed Receiver understands that Strellmax is in default of certain of the terms of the Licence Agreement and the Distribution Agreement, and that Strellson is unwilling to continue providing merchandise to the Company, without which it would be unable to operate, even if additional financing could be secured subordinate to the Creditor.

VI. CREDITORS

ASSIGNMENT OF TD BANK DEBT TO STRELLSON AG

31. The Toronto-Dominion Bank ("TD") provided certain credit facilities to Strellmax commencing in 2012, including most recently a \$2.2 million (subsequently increased to \$2.7 million) revolving asset-based facility, and a \$1.2 million term facility to Strellmax pursuant to a credit agreement dated June 6, 2016, as amended by amending agreements dated June 30, 2016 and December 6, 2016, respectively (the "TD Facility"). As security for its advances under the TD Facility and prior credit facilities, TD was granted a first-ranking security interest in the Property (together with the TD Facility, the "TD Debt and Security").
32. As detailed in the Braun Affidavit, TD assigned certain of its rights and obligations under the TD Debt and Security and associated security held by TD Bank to Strellson pursuant to an assignment agreement dated June 30, 2017 (the "Assignment Agreement"). A copy of the Assignment Agreement is attached as Exhibit "C" to the Braun Affidavit.
33. The Proposed Receiver understands that, per the Demand Letter, the amount outstanding under the TD Facility on June 30, 2017 was approximately \$3.7 million.

34. The Proposed Receiver understands that, in order to continue the use of the Company's existing cash management arrangements with TD, Strellson has provided cash collateral in the amount of \$71,500 to secure the corporate credit card facility.

SECURITY OPINION

35. As set out above, TD assigned certain of its rights and obligations under the TD Facility and certain of the associated security to Strellson pursuant to the Assignment Agreement. The Proposed Receiver has received an opinion on Strellson's security from its independent legal counsel, WeirFoulds LLP ("WeirFoulds") dated July 4, 2017. The security opinion provides that, subject to the customary qualifications and assumptions, the security interest granted to Strellson pursuant to the assigned security over certain of the personal property, assets and undertakings of Strellmax located in Ontario is valid and enforceable as against a trustee in bankruptcy of Strellmax.
36. As part of the Assignment Agreement, a contractual Postponement and Assignment of Creditor's Claim and Postponement of Security granted by Adamray in favour of TD was assigned, among other things, to Strellson. Searches conducted by WeirFoulds under the Ontario PPSA (which are summarized in the security opinion) confirm that the registrations originally in favour of TD against all classes of collateral, excluding consumer goods, have been amended to account for the assignment to Strellson and that the registrations were either registered prior in time to all other registrants or are subordinate to the registrations in favour of TD.
37. Only one Ontario PPSA registration, in favour of National Leasing Inc. ("National") in respect of certain leased computer software, appeared to qualify as a potential purchase money security interest in the collateral described therein capable of having priority over TD's registrations assigned to Strellson.
38. A search conducted under the B.C. PPSA confirmed that Strellson has also registered its security interest against all of Strellmax's present and after-acquired personal property. The Strellson registration is the only registration that appears in the B.C. PPSA search.

OTHER SECURED CREDITORS

39. The Proposed Receiver understands that Adamray provided a shareholder loan to Strellmax in the amount of approximately \$1,150,000 (the "Shareholder Loan"), secured by a security interest against the Property which is contractually and temporally subordinate to the interests of TD assigned to the Creditor.
40. Accord Financial Ltd. ("Accord") provides factoring services to the Company on its Canadian credit sales, pursuant to a letter agreement dated June 1, 2010, as amended from time to time. On March 1, 2016,

Accord provided an irrevocable letter of credit in favour of Strellson (the "Accord LOC") for purchases of merchandise made by the Company, to a maximum of \$500,000.

41. In connection with the Accord LOC, documentation was executed subordinating the claims of Adamray against the Company (in respect of the Shareholder Loan) to the claims of Accord, and assigning its indebtedness to Accord until Accord is paid in full. In further support of the Accord LOC, Strellmax agreed not to incur additional secured debt other than with TD. The Proposed Receiver understands that no draw has been made on the Accord LOC as at the date of this Report.

OTHER PPSA REGISTRANTS

42. In addition to the secured claims of Strellson, Adamray, and Accord noted above, the search report prepared by the Proposed Receiver's legal counsel setting out registrations filed under the applicable Personal Property Security Registries indicated that the only other Ontario or B.C. PPSA Registration against Strellmax is the one in favour of National referenced above.

POTENTIAL PRIORITY CLAIMS

43. Based on information provided by the Company, the Proposed Receiver understands that the Company has liabilities that rank, or may rank, in priority to the secured claim of Strellson at the date of the Receivership Order, including:
- a) Approximately \$50,000 owed to Strellmax employees, in respect of vacation pay;
 - b) Wages and source deduction payments in the aggregate amount of approximately \$50,000, representing wages accrued since the payment of the last payroll period ended June 30, 2017 (the "Stub Period Wages"); and
 - c) Approximately \$30,000 owed to Canada Revenue Agency in respect of sales taxes.
44. The Proposed Receiver understands that, with the exception of the Stub Period Wages, the Company was current on all payments to government authorities for sales taxes and source deductions that were due and payable as at the date of this Report.
45. If appointed as Receiver, the Proposed Receiver will comply with the provisions of the Wage Earner Protection Program Act subsequent to its appointment.

UNSECURED TRADE CREDITORS

46. The Proposed Receiver understands that the Company had total unsecured trade payables owing of approximately \$5.1 million as at May 31, 2017, of which the majority related to amounts owing to Strellson. As outlined in the Braun Affidavit, approximately \$3.6 million is owed to Strellson pursuant to the Licence Agreement and the Distribution Agreement as at June 30, 2017.
47. The Proposed Receiver understands that the Company was current in respect of obligations to its landlords through July 2017, except for certain landlords where monthly rent is based on a percentage of sales and which has not been reconciled by the Company at the date of this Report.

VII. THE PROPOSED TRANSACTION

48. The Company, the Purchaser and their respective counsel (in consultation with the Proposed Receiver) have negotiated the terms and provisions of the APA, a copy of which is attached as **Appendix "A"** hereto.
49. The material terms of the APA as between the Purchaser, the Receiver (the **"Vendor"**) and the Company, include the following (all terms not otherwise defined herein shall have the meanings as defined in the APA):
- a) the purchased assets include all of the assets which the Purchaser desires to have the Buyer acquire in order to continue the wholesale business of the Company (the **"Purchased Assets"**). Specifically, the Purchased Assets include, but are not limited to, the following:
- (i) certain inventory owned by the Company at closing (the **"Wholesale Inventory"**), that will comprise:
- inventory that is located at the Concession Location; and
 - In Season Inventory located at the Distribution Centre.
- The Proposed Receiver understands that the Wholesale Inventory on hand has a book value on the Company's books and records of approximately \$600,000 as at June 30th.
- (ii) other inventory (the **"Designated Inventory"**, and together with the Wholesale Inventory, the **"Purchased Inventory"**) to be designated by the Purchaser no later than three (3) business days prior to closing, and in any case the Designated Inventory is not to be less than \$100,000 and not more than \$300,000 of the book value on the Company's books and records;

- (iii) all wholesale customer contracts, customer orders, and other commitments (collectively, the "**Wholesale Customer Contracts**");
 - (iv) all purchase orders outstanding with the Company's merchandise suppliers (the "**Wholesale Purchase Orders**");
 - (v) wholesale business customer lists;
 - (vi) the IT Systems; and
 - (vii) the books and records related to the Purchased Assets.
- b) the Purchased Assets specifically exclude, among other things, the Company's accounts receivable, the inventory other than the Purchased Inventory, and furniture, fixtures, and equipment (the "**FF&E**") which will be subject to the Liquidation Plan (as discussed later in this Report);
- c) subject to the terms of the APA, the Buyer agrees to assume certain liabilities of the Company (the "**Assumed Obligations**"), including the following:
 - (i) the liabilities, at closing, in respect of the unfulfilled Wholesale Customer Contracts;
 - (ii) the liabilities, at closing, in respect of the unfulfilled Wholesale Purchase Orders;
 - (iii) certain liabilities in connection with the IT Systems.
- d) The purchase price (the "**Purchase Price**") for the Purchased Assets at closing will be the aggregate amount of:
 - (i) 100% of the book value of the Purchased Inventory on the Company's books and records (being the "**Prescribed Inventory Amount**"), net of amounts still owing on inventory delivered in connection with the Wholesale Purchase Orders, which will be an Assumed Obligation of the Buyer;
 - (ii) \$50,000 (the "**IT Systems Credit Bid Amount**"); plus
 - (iii) the Assumed Obligations.
- e) The Purchase Price (exclusive of any transfer taxes) will be satisfied at closing as follows:
 - (i) by a credit bid by the Purchaser of a portion of the TD Facility in an amount equal to the Prescribed Inventory Amount plus the IT Systems Credit Bid Amount; and
 - (ii) by the Buyer's assumption of the Assumed Obligations, effective at closing.
- f) the Proposed Transaction is subject to certain conditions, the following of which are material closing conditions to the transaction:

- (i) the Court's issuance of the Approval and Vesting Order on or before July 14, 2017, and such Approval and Vesting Order shall not have been stayed, vacated, or varied;
- (ii) the appointment of the Receiver on or before July 14, 2017;
- (iii) the Buyer having entered into supply arrangements with the Wholesale Customers satisfactory to the Buyer prior to the Closing Date (the "**Wholesale Customers Condition**");
- (iv) the Buyer having entered into an agreement for transition services (the "**Support Services Agreement**") with Strellmax and the Vendor, including as it relates to the allocation of space at the Company's Headquarters, access to the employees and the computer systems of each of the Buyer and Strellmax, and the Buyer's assistance to the Company in collecting accounts receivable from the Wholesale Customers. The APA contemplates that the Purchaser will provide consideration to the Vendor in respect of the assistance to be provided by the Company, and that the Support Services Agreement shall terminate no later than the Receiver's discharge; and
- (v) there shall have been no material adverse change to the Purchased Assets prior to closing.

50. The Closing Date shall occur one (1) business day following the day on which the Wholesale Customers Condition is waived or satisfied, but in no case later than August 15, 2017. The Proposed Receiver understands that the delay in closing is required by the Purchaser in order to, among other things, secure arrangements with the Wholesale Customers in respect of go-forward supply.

51. The Buyer is acquiring the Purchased Assets on an "as is, where is" basis, representing substantially all of the Company's wholesale business and assets. The APA contemplates that the Buyer may, but is not obligated to, offer employment to certain of the Company's employees, in order to continue the Company's wholesale business. The Proposed Receiver further understands that the Buyer may be interested in acquiring certain of the Company's assets remaining after the Liquidation Plan is completed; as at the date of this Report, the Proposed Receiver is not aware of the form, likelihood or potential value of the foregoing.

52. In the view of the Proposed Receiver, the Proposed Transaction is reasonable in the circumstances, and the best alternative to a complete liquidation of the Company's assets, for the following reasons:

- a) as noted above, the Proposed Receiver understands that the majority of the Company's merchandise is supplied by Strellson pursuant to the Licence Agreement and the Distribution Agreement which are not assignable by their terms, and that Strellson would not support the sale and/or otherwise transfer of these agreements to any third party purchaser. As such, the only reasonable alternative to the Proposed Transaction is the liquidation of the Company's assets;
- b) the Licence Agreement provides Strellson with the first right of refusal to repurchase the Company's inventory in the event the agreement is terminated. The terms of the Licence Agreement stipulate that the repurchase price (the "**Repurchase Price**") paid by the licensor shall be the cost paid by Strellmax to the manufacturer at delivery for the current season's merchandise, and a lesser factor thereof for merchandise from previous seasons. The APA contemplates that the Prescribed Inventory Amount, at 100% of the Company's book value, will be at least the amount of the Repurchase Price;
- c) the Proposed Transaction would be more beneficial to the Company's creditors than the liquidation alternative. The Proposed Receiver has consulted with the Liquidator (as defined below), specializing in retail liquidations, and understands that in the Liquidator's view, net realizations on a liquidation of the Purchased Inventory would be less than the Company's book value, even if liquidated through the Company's retail channel. This view is consistent with Richter's experience with liquidation values in similar retail insolvencies. The Proposed Receiver further understands from the Company and the Liquidator, that the amount of the Company's inventory on hand is in excess of that which could be liquidated in an orderly manner through its limited retail channel, and as such significant discounts would be required to liquidate all of the Company's inventory; and
- d) the Proposed Transaction provides the greatest benefit to all stakeholders (including customers, suppliers, etc.) as it results in the continuation of the Company's wholesale operations, which benefits will include the preservation of employment for a material portion of the Company's head office and warehouse employees.

VIII. THE RETAIL LIQUIDATION PLAN

- 53. As noted above, the retail stores have been suffering operating losses in fiscal 2016 and fiscal 2017 YTD, and are forecast to continue to suffer operating losses through fiscal 2019, absent Strellson's support, and as such, the only alternative for the assets which are not subject to the Proposed Transaction is liquidation.
- 54. The Company, with the assistance of its advisor Pernica has engaged the services of HyperAMS, LLC (the "**Consultant**"). The Company, with the assistance of the Consultant, has developed a Liquidation Plan in

order to enable the Company to conduct an orderly liquidation (the "Sale") of the Company's inventory and FF&E not subject to the Proposed Transaction (the "Excluded Assets").

55. The Company has engaged the Consultant, pursuant to an agreement dated June 28, 2017 (the "Liquidation Plan Consulting Agreement") between the Consultant and Strellmax, where the Consultant will advise Strellmax in respect of the liquidation of the Excluded Assets. The Proposed Receiver was afforded an opportunity to review the terms of the Liquidation Plan Consulting Agreement prior to its execution, and does not have any reason to believe that the terms of the agreement are not consistent with other engagements in respect of retail insolvencies of a similar size to Strellmax. The Proposed Receiver understands that the Consultant has extensive experience with retail insolvencies and is well positioned to provide the advice to Strellmax required for the effective conduct of the Sale.
56. The Proposed Receiver understands that, in order to facilitate the Liquidation Plan, Strellson has agreed to grant the use of the Strellson brand licence on a limited basis during the Sale.
57. Below is a summary of the key terms of the Liquidation Plan Consulting Agreement and the Liquidation Plan:
 - a) the Consultant will advise the Company in conducting a "store closing" or similar-themed Sale in locations at the Company's discretion, which will commence on July 7, 2017 (the "Sale Commencement Date"), to end no later than September 30, 2017 (the "Sale Termination Date", the period from the Sale Commencement Date through the Sale Termination Date being the "Liquidation Period"). The Proposed Receiver understands that the Sale will be conducted at the five (5) standalone retail locations, and may continue at the Bloor Street retail location beyond the Sale Termination Date, if determined by the Company, with the assistance of the Consultant, to be appropriate;
 - b) the Company is responsible for all reasonable costs and expenses in connection with the Sale, which have been determined and forecast in consultation with the Consultant;
 - c) in consideration of its services, the Consultant will earn a fee of \$6,000 United States dollars ("USD") for the first week of its engagement, and \$3,000 USD per week during the Liquidation Period thereafter;
 - d) the Consultant may also advise Strellmax in selling any owned FF&E in the stores. The Consultant will earn a fee of fifteen percent (15%) of the gross proceeds from the sale of the FF&E located in the stores, only if it assists with the sale or disposal of the FF&E at the request of the Company; and
 - e) the terms of the Liquidation Plan Consulting Agreement shall survive any formal or court-supervised insolvency proceedings commenced by or against Strellmax.

58. Upon Court approval of the Liquidation Plan and the Receiver's appointment, the Sale will continue under the oversight of the Receiver. As noted later in this Report, the Receivership Order contemplates that the Receiver will control the treasury assets of the Company, and will have the power and authority, but not the obligation, to act in respect of the Property;
59. The sale guidelines (the "**Sale Guidelines**") surrounding store operations and closings are governed by Schedule "A" to the Receivership Order. In the Proposed Receiver's view, the Sale Guidelines are in a form consistent with recent Canadian retail liquidations. The Sale Guidelines shall include that:
- a) the Sale will be conducted in accordance with the terms of the applicable leases or other occupancy agreements, except as provided for in the Receivership Order or any further Order of the Court, or any written agreement between the Company or Receiver and the applicable landlord;
 - b) the Sale shall be conducted so that each of the stores remain open during their normal hours of operation provided in their respective leases;
 - c) the Sale shall end by no later than the Sale Termination Date, with the exception of the Bloor Street location where the Sale may extend past the Sale Termination Date to the expiry of the lease;
 - d) all display and hanging signs used by the Company in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. No signs shall advertise the Sale as a "bankruptcy", a "going out of business" or a "liquidation" sale;
 - e) at the conclusion of the Sale in each Closing Store, the Company shall arrange that the premises for each Closing Store (as defined in the Sale Guidelines) is in "broom-swept" and clean condition, and shall arrange for the Closing Stores to be in the same condition as they were on the Sale Commencement Date, ordinary wear and tear excepted; and
 - f) the Company and, where appropriate, the Receiver, shall not conduct any auctions of inventory or FF&E at any of the Closing Stores.
60. The form of Receivership Order provides that the Company is authorized to market and sell the Excluded Assets through the Sale, in accordance with the Sale Guidelines attached to the Receivership Order.
61. Based on the experience of the Proposed Receiver with other retail insolvency liquidations, it is the view of the Proposed Receiver that the Liquidation Plan, the terms and conditions of the Liquidation Plan Consulting Agreement, and the related terms of Receivership Order are consistent with the market in similar situations.

IX. COURT-ORDERED CHARGES

ADMINISTRATION CHARGE

62. The proposed Receivership Order provides for a first ranking charge in favour of the Receiver, the Receiver's counsel, and counsel to the Company (the "Insolvency Professionals") in an amount not to exceed \$400,000, subject to further Order of the Court, charging all of the Property as security for the professional fees and disbursements incurred both before and after the date of these receivership proceedings (the "Administration Charge").

D&O CHARGE

63. As noted in the Braun Affidavit, the proposed Receivership Order leaves a large degree of control over the Company to the current directors and officers to effect the proposed Liquidation Plan, and the interim period prior to the closing of the Proposed Transaction.

64. The proposed Receivership Order provides for a charge in the maximum amount of \$150,000 subject to further Order of the Court charging the assets of the Company to indemnify its directors and officers for liabilities incurred by the Company that result in post-filing claims against the directors and officers in their personal capacities (the "D&O Charge").

65. The amount of the D&O Charge was determined by taking into consideration employee payroll and related expenses (including source deductions), vacation pay and sales taxes. As noted in the Braun Affidavit, the Creditor supports the D&O Charge.

SUMMARY AND PROPOSED RANKING OF THE COURT ORDERED CHARGES

66. It is contemplated that the priorities of the charges sought by the Creditor (collectively, the "Charges") will be as follows:

- a) First – Administration Charge; and
- b) Second – the D&O Charge.

67. The Receivership Order provides that the Charges will rank in priority to the security interests of the Creditor as well as all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, which are properly perfected security interests as of the date of the Receivership Order.

68. The Proposed Receiver believes that the Charges and rankings are required and reasonable in the circumstances of these receivership proceedings in order to achieve an orderly and efficient realization of the Company's assets and accordingly, supports the granting and the proposed ranking of the Charges.

X. RECEIVER'S PROPOSED MANDATE AND POWERS UNDER THE RECEIVERSHIP ORDER

69. The proposed Receivership Order contemplates that the Receiver shall take possession and control over the Company's treasury assets and all amounts due to the Company pursuant to the Sale and the APA, and the Company shall remain in possession and control of the remaining assets, including the Excluded Assets. Further, the proposed Receivership Order contemplates that the operation and management of the Company will continue to be controlled by its current directors and officers during the receivership proceedings. The Creditor has requested this structure as the Company's employees have intimate knowledge of the Company's business and operations and are best positioned to transition the Company's wholesale business to the Purchaser with minimal interruption to the Wholesale Customers. As noted in the Braun Affidavit, the directors and officers of the Company are intimately familiar with the Company's business and operations and has a unique skill set and knowledge of the industry which will allow the Company, with the assistance of the Receiver and the Consultant, to conduct an orderly liquidation of the Company's assets and to complete the Proposed Transaction in the most efficient manner.
70. The Proposed Receiver notes that the proposed Receivership Order empowers and authorizes, but does not obligate, the Receiver to take an expanded role in keeping with the customary powers conferred in receiverships with a view to providing the Receiver with the flexibility to exercise its discretion and address issues and engage in activities in a timely fashion as requirements arise.
71. Provided the Receivership Order is granted, in addition to mailing notice of the Receiver's appointment pursuant to section 246(1) of the BIA, the Receiver will set up a website to post periodic updates and Court materials, as well as establish contact information in the event that creditors, suppliers, employees or other stakeholders require additional information with respect to these proceedings.

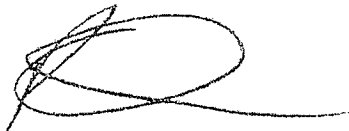
XI. RECOMMENDATION

72. Should the Court see fit to appoint a receiver in the circumstances, the Proposed Receiver recommends that this Court grant the Receivership Order and the Approval and Vesting Order for the following reasons:


- a) The Proposed Receiver understands that Strellson does not intend to continue the Licence Agreement or the Distribution Agreement, effectively foreclosing the possibility of any sort of going concern sale of the Company's business without the support of Strellson;
 - b) the terms of the Liquidation Plan Consulting Agreement are in line with the market and commercially reasonable given the limited scope of the Sale and the small number of retail locations in question;
 - c) as detailed above, in the circumstances, the Proposed Receiver is of the view that the Proposed Transaction, together with the Liquidation Plan, represent a reasonable and value-maximizing approach to realizing on the Property; and
 - d) both the Creditor and Adamray support the Proposed Transaction and the Liquidation Plan.
73. Provided this Court sees fit to issue the Receivership Order, upon the Receiver's appointment and issuance of the Approval and Vesting Order approving the APA, the Receiver shall forthwith enter into the APA and carry out the Proposed Transaction.

All of which is respectfully submitted on the 5th day of July, 2017.

**Richter Advisory Group Inc.
as the Proposed Receiver of
Strellmax Limited
and not in its personal capacity**



**Paul van Eyk, CA-CIRP, CA-IFA
Senior Vice-President**



**Katherine Forbes, CPA, CA
Vice-President**

APPENDIX “D”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) FRIDAY, THE 27th DAY
JUSTICE HAINES) OF OCTOBER, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER 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

APPROVAL AND VESTING ORDER

THIS APPLICATION made by Richter Advisory Group Inc. ("**Richter**"), in its capacity as receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Strellmax Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, for an Order, *inter alia*, approving the sale transaction (the "**Samples Transaction**") contemplated in the purchase agreement appended at Tab 3 of the Receiver's Motion Record in respect of certain assets (the "**Purchased Assets**") of the Debtor between, among others, the Receiver and Strellson AG (the "**Purchaser**"), authorizing and directing the Receiver to complete the Samples Transaction and vesting in the Purchaser, or such party as it directs, the Debtor's right, title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING Richter's Pre-Filing Report dated July 5, 2017 and the Appendices thereto (the "**Pre-Filing Report**"), the First Report of the Receiver dated October 6, 2017 and the Appendices thereto (the "**First Report**") and on hearing the submissions of counsel for the Receiver and counsel for the

Purchaser, no one else appearing although duly served as appears from the affidavit of service of Danny M. Nunes sworn October 25, 2017, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record in respect of this motion be and it is hereby abridged and that the motion is properly returnable today and that the service of the Notice of Motion and Motion Record herein as effected by the Receiver is hereby validated in all respects and this Court hereby dispenses with further service thereof.

APPROVAL OF REPORTS AND ACTIVITIES

2. **THIS COURT ORDERS** that the Pre-Filing Report, the First Report and the activities of Richter, as proposed receiver, and the Receiver, respectively, as described therein are hereby approved.

3. **THIS COURT ORDERS** that this Order is without prejudice to the rights of any party, including without limitation the Receiver, the Applicant and Accord Financial Ltd., to make whatever arguments (and in the case of the Receiver, recommendations) they wish with respect to the Receiver's motion for the authorization to disburse the Controlled Funds (as defined in the First Report).

APPROVAL OF SAMPLES TRANSACTION

4. **THIS COURT ORDERS AND DECLARES** that the Samples Transaction is hereby approved and the Receiver is hereby authorized and directed to execute such documents and take such steps as the Receiver may deem necessary or desirable for the completion of the Samples Transaction and for the conveyance of the Purchased Assets to the Purchaser.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, or such party as it directs, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice Conway dated July 7, 2017 (the "**Receivership Order Charges**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property

registry system (all of which are collectively referred to as the “**Encumbrances**”), and for greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to their sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

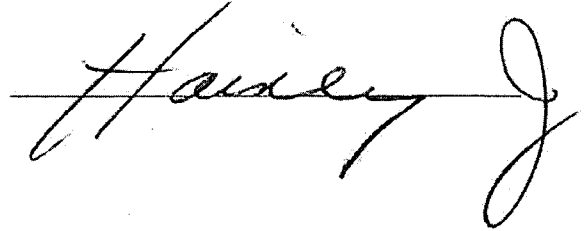
8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide

such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 27 2017

PER / PAR:

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Schedule A – Form of Receiver’s Certificate

Court File No. CV-17-11864-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) FRIDAY, THE 27th DAY
JUSTICE HAINEY) OF OCTOBER, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER 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

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to the Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice [Commercial List] (the "Court") dated July 7, 2017, Richter Advisory Group Inc. was appointed as the receiver (the "Receiver") of the assets, undertakings and properties of Strellmax Ltd. (the "Debtor").

B. Pursuant to the Order of the Honourable Mr. Justice Hainey dated October 27, 2017, the Court approved a transaction (the "Samples Transaction") between, among others, the Receiver and Strellson AG (the "Purchaser") for the sale of certain of the Debtor’s assets (the "Purchased Assets") and provided for the vesting in the Purchaser, or such party as it directs, of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the satisfaction by the Purchaser of the purchase price; (ii) that any conditions to closing of the Samples Transaction have been satisfied or waived by the Purchaser and the Receiver; and (iii) the Samples Transaction has been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. the Receiver confirms that the Purchaser has satisfied the purchase price for the Purchased Assets due on the closing date of the Samples Transaction;
2. the conditions to closing have been satisfied or waived by the Purchaser and the Receiver;
3. the Samples Transaction has been completed to the satisfaction of the Receiver; and
4. this Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity as
Receiver of the assets, undertakings and
properties of Strellmax Ltd., and not in its
personal capacity**

Per: _____
Name:
Title:

BETWEEN:

STRELLSON AG
Applicant

- and -

STRELLMAX LTD.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)

APPROVAL AND VESTING ORDER

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Barristers & Solicitors
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Lawyers for the Receiver

APPENDIX “E”

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

THE HONOURABLE MR.
JUSTICE HAINEY

)
)
)

TUESDAY, THE 7TH
DAY OF NOVEMBER, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

ORDER

THIS MOTION made by Richter Advisory Group Inc., in its capacity as receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Strellmax Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, and the Cross Motion made by Accord Financial Ltd. ("**Accord**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated October 6, 2017 and the appendices thereto (the "**First Report**") and the Affidavit of Jim Bates sworn October 27, 2017, and on hearing the submissions of counsel for the Receiver, counsel for Strellson AG (the "**Applicant**") and counsel for Accord, no one else appearing although duly served as appears from the affidavits of service of Danny M. Nunes sworn November 2, 2017, and Diane Ross sworn October •, 2017, filed:

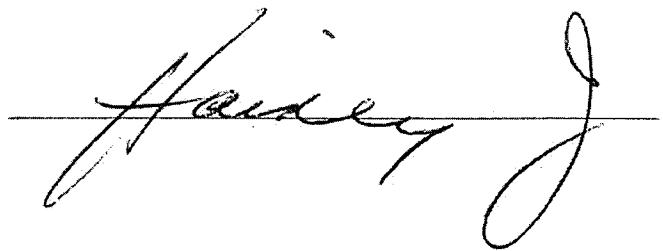
SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion and the Motion Record, and Accord's Cross-Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that, unless otherwise defined, capitalized terms herein shall have the meaning ascribed to them in the First Report and the appendices thereto.
3. **THIS COURT ORDERS AND DIRECTS** on consent, Accord to immediately deliver to the Receiver all Controlled Funds in Accord's possession as of October 28, 2017, to be held by the Receiver pending the authorization and direction of the Court following the Court's determination of the Priority and Distribution Motion (as hereinafter defined).
4. **THIS COURT ORDERS AND DIRECTS** on consent, that Accord shall turn over to the Receiver all Controlled Funds deposited into the Controlled Account after October 28, 2017, within ten days of receipt of same by Accord.
5. **THIS COURT AUTHORIZES AND DIRECTS** the Receiver to bring a motion before Mr. Justice Hainey on a date to be to be agreed upon by counsel and arranged with the Commercial List Court office, during the latter half of January, 2018 (the "**Priority and Distribution Motion**"), for the determination by the Court of the relative priorities of the claims of the Applicant and the claims of Accord to the Controlled Funds and the other proceeds of realization of the assets of Strellmax in the Receiver's possession (together with the Controlled Funds, the "**Proceeds**"), and the advice and direction of the Court with respect to the Receiver's distribution of Proceeds, and that the timetable for the Priority and Distribution Motion set out in Schedule "A" to this Order is hereby approved.
6. **THIS COURT ORDERS** that the payments of the Controlled Funds by Accord to the Receiver shall be without prejudice to the rights of any party, including without limitation the Receiver, the Applicant and Accord, to make whatever arguments (and in the case of the

Receiver, recommendations) they wish to make with respect to the Priority and Distribution Motion.

7. **THIS COURT ORDERS** that the scheduling of the matters raised in subparagraphs 5(b) and (c) of the Notice of Cross Motion shall be set by the presiding Judge following the determination of Priority and Distribution Motion.

8. **THIS COURT ORDERS** that the costs of this Motion and the Cross Motion shall be reserved to the Judge determining the Priority and Distribution Motion.

A handwritten signature in cursive script, appearing to read "Haidy J.", is written over a horizontal line. The signature is fluid and extends above and below the line.

SCHEDULE "A"

TO NOVEMBER 7, 2017 ORDER

November 15, 2017 Receiver to deliver its Notice of Motion on Priority and Distribution Motion;

December 5, 2017 Accord and Strellson AG to deliver responding Affidavits;

December 7, 2017 Receiver to deliver its Report in respect of the Priority and Distribution Motion;

December 7-22, 2017 Accord cross examination of Strellson AG;

Strellson AG cross examination of Accord;

January 12, 2018 Facts of Accord, Strellson AG and Receiver (if any) to be served;

January 15-31, 2018 Hearing of Motion on date agreed to by counsel or set by Court;

STRELLSON AG TO DELIVER DOCUMENTS SET OUT IN ACCORD COUNSEL LETTER DATED AUGUST 18/17 AS REQUEST TO PRIORITY AND DISTRIBUTION MOTION

ALL CROSS EXAMINATION OF ACCORD, STRELLSON AG AND RECEIVER TO BE MARKED BY COURT IN AGTS OF AGTS V. SACREMENT.

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NOV 08 2017

PER / PAR: *[Handwritten initials]*

STRELLSON AG

STRELLMAX LTD.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER – NOVEMBER 7, 2017

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Lawyers for the Receiver

APPENDIX “F”

Court File No. CV-17-11864-00CL

STRELLMAX LTD.

FIRST REPORT OF THE RECEIVER

OCTOBER 6, 2017

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

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43**

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
STRELLMAX LTD.**

OCTOBER 6, 2017

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APPENDICES

- APPENDIX "A"** – ORDER OF THE ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) DATED JULY 7, 2017
(RECEIVERSHIP ORDER)
- APPENDIX "B"** – ORDER OF THE ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) DATED JULY 7, 2017
(APPROVAL AND VESTING ORDER)
- APPENDIX "C"** – REPORT OF THE PROPOSED RECEIVER DATED JULY 5, 2017 (WITHOUT EXHIBITS)
- APPENDIX "D"** – AMENDED ASSET PURCHASE AGREEMENT – NON-LIQUIDATION ASSETS DATED JULY 7, 2017 (WITHOUT SCHEDULES)
- APPENDIX "E"** – SUPPORT SERVICES AND LIMITED AGENCY AGREEMENT
- APPENDIX "F"** – FIRST AMENDMENT TO SUPPORT SERVICES AND LIMITED AGENCY AGREEMENT
- APPENDIX "G"** – AGREEMENT BETWEEN ACCORD FINANCIAL LTD. AND STRELLMAX LTD., AS AMENDED
- APPENDIX "H"** – LETTER OF CREDIT AGREEMENT DATED MARCH 1, 2016
- APPENDIX "I"** – LETTER FROM ACCORD FINANCIAL LTD. DATED JULY 18, 2012
- APPENDIX "J"** – LETTER FROM JULIAN HELLER RE: ACCORD FINANCIAL LTD. DATED AUGUST 29, 2017
- APPENDIX "K"** – LETTER FROM WEIRFOULDS LLP RE: ACCORD FINANCIAL LTD. DATED AUGUST 31, 2017
- APPENDIX "L"** – LETTER FROM JULIAN HELLER RE: ACCORD FINANCIAL LTD. DATED SEPTEMBER 14, 2017
- APPENDIX "M"** – EMAIL FROM WEIRFOULDS LLP RE: ACCORD FINANCIAL LTD. DATED SEPTEMBER 18, 2017

I. INTRODUCTION

1. Pursuant to the Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated July 7, 2017 (the "**Receivership Order**"), Richter Advisory Group Inc. ("**Richter**") was appointed as receiver, 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 (in such capacity, the "**Receiver**"), without security, of all the assets, properties and undertakings (the "**Property**") of Strellmax Ltd. ("**Strellmax**" or the "**Company**"). Pursuant to the Receivership Order, the Court authorized Strellmax to remain in day to day operation of its Business and authorized Strellmax to commence a liquidation sale of certain of the Company's assets, principally retail store inventory, (the "**Liquidation Sale**") and approved certain Sale Guidelines (as defined in the Receivership Order) pursuant to which the Liquidation Sale would be conducted. A copy of the Receivership Order is attached hereto as **Appendix "A"**.
2. Pursuant to a further Order dated July 7, 2017 (the "**Approval and Vesting Order**"), the Court approved the sale transaction contemplated by an asset purchase agreement (the "**APA**") in respect of certain of the Property not subject to the Liquidation Sale, principally Strellmax's wholesale inventory and related assets associated with Strellmax's wholesale business (the "**Purchased Assets**"), to be entered into between Strellson AG ("**Strellson**", in such capacity, the "**Purchaser**"), Strellson North American Ltd. (formerly Strellson Canada Ltd., the "**Buyer**"), Strellmax and the Receiver (the "**SNAL Transaction**"). A copy of the Approval and Vesting Order is attached hereto as **Appendix "B"**.
3. In support of the Receivership Order and the Approval and Vesting Order, Richter, in its capacity as proposed receiver of the Property of Strellmax, filed a report with the Court dated July 5, 2017 (the "**Pre-Filing Report**"). A copy of the Pre-Filing Report is attached hereto as **Appendix "C"**.

II. PURPOSE OF REPORT

4. The purpose of this, the Receiver's first report (the "**First Report**"), is to:
 - a) Provide this Court with information regarding:
 - (i) the nature of the business arrangement between Accord Financial Ltd. ("**Accord**") and the Company, actions taken by Accord since the date of the Receiver's appointment with respect to certain Property, and communications between Accord, the Receiver, and the Receiver's counsel, WeirFoulds LLP ("**WeirFoulds**");
 - (ii) an update on the status of the SNAL Transaction; and

- (iii) the proposed sale of certain 'Strellson' brand merchandise samples (the "**Samples**") owned by Strellmax and not subject to the SNAL Transaction or the Liquidation Sale, to the Buyer (the "**Samples Transaction**").
- b) Recommend that the Court issue orders:
 - (i) approving the Samples Transaction and authorizing and directing the Receiver to complete same, and vesting in the Buyer, upon the closing of the Samples Transaction, all of the Company's right, title and interest in and to the Samples free and clear of all liens, charges, security interests and other encumbrances;
 - (ii) with respect to actions taken by Accord:
 - declaring that Accord is in violation of the provisions of the Receivership Order, as a result of Accord's refusal to deliver Strellmax's Controlled Funds (as hereinafter defined), in its possession to the Receiver in accordance with the terms of the Receivership Order and as required by the Accord Agreement (as hereinafter defined);
 - compelling Accord to report on and immediately turn over current and future Controlled Funds to the Receiver in accordance with the terms of the Receivership Order and/or the Accord Agreement; and
 - ordering Accord to pay the costs incurred by the Receiver in respect of its motion, on a full indemnity basis; and
 - (iii) approving the Pre-Filing Report and this First Report, and the actions, activities and conduct of the Receiver set out therein.

III. QUALIFICATIONS

5. In preparing this First Report, the Receiver has relied upon certain unaudited, draft, and/or internal financial information prepared by the Company's representatives, the Company's books and records, and discussions with the Company's representatives, its legal counsel and the Secured Creditor (as hereinafter defined) (collectively, the "**Information**").
6. In accordance with industry practice, except as described in this First Report:
 - a) Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook; and

- b) Richter has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants Canada Handbook.
- 7. Since future-oriented information is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, Richter expresses no assurance as to whether projections will be achieved. Richter expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this First Report, or relied upon by Richter in preparing this First Report.
- 8. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.

IV. BACKGROUND

- 9. While this First Report summarizes some of the information set out in the Pre-Filing Report, for context, readers are directed to the Pre-Filing Report and to the Affidavit of Marcel Braun, sworn June 30, 2017 (the "**Braun Affidavit**") and filed in support of Strellson's application (in its capacity as Secured Creditor) for the Receivership Order and the Approval and Vesting Order, contained in the Applicant's Application Record dated June 30, 2017, for a more detailed explanation of the Company's background and the events leading to the appointment of the Receiver. A copy of the Application Record is posted on the Receiver's website at <http://www.richter.ca/en/folder/insolvency-cases/s/strellmax-ltd>.
- 10. Prior to the appointment of the Receiver, Strellmax operated as a wholesaler and retailer of 'Strellson' brand menswear in North America, from headquarters located in Toronto, Ontario. The Company's retail channel comprised five (5) standalone retail locations, and a store-in-store concession inside the Hudson's Bay Company (Yorkdale Mall, Toronto, Ontario).
- 11. The Company distributed under the 'Strellson' brand, pursuant to a licence agreement and a distribution agreement (the "**Licence Agreement**" and the "**Distribution Agreement**", respectively) with Strellson, as licensor.
- 12. Strellmax had operated a wholesale 'Strellson' business since 1997 and opened a flagship retail location in 2012 on Bloor Street in Toronto. From 2014 through 2016, the Company expanded its retail footprint, opening four (4) additional standalone stores across Canada, financed by existing cash flows, the TD Facility (as hereinafter defined), and a loan from its shareholder, Adamray Investments Inc. ("**Adamray**").
- 13. As at the date of the Receivership Order, the Company's standalone retail locations were as follows:
 - a) Bayview Village – Toronto, Ontario;

- b) Bloor Street West – Toronto, Ontario;
 - c) Yorkdale Mall – Toronto, Ontario;
 - d) Rideau Centre – Ottawa, Ontario; and
 - e) 745 Thurlow – Vancouver, B.C.
14. As further detailed in the Pre-Filing Report and the Braun Affidavit, in addition to the significant capital expenditures required to support the Company's retail expansion, the Company experienced operating losses in fiscal 2016 and 2017 year-to-date, and had been operating with limited liquidity on the TD Facility for several months, despite numerous financial accommodations provided by Strellson to Strellmax during the months prior to the appointment of the Receiver.
15. As further detailed below, Strellson took an assignment of the TD Debt and Security (as hereinafter defined) on June 30, 2017 and thereby became Strellmax's largest and first ranking secured creditor "**Secured Creditor**"). Strellson was also already Strellmax's largest unsecured creditor as a result of credit and other financial accommodations granted in respect of the supply of 'Strellson' brand merchandise to Strellmax.
16. Absent continued support from Strellson, Strellmax would have been unable to continue to carry on the business, due to the following:
- a) the Company's projections indicated that over the next 24 months, nearly all of the retail locations were forecast to suffer significant operating losses absent continued financial contributions from Strellson and that if it continued at status quo, the Strellmax wholesale business was likewise forecast to suffer significant operating losses; and
 - b) as a result of defaults on certain of the terms of the Licence Agreement and the Distribution Agreement, Strellson was unwilling to continue providing merchandise to the Company and was moving to terminate the Licence Agreement and the Distribution Agreement.
17. In July 2017, Strellson, in its capacity as Secured Creditor, sought and obtained the Receivership Order and the Approval and Vesting Order.

V. SECURED CREDITORS

ASSIGNMENT OF TD BANK DEBT TO STRELLSON AG

18. The Toronto-Dominion Bank ("**TD**") provided certain credit facilities to Strellmax commencing in 2012 pursuant to a credit agreement dated June 6, 2016, as amended by amending agreements dated June 30, 2016 and December 6, 2016, respectively (the "**TD Facility**"). As security for its advances under the TD

Facility and prior credit facilities, TD was granted a first-ranking security interest in the Property (together with the TD Facility, the “**TD Debt and Security**”).

19. As detailed in the Braun Affidavit, TD assigned certain of its rights and obligations under the TD Debt and Security to Strellson pursuant to an assignment agreement dated June 30, 2017 (the “**Assignment Agreement**”). A copy of the Assignment Agreement is attached as Exhibit “C” to the Braun Affidavit.
20. In order to continue the use of the Company’s existing cash management arrangements with TD, TD retained cash collateral in the amount of \$71,500 to secure the corporate credit card facility.
21. According to the Company’s books and records, the amount outstanding to the Secured Creditor as at July 7, 2017 was approximately \$3.8 million.

SECURITY OPINION

22. As noted in the Pre-Filing Report, Richter received an opinion on Strellson’s security from its independent legal counsel, WeirFoulds, dated July 4, 2017. The security opinion provides that, subject to the customary qualifications and assumptions, the security interest granted to TD pursuant to the assigned security over certain of the personal property, assets and undertakings of Strellmax located in Ontario, and assigned to Strellson under the Assignment Agreement, is valid and enforceable as against a trustee in bankruptcy of Strellmax.
23. As part of the Assignment Agreement, a contractual Postponement and Assignment of Creditor’s Claim and Postponement of Security granted by Adamray in favour of TD was assigned, among other things, to Strellson. Searches conducted by WeirFoulds in Ontario confirm that the registrations originally in favour of TD against all classes of collateral, excluding consumer goods, have been amended to account for the assignment to Strellson and that the registrations were either registered prior in time to all other registrants or are subordinate to the registrations in favour of TD.
24. Only one Ontario PPSA registration, in favour of National Leasing Inc. in respect of certain leased computer software, appeared to qualify as a potential purchase money security interest in the collateral described therein capable of having priority over TD’s registrations assigned to Strellson.
25. A search conducted under the B.C. PPSA confirmed that Strellson has also registered its security interest against all of Strellmax’s present and after-acquired personal property. The Strellson registration is the only registration against Strellmax that appears in the B.C. PPSA search as of that time.

OTHER SECURED CREDITORS

26. Also as noted in the Pre-Filing Report, the Receiver understands that Adamray provided a shareholder loan to Strellmax in the amount of approximately \$1,150,000 (the “**Shareholder Loan**”), secured by a

security interest against the Property (the "**Subordinated Security**") which is contractually and temporally subordinate to the TD Debt and Security assigned to the Secured Creditor.

27. On March 1, 2016, at Strellmax's request, Accord provided an irrevocable letter of credit in favour of Strellson (the "**Accord LOC**") as security for amounts owing to Strellson on account of purchases of merchandise made by Strellmax from Strellson, to a maximum amount of \$500,000. Accord did not take security from Strellmax in respect of Strellmax's reimbursement obligation to Accord in respect of the Accord LOC (the "**Reimbursement Obligation**"). A copy of the Accord LOC agreement is attached as **Appendix "H"** hereto.
28. However, Accord did obtain a subordination from Mark Altow on behalf of Adamray in respect of the Reimbursement Obligation and in connection therewith took an assignment of the Adamray Shareholder Loan and the Subordinated Security.

VI. THE SNAL TRANSACTION

29. As noted in the Pre-Filing Report, the Company, the Purchaser and their respective counsel (in consultation with Richter as proposed receiver) negotiated the terms and provisions of the APA. Subsequent to the Court's approval of the SNAL Transaction, the APA was executed on July 7, 2017, as amended and restated effective the same date. The amendments to the APA were minor and thus, pursuant to the terms of the Approval and Vesting Order, did not require court approval. The amendments to the APA primarily related to clarifying certain definitions of the Purchased Assets, and providing for a portion of the Purchase Price to be paid in cash to fund certain of the Company's liquidity needs (not initially contemplated in the APA) but leaving the total Purchase Price unchanged. A copy of the amended and restated APA (the "**Amended APA**") is attached as **Appendix "D"** hereto.
30. The key elements of the SNAL Transaction, as contemplated by the Amended APA, have been outlined in the Pre-Filing Report and, therefore, have not been repeated in their entirety herein (all terms not otherwise defined herein shall have the meanings as defined in the Amended APA).
31. The SNAL Transaction was completed on August 1, 2017 (the "**Closing Date**") and the Receiver's Certificate was delivered to the Purchaser on August 2, 2017 and filed with the Court.
32. Pursuant to the SNAL Transaction:
 - a) the Purchased Assets were acquired on an "as is, where is" basis, and vested in the Buyer free and clear of any Claims (as defined in the Approval and Vesting Order). The Purchased Assets include the following:

- (i) certain inventory owned by the Company at closing, comprising inventory in relation to the wholesale business (the "**Wholesale Inventory**") in the amount of approximately \$790,000 of book value on the Company's books and records ("**Book Value**");
 - (ii) other inventory designated by the Purchaser prior to the Closing Date (the "**Designated Inventory**", and together with the Wholesale Inventory, the "**Purchased Inventory**") in the amount of approximately \$130,000 of Book Value, designated in accordance with the terms of the Amended APA (which required the Designated Inventory to be of Book Value in an amount no less than \$100,000 and no more than \$300,000);
 - (iii) all wholesale customer contracts, customer orders and other commitments (collectively, the "**Wholesale Customer Contracts**");
 - (iv) all purchase orders outstanding with the Company's merchandise suppliers (the "**Wholesale Purchase Orders**");
 - (v) wholesale business customer lists;
 - (vi) the IT Systems; and
 - (vii) the books and records related to the Purchased Assets.
- b) the Purchased Assets specifically exclude, among other things, the Company's inventory other than the Purchased Inventory, furniture, fixtures, and equipment (the "**FF&E**") which were subject to the Liquidation Plan (as defined in the Pre-Filing Report) and accounts receivable;
- c) the Buyer agreed to assume certain liabilities of the Company (the "**Assumed Obligations**") existing at the Closing Date, including the following:
- (i) the liabilities in respect of the unfulfilled Wholesale Customer Contracts;
 - (ii) the liabilities in respect of the unfulfilled Wholesale Purchase Orders; and
 - (iii) certain liabilities in connection with the IT Systems.
- d) the purchase price (the "**Purchase Price**") for the Purchased Assets was composed of:
- (i) 100% of the Book Value of the Purchased Inventory (being the "**Purchased Inventory Book Value**"), net of amounts still owing on inventory delivered in connection with the Wholesale Purchase Orders, which is an Assumed Obligation of the Buyer;
 - (ii) \$50,000 (the "**IT Systems Credit Bid Amount**"); plus
 - (iii) the Assumed Obligations.

- e) the Purchase Price (exclusive of any transfer taxes) was satisfied at closing by the following:
 - (i) a credit bid by the Purchaser of a portion of the TD Facility in an amount equal to the Purchased Inventory Book Value, less the Book Value of Purchased Inventory delivered in the Interim Period and remaining on hand, or remaining in-transit, at the Closing Date (the **"Delivered In Season Inventory Amount"**), plus the IT Systems Credit Bid Amount;
 - (ii) a cash payment in an amount equal to the Delivered In Season Inventory Amount; and
 - (iii) the Buyer's assumption of the Assumed Obligations at closing.

- f) effective on the Closing Date, the Buyer, Strellmax and the Receiver entered into an agreement (the **"Support Services Agreement"**) for transition services from and after the Closing Date (the **"Post-Closing Services"**), including in relation to the allocation of space at the Buyer's office and warehouse, access to the employees and the computer systems of each of the Buyer and Strellmax, and the Buyer's assistance to the Company in collecting accounts receivable from the Wholesale Customers. In accordance with the Amended APA, the Support Services Agreement provides that:
 - (i) the Buyer shall provide certain Post-Closing Services to Strellmax and/or the Receiver (the **"Post-Closing Buyer Services"**), the consideration for which shall be the Post-Closing Strellmax Services (as hereinafter defined) and the services and accommodations provided by Strellmax to the Buyer during the Interim Period while the Buyer worked to satisfy the closing conditions to the SNAL Transaction. Effective on the Closing Date, Strellmax vacated its head office and warehouse premises (the **"Premises"**), and the Buyer entered into a new lease with the landlord for the Premises on that same date;
 - (ii) Strellmax and/or the Receiver shall provide certain Post-Closing Services to the Buyer (the **"Post-Closing Strellmax Services"**), the consideration for which shall be the Post-Closing Buyer Services and the Purchase Price;
 - (iii) Strellmax shall serve as agent to the Buyer for the limited purposes of: (i) making sales to Wholesale Customers after the Closing Date (the **"Post-Closing Sales"**); (ii) collecting accounts receivable in respect of the Post-Closing Sales made; and (iii) remitting accounts receivable in respect of the Post-Closing Sales to the Buyer, all as agent for the Buyer; and
 - (iv) the Support Services Agreement shall terminate no later than the Receiver's discharge. A copy of the Support Services Agreement is attached hereto as **Appendix "E"**.

- g) the Buyer had the option to offer employment to the Company's employees at its discretion, in order to continue the Company's wholesale business. Prior to the Closing Date, sixteen (16) of the

Company's employees (the "**Transferred Employees**") were offered, and accepted, employment with the Buyer effective on the Closing Date, representing the vast majority of the employees associated with the Company's wholesale business. The Buyer assumed Strellmax's liabilities existing at the Closing Date in respect of the Transferred Employees' severance entitlement. Following the Closing Date:

- (i) the Buyer offered employment to four (4) of the Company's employees (the "**Bayview Employees**") who had been engaged in the operation of the Bayview Village retail location, once the Sale was completed (as further discussed later in this First Report). The offers, which were on substantially similar terms as the Transferred Employees (as applicable), were accepted by the Bayview Employees;
- (ii) as at the date of this First Report, the Receiver understands that the Buyer is in the process of evaluating which of the Company's remaining employees it may offer employment in order to continue a limited retail channel for the 'Strellson' brand in Canada;

33. Subsequent to the Closing Date, an amendment to the Support Services Agreement (the "**SSA Amendment**") was also executed effective September 8, 2017, to allow for, among other things, Strellmax to act as the Buyer's agent and consignee for the sale of the Buyer's inventory in the Bloor Street West retail location (until October 31, 2017) and the 745 Thurlow retail location (until the Buyer takes assignment of Strellmax's lease, or enters into a new lease, for the location), in exchange for consideration in the form of a credit bid of Strellson's secured debt in the amount of \$25,000 plus the reimbursement of associated out of pocket expenses. A copy of the SSA Amendment is attached hereto as **Appendix "F"**.

VII. THE SAMPLES TRANSACTION

34. Prior to the date of the Receivership Order, in the ordinary course of its business, the Company purchased from Strellson (and pre-paid for) the Samples which were used by Strellmax to solicit and secure wholesale customer orders for the upcoming season's merchandise. As at the Closing Date, the Samples were still in transit from Strellson and were not included as a Purchased Asset in the Amended APA.
35. As discussed above, the Buyer acquired the Purchased Assets in order to continue the Company's wholesale business. The Purchaser, and in turn the Buyer, wish to enter into the Samples Transaction, whereby the Samples are to be acquired by the Buyer on an "as is, where is" basis, to facilitate the continuation of that wholesale business.

36. The Receiver has agreed to sell the Samples to the Buyer at their Book Value, subject to this Court's approval. In the Receiver's view, the Court's approval for the Samples Transaction is required for the following reasons:
- a) the Samples Transaction, in the Receiver's view, could be considered outside of the Company's ordinary course of business, as the Receiver understands that it would not be customary for Strellmax to return samples to Strellson, particularly in exchange for the payment by Strellson of the Company's full landed inventory cost; and
 - b) the Book Value of the Samples is approximately \$37,000, which value exceeds the \$25,000 transaction value threshold set out in paragraph 11(j) of the Receivership Order.
37. Should the Court see fit to approve the Samples Transaction, the Receiver would proceed to execute a short form asset purchase agreement with the Buyer (and any other necessary documentation to complete the Samples Transaction) and take the necessary steps to complete the Samples Transaction.
38. In the Receiver's view, the Samples Transaction is reasonable in the circumstances and the best alternative to a liquidation of the Samples for the following reasons:
- a) the Receiver understands that the Buyer is the sole party continuing the sale of 'Strellson' brand merchandise in North America and hence alternative sales channels for the product are limited;
 - b) the Licence Agreement provides Strellson with the first right of refusal to repurchase the Company's inventory in the event the agreement is terminated. The terms of the Licence Agreement stipulate that the repurchase price (the "**Repurchase Price**") paid by the licensor shall be the cost paid by Strellmax to the manufacturer at delivery for the current season's merchandise. The Licence Agreement was terminated by Strellson on July 6, 2017. The proposed Samples Transaction contemplates that the purchase price, at 100% of the Book Value, will be at least the amount of the Repurchase Price; and
 - c) the Samples represent a limited quantity of merchandise, rendering it impractical to incur additional costs marketing the Samples to the public in the circumstances. As such, the proposed Samples Transaction would be more beneficial to the Company's creditors than the liquidation alternative.

VIII. THE LIQUIDATION SALE

39. As noted earlier in this First Report, the Court approved the Liquidation Sale and the Sale Guidelines pursuant to the Receivership Order.

40. As detailed in the Pre-Filing Report, the Company engaged the services of HyperAMS, LLC (the “**Consultant**”) pursuant to an agreement dated June 28, 2017 (the “**Liquidation Plan Consulting Agreement**”) between the Consultant and Strellmax, to advise Strellmax in respect of the liquidation of the Company’s inventory and FF&E not subject to the SNAL Transaction (the “**Excluded Assets**”). Following the execution of the Liquidation Plan Consulting Agreement, Strellmax developed the Liquidation Plan with the assistance of the Consultant in order to enable the Company to conduct an orderly liquidation (being the Liquidation Sale, as approved by the Court) of the Excluded Assets.
41. Below is a summary of the key aspects of the Liquidation Sale:
- a) pursuant to the Receivership Order, the Liquidation Sale was conducted by the Company, under the supervision of the Receiver in accordance with the Sale Guidelines;
 - b) the Liquidation Sale commenced under the supervision of the Receiver on July 7, 2017 (the “**Sale Commencement Date**”) at the Company’s five (5) retail locations which, pursuant to the Sale Guidelines, was to terminate no later than October 31, 2017. The Liquidation Sale was substantially completed in all of the Closing Stores (as defined in the Sale Guidelines) on or before September 15, 2017 (the “**Sale Termination Date**”, the period from the Sale Commencement Date through the Sale Termination Date being the “**Liquidation Period**”);
 - (i) the Receiver understands that, following the repudiation of the Bayview Village retail lease by Strellmax (effective September 14, 2017), the Buyer entered into a new lease for the same location with the Bayview Village landlord. As mentioned earlier in this First Report, the Buyer engaged the Bayview Employees to continue retail sales of the ‘Strellson’ brand at the Bayview Village location. As further discussed below, the Receiver completed the Initial FF&E Sales (as hereinafter defined) with the Buyer, which included the FF&E located at the Bayview Village location.
 - c) the Consultant advised Strellmax on the conduct of the Liquidation Sale and the Company was responsible for all reasonable costs and expenses in connection with the Liquidation Sale. The Consultant’s engagement with the Company was terminated by Strellmax effective the week of September 8, 2017;
 - d) the Receiver completed separate sale transactions (together, the “**Initial FF&E Sales**”) for all of the FF&E at three (3) of the five (5) Closing Stores, which were acquired by the Buyer at the end of the Liquidation Period at each of the respective Closing Stores. Each of the Initial FF&E Sales:
 - (i) were completed on an “as is, where is” basis;

- (ii) were acquired for transaction values not exceeding \$25,000 (~\$70,000 in the aggregate). The purchase prices paid for each of the Initial FF&E Sales were in excess of liquidation value (as estimated by the Consultant) and, as such, the Receiver determined it was not practical to market the assets further in the circumstances. Furthermore, as the assets were sold to the Buyer by the Receiver (and not the Consultant), pursuant to the Liquidation Plan Consulting Agreement, no incremental fee was earned by the Consultant on the sales, resulting in the preservation of net proceeds which would not have been in the case in the event of a third party offer; and
 - (iii) were paid for in the form of a credit bid by the Purchaser of a portion of the TD Facility in the amount of the respective purchase prices.
- e) as noted earlier in this First Report, Strellmax continues to operate two (2) of the retail locations as agent and consignee for the Buyer pursuant to the SSA Amendment. The Buyer intends to purchase the FF&E from the remaining retail locations, and certain FF&E located at the Premises (the "**Premises Assets**") at or around the termination of the SSA Amendment, on substantially similar terms as the Initial FF&E Sales.
42. Strellson, in its capacity as Secured Creditor, supported the Initial FF&E Sales. As the aggregate consideration for the Initial FF&E Sales amounted to less than the \$200,000 threshold outlined in the Receivership Order, no Court approval was sought by the Receiver.
43. Upon the completion of the sales of the remaining FF&E located at the retail locations, the Premises Assets, and the Samples Transaction (subject to this Court's approval), in the Receiver's view, all realizable assets subject to the Liquidation Sale will have been sold.

IX. ACCORD FINANCIAL LTD.

THE ACCORD AGREEMENT

44. Pursuant to a letter agreement dated June 1, 2010, as amended from time to time (the "**Accord Agreement**"), a copy of which is attached hereto as **Appendix "G"**, Accord has provided accounts receivable management services and certain credit protection services (the "**Accord Services**") to the Company since 2010.
45. The terms of the Accord Agreement provide as follows:

- a) Accord provides protection against the risk of loss on credit sales made by Strellmax to a prescribed subset of its customers as a result of the customer's insolvency, subject to certain credit limits established on a customer-by-customer basis (the "**Covered Customers**");
 - b) the proceeds of all sales made to Covered Customers, regardless if they are made in excess of the established credit limits, are to be collected by Accord directly from the Covered Customers (the "**Controlled Funds**");
 - c) the Controlled Funds are to be remitted by Accord to Strellmax regularly, or when demanded by Strellmax, net of a pre-determined commission payable to Accord for the Accord Services; and
 - d) accounts receivable from Covered Customers and the proceeds thereof are at no time the property of Accord, save and except in circumstances where funds are advanced by Accord to Strellmax in relation to a particular uncollected customer account, and are then transferred to Accord only at the request of Accord. Pursuant to a letter from Accord to TD dated July 18, 2012 (a copy of which is attached hereto as **Appendix "I"**), Accord confirmed that it does not have a security interest in the Property, that title to the Company's accounts receivable, including the Controlled Funds, remain with Strellmax at all times, and that Accord will transfer the Controlled Funds to Strellmax on a daily basis (subject to a \$2,500 minimum threshold).
46. The Receiver understands that, in addition to sales made prior to the date of the Receivership Order, sales made by Strellmax to wholesale customers since the date of the Receivership Order have also continued to be remitted to Accord pursuant to the Accord Agreement.

STRELLSON DEMAND ON THE ACCORD LOC

47. The Receiver understands that Strellson made demand for payment under the Accord LOC in early August 2017. Strellson has advised the Receiver that, as at the date of this First Report, Accord has denied any liability to Strellson under the Accord LOC and has not paid any amounts to Strellson thereunder. As such, no Reimbursement Obligation on the part of Strellmax has arisen or exists as of the date of this First Report.

ACCORD'S REFUSAL TO DELIVER THE CONTROLLED FUNDS TO THE RECEIVER

48. On August 29, 2017, the Receiver contacted Jim Bates ("**Mr. Bates**"), Senior Vice President and Chief Operating Officer of Accord, and requested that the Controlled Funds (in the amounts of approximately \$542,000 and US\$75,000, respectively, as at that date) held by Accord be paid into the Company's bank account, as in the ordinary course pursuant to the Accord Agreement. Mr. Bates advised the Receiver that he could not discuss the Controlled Funds until advised by counsel.

49. On the same day, counsel to Accord, Julian Heller (“**Mr. Heller**”) sent a letter (a copy of which is attached hereto as **Appendix “J”**) to the Receiver advising that a demand had been made by Strellson on the Accord LOC, and that accordingly, Accord was invoking a purported right of set-off against the Controlled Funds.
50. In response to the August 29 Letter, on August 31, 2017, the Receiver’s counsel, WeirFoulds, wrote to Mr. Heller (a copy of which is attached hereto as **Appendix “K”**):
- a) summarizing the Receiver’s understanding of the Accord Agreement (detailed above);
 - b) advising of its understanding that Controlled Funds in the possession of Accord at that time amounted to approximately \$620,000 and US\$75,000, respectively;
 - c) advising that in refusing to remit the Controlled Funds, Accord was in contempt of the Receivership Order, on the basis that pursuant to the Accord Agreement, the Controlled Funds are the Company’s property; and
 - d) demanding, on the Receiver’s behalf, that Accord comply with the Receivership Order and the Accord Agreement and immediately deliver the Controlled Funds to the Receiver, failing which a Court order directing same would be sought.
51. On September 14, 2017, Mr. Heller again wrote to WeirFoulds (a copy of which is attached hereto as **Appendix “L”**) to, among other things, advise that:
- a) Accord had remitted a portion of the Controlled Funds in the amounts of \$69,115.79 and US\$75,455.79 (the Receiver subsequently confirmed that these amounts were deposited to the Company’s bank account) but that Accord was holding \$500,000 of the Controlled Funds on account of the demand made on the Accord LOC and a further \$50,000 of Controlled Funds on account of legal costs being incurred by Accord in relation to these matters;
 - b) on August 18, 2017, a letter had been sent by Mr. Heller to Gowling WLG (“**Gowling**”), counsel to Strellson as beneficiary under the Accord LOC, requesting that certain information be provided in respect of the Company’s secured creditors but no response had been received; and
 - c) the Controlled Funds would not be released absent an order of the Court or a release of Accord by all parties in relation to the Accord Agreement and the Accord LOC.
52. On September 18, 2017 following email communications between Gowling and Mr. Heller, WeirFoulds wrote to Mr. Heller (a copy of which is attached hereto as **Appendix “M”**) advising that the Receiver had no involvement in any dispute surrounding the demand under the Accord LOC and that the Receiver’s sole issue related to the delivery of the Company’s property, namely the Controlled Funds, to the Receiver by

Accord. WeirFoulds further advised that the Receiver intended to bring a motion in order to enforce the terms of the Receivership Order if the Controlled Funds were not released to the Receiver.


53. The Receiver understands that Controlled Funds in the possession of Accord amounted to approximately \$626,000 as at September 29, 2017, and that further Controlled Funds in the amount of approximately \$360,000 were expected to be collected from Strellmax's wholesale customers as of that date. The Receiver further understands that as at the date of this First Report, Strellmax has requested, but has not yet been provided with, a more recent report of the Controlled Funds from Accord.

X. RECOMMENDATION

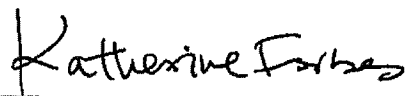
54. The Receiver recommends that this Court grant orders:
- a) approving the Samples Transaction and authorizing and directing the Receiver to complete same, and vesting, upon the closing of the Samples Transaction, all of the Company's right, title and interest in and to the Samples to the Buyer free and clear of all liens, charges, security interests and other encumbrances;
 - b) with respect to actions taken by Accord:
 - (i) declaring that Accord is in violation of the provisions of the Receivership Order, as a result of Accord's refusal to deliver the Controlled Funds in its possession to the Receiver in accordance with the terms of the Accord Agreement;
 - (ii) compelling Accord to report on and immediately turn over current and future Controlled Funds to the Receiver in accordance with the terms of the Receivership Order and/or the Accord Agreement; and
 - (iii) ordering Accord to pay the Receiver's costs incurred in respect of its motion, on a full indemnity basis; and
 - c) approving the Pre-Filing Report and this First Report, and the actions, activities and conduct of the Receiver set out therein.

All of which is respectfully submitted on the 6th day of October, 2017.

**Richter Advisory Group Inc.
as the Receiver of
Strellmax Limited
and not in its personal capacity**



**Paul van Eyk, CA·CIRP, CA·IFA
Senior Vice-President**



**Katherine Forbes, CPA, CA
Vice-President**

APPENDIX “G”



July 18, 2012

The Toronto-Dominion Bank
1470 Don Mills Rd., 3rd Floor
Toronto, Ontario
M3B 2X9

Dear Sir/Madam,

Regarding our mutual client:

Strellmax Ltd.
3725 Chesswood Drive
Toronto, Ontario
M3J 2P6

Reference is made to the factoring agreement (the "Agreement") dated June 1, 2010 between Strellmax Ltd. ("Strellmax") and Accord Financial Ltd., pursuant to which we have been retained to manage and collect the accounts receivable of Strellmax and provide credit guarantees.

We hereby confirm that we do not hold a security interest in any assets of Strellmax, including, without limitation, the accounts receivable of Strellmax and will not take any security interest in the future in any of its assets without your prior written consent. Title to the accounts receivable of Strellmax will remain with Strellmax at all times, subject to any accounts which are assigned to us by Strellmax from time to time with your prior written consent.

We confirm that as per Paragraph 9 of the Agreement, we remit and will continue to remit cash credit balances to Strellmax on a daily basis subject to a \$2,500 minimum transfer.

We confirm that Paragraph 10 of the Agreement is hereby amended by substituting the reference therein to "HSBC Bank Canada" with "The Toronto-Dominion Bank", and effective today we have made the necessary changes to have all our remittances for Strellmax forwarded to you by way of electronic funds transfer at the branch noted above.

We further covenant not to amend the Agreement without your prior written consent.

Sincerely,


Accord Financial Ltd.



Simon Hitzig
President

Acknowledged and Agreed by:

Strellmax Ltd.



Mark Attow
President

APPENDIX “H”

Strellmax Ltd.
Estimated Security Position - Working Analysis
Receivership Date: July 7, 2017
Updated to January 31, 2018
DRAFT - For discussion purposes only

Note: analysis is based on financial and other information provided by Strellmax Ltd. ("Strellmax"), and has not been independently verified by Richter Advisory Group Inc. ("Richter").

(\$000's CDN)	NBV ⁽¹⁾	Estimated Realization		Realization		%	Comments
		Low	%	High	%		
Current Assets							
Cash	-	57		57		57	0% Includes ~\$54k cash recovered from non-TD bank account of which Receiver was not aware at filing.
Cash Collateral - Visa Facility	72	60	83%	60	83%	58	81% Realization reflects refund of cash collateral (\$71.5k), net of pre-filing credit card charges incurred.
Trade Accounts Receivable	1,002	831	83%	831	83%	831	83% Collection of pre-receivership accounts receivable is complete.
Receivable from Strellson AG	265	-	0%	-	0%	-	0% \$3.5 million trade debt payable to Strellson AG exceeds amount receivable by Strellmax.
Duty Drawback Receivable, net of direct costs ⁽²⁾	88	60	70%	100	115%	(3)	-4% ~\$3k costs incurred to date. ~\$100k refund of import duties paid is anticipated by the Company; timing TBD.
Inventory ⁽³⁾	2,402	2,278	95%	2,282	95%	2,278	95% NBV reflects landed inventory and GIT as at Jul. 5/17. See detailed inventory analysis.
Prepaid expenses ⁽²⁾	13	-	0%	1	10%	-	0% Nominal estimated refundable deposits.
Income tax refund	100	-	0%	100	100%	-	0% Based on estimate provided by Strellmax management; Richter as not reviewed supporting documentation.
Other proceeds	-	49		49		49	Includes \$22k pre-filing insurance claim proceeds received to date - potential further amount receivable from co-insurer (max. \$30k) is uncertain - and \$25k credit bid consideration re: SSA Amendments.
	3,942	3,335	85%	3,480	88%	3,269	83%
Fixed Assets ⁽²⁾							
Leasehold improvements	2,508	-	0%	-	0%	-	0% No proceeds generated from any immovable leasehold improvements ("LI"). Any proceeds from movable LI's are captured in furniture & fixtures (below).
Furniture & fixtures	164	87	53%	87	53%	87	53% Reflects aggregate purchase price for the FF&E Sales.
Software, computer & equipment ⁽³⁾	428	50	12%	50	12%	50	12% \$50k IT Systems Credit Bid per the APA.
	3,100	137	4%	137	4%	137	4%
Estimated Priority Claims							
30-day Goods Claims	(70)	-	0%	-	0%	-	0% No claims filed by creditors for recently delivered merchandise.
Source Deductions	(25)	(20)	80%	(20)	80%	(20)	80% Estimated pre-filing portion of source deductions paid after filing.
Stub Period Wages and Vacation Pay	(90)	(70)	78%	(65)	72%	(43)	48% NBV estimate was based upon a maximum of \$2,000 per employee (45 employees), prior to detailed analysis. Realizations to date reflect only Stub Period Wages paid thus far in receivership.
Excise Taxes (HST/PST/QST)	(35)	(35)	100%	(35)	100%	(35)	100% Estimated pre-filing portion of HST paid after filing.
	(220)	(125)	57%	(120)	55%	(98)	45%
Estimated Realization Costs (not directly attributed to liquidation sales)							Estimated realization costs initially based on average 90-day liquidation period.
Head office payroll	(120)	(87)	73%	(87)	73%	(87)	73% Payment of head office payroll and benefits is complete.
Head office & DC rent	(30)	(9)	29%	(9)	29%	(9)	29% 1 month of rent was paid prior to Aug. 1/17 closing of APA transaction.
Vacation Incentive	(20)	(7)	35%	(7)	35%	(7)	35%
Company advisor	(15)	(33)	223%	(33)	223%	(33)	223% Company's advisor engaged directly by Strellmax through closing of SNAL Transaction.
Other wind-down costs	(114)	(114)	100%	(100)	87%	(94)	83% Includes IT, office, utilities, external staffing, SNAL Transaction closing costs, tax preparer fees, and equipment lease payments.
	(299)	(251)	84%	(236)	79%	(231)	77%
Restructuring Professional Fees	n/a	(700)		(600)		(525)	Fees incurred to date reflect receiver's fees and the fees of its counsel through Dec. 31/17, and the fees of Strellmax's restructuring counsel (Aird & Berlis) through Nov. 15/17.
Net Estimated Realizations		2,396		2,661		2,552	Includes ~\$934k of realizations satisfied by way of credit bid of Secured Creditor's debt.
Strellson AG Secured Debt	(4,707)	(4,707)		(4,707)		(4,707)	Includes principal, accrued interest, and fees & expenses charged to date.
Estimated Surplus (Shortfall) to Strellson AG		(2,311)		(2,046)		(2,155)	

Notes:

⁽¹⁾ Based on unaudited information provided by Strellmax. Except where otherwise stated, amounts were reported by Strellmax as at June 30, 2017.

⁽²⁾ 'Estimated Realization' represents the Receiver's best estimate of net proceeds on the Property as of September 2017, updated for realizations to date.

⁽³⁾ Values reported on the May 31, 2017 internal financial statements. Richter understands any changes since May 31, 2017 would not have a material impact on estimated realization value.

⁽⁴⁾ The APA was entered into on July 7, 2017 for the sale of certain of (i) Strellmax's inventory, (ii) IT-related software and equipment, and (iii) other assets to the Buyer. The SNAL transaction closed Aug. 1/17.

Strellmax Ltd.
Estimated Inventory Realization
Updated to January 31, 2018

(\$000's)	Notes	Inventory		Estimated Realization (% NBV)		Realization to date ⁽¹⁾	% NBV
		NBV	Low	%	High		
Retail Liquidation:							
Net Sales (Retail)						1,381	106%
Store-level costs						(287)	-22%
Liquidation consultant fees						(36)	-3%
Retail Liquidation Net Proceeds	(2)	1,299	1,058	81%	1,058	1,058	81%
APA:							
APA Purchase Price - Inventory	(3)	920	920	100%	920	920	
Suppliers & freight-in paid in receivership		(187)	(187)	100%	(187)	(187)	
		733	733	100%	733	733	100%
Samples Transaction	(4)	38	38	100%	38	38	100%
Sales to wholesale customers in receivership:							
Sales	(5)	409	566	139%	570	566	139%
Suppliers & freight in paid in receivership		(76)	(76)	100%	(76)	(76)	
Freight out		-	(41)		(41)	(41)	
		333	449	135%	453	450	135%
		2,402	2,278	95%	2,282	2,278	95%

Notes:

⁽¹⁾ Realization to date is on a cash basis.

⁽²⁾ Retail liquidation sales are complete, although a minimal amount of incidental costs have not yet been paid. Realizations on retail liquidation inventory represent a net orderly liquidation value (i.e. net of store-level liquidation costs), reflecting discounts through retail store (5 locations) liquidation sales.

⁽³⁾ Reflects \$920k purchase price for inventory purchased per the APA (100% of the book value on Strellmax's books and records), less the portion of purchased inventory paid for in the receivership. The SNAL Transaction was completed Aug. 1/17.

⁽⁴⁾ The Samples APA was entered into on October 27, 2017 following the Court's approval. The Samples Transaction closed on November 28, 2017.

⁽⁶⁾ \$626k of sales (@ selling price) were invoiced to wholesale customers in the receivership; estimated realizations reflect collections, net of customary chargebacks from customers. The majority of sales have now been collected.

APPENDIX “I”

Strellmax Ltd.
Cash Flow Statement (Presented in Canadian Dollars)
For the period July 7, 2017 to January 31, 2018

	Notes	
Receipts		
Retail sales	1	\$ 1,540,389.13
Accounts receivable collections	2	830,977.57
Wholesale sales	3	619,000.00
Advance from Secured Creditor		192,480.41
Release of cash collateral (TD)		69,481.85
Insurance claim and other receipts		23,806.00
Support Services Agreement - net amount payable to Buyer	4	73,281.89
Total Receipts		\$ 3,349,416.85
Disbursements		
Payroll & benefits	5	295,710.19
Professional fees - Receiver	6	206,406.51
Sales taxes remitted	7	194,726.95
Freight/duty on post-filing purchases		170,508.08
Rent	5	148,329.22
Supplier payments for post-filing merchandise purchases		133,021.27
Professional fees - Receiver's counsel	6	103,109.17
Professional fees - Company advisor		37,723.92
Liquidation Consultant		35,556.28
Professional fees - Company's counsel	8	36,481.54
Credit card fees on sales in receivership		28,911.82
Other expenses	9	122,018.82
Total Disbursements		\$ 1,512,503.76
Net Cash Flow		
		\$ 1,836,913.09
Opening Cash on hand		2,308.52
Net transfers to the Receiver	10	(1,758,070.05)
Foreign exchange loss on conversion of cash on hand		(3,204.49)
Ending Cash on Hand		\$ 77,947.06
Reconciliation to Receiver's Statements of Receipts and Disbursements		
Net Proceeds from Strellmax (CAD)		\$ 1,859,672.73
Receiver's funding of the Business (CAD)		(259,322.48)
Net Proceeds from Strellmax (USD)		125,472.75
FX on USD Net Proceeds (@ 1.2293)		28,770.90
Total Net Proceeds from Strellmax (in CAD)	11	\$ 1,754,593.90
Net transfers to the Receiver (per above)		(1,758,070.05)
FX translation adjustments and fees on transfers		3,476.00
Difference		\$ -

Disclaimer: This Company Cash Flow was compiled by the Receiver, based on the cash transactions posted in the Company's bank accounts, and supporting documentation provided by the Company. Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.

Strellmax Ltd.

Cash Flow Statement (Presented in Canadian Dollars)

For the period July 7, 2017 to January 31, 2018

Notes:

¹ Net sales from Liquidation Sale at the Closing Stores, including sales taxes.

² Collections of accounts receivable from sales made to wholesale customers prior to the date of the Receivership Order.

³ Collections of accounts receivable from sales made to wholesale customers since the Receivership Order. Breakdown of collections between AR and wholesale sales is estimated as collections have not been fully reconciled by invoice date.

⁴ Amount owed by the Buyer to Strellmax for reimbursable costs pursuant to the SSA Amendment.

⁵ Total post-filing retail and head office payroll & benefits, and rent (non-reimbursable by Buyer).

⁶ Fees of the Receiver and Receiver's counsel incurred as part of these receivership proceedings, paid directly by Strellmax.

⁷ Includes ~\$35,000 of pre-filing sales taxes paid.

⁸ Fees of the Company's counsel incurred as part of these receivership proceedings.

⁹ Other expenses include IT, office, utilities, external staffing, SNAL Transaction closing costs, tax preparer fees, and equipment lease payments and equipment lease payments.

¹⁰ Possession and control of Treasury Assets by the Receiver.

¹¹ Total net proceeds obtained from Strellmax as presented on the Interim R&D.

Court File No. CV-17-11865-00CL

BETWEEN:

STRELLSON AG

-and-

STRELLMAX LTD.

Applicant

Respondent

APPLICATION UNDER 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., c. c-43, as amended

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

SECOND REPORT OF THE RECEIVER

DLA PIPER (CANADA) LLP
1 First Canadian Place, Suite 6000
100 King Street West
Toronto ON M5X 1E2

Edmond F.B. Lamek (LSUC No. 33195Q)
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Email: edmond.lamек@dlapiper.com

Danny M. Nunes (LSUC No. 53802D)
Tel: 416.365.3421
Fax: 416.369.7945
Email: danny.nunes@dlapiper.com

Lawyers for the Receiver

TAB 3

Court File No. CV-17-11864-00CL

STRELLMAX LTD.

SUPPLEMENT TO THE SECOND REPORT OF THE RECEIVER

MARCH 8, 2018

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

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43**

**SUPPLEMENT TO THE SECOND REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
STRELLMAX LTD.**

MARCH 8, 2018

TABLE OF CONTENTS

I. INTRODUCTION	1
II. PURPOSE OF REPORT	1
III. THE PRIORITY AND DISTRIBUTION MOTION	1
IV. RECEIVER'S STATEMENTS OF RECEIPTS AND DISBURSEMENTS	2
V. PROPOSED INTERIM DISTRIBUTION	4
VI. REQUEST FOR APPROVAL OF FEES.....	5

APPENDICES

APPENDIX "A" – LETTER FROM JULIAN HELLER RE: ACCORD FINANCIAL LTD. DATED FEBRUARY 15, 2018

APPENDIX "B" – LETTER FROM DLA PIPER (CANADA) LLP RE: ACCORD FINANCIAL LTD. DATED FEBRUARY 20, 2018

APPENDIX "C" – AFFIDAVIT OF PAUL VAN EYK, SWORN MARCH 6, 2018

APPENDIX "D" – AFFIDAVIT OF EDMOND LAMEK, SWORN MARCH 7, 2018

I. INTRODUCTION

1. This supplementary report (the "**Supplementary Report**") is supplementary to the second report of Richter Advisory Group Inc. ("**Richter**") in its capacity as Receiver of Strellmax Ltd. dated February 7, 2018 (the "**Second Report**"). Except where otherwise indicated, this Supplementary Report adopts the definitions contained in the Second Report. This Supplementary Report is subject to the same qualifications, and should be read in conjunction with, the Second Report.

II. PURPOSE OF REPORT

2. The purpose of this Second Report is to provide this Court with information regarding:
 - (i) an update on the Receiver's actions taken with respect to the Priority and Distribution Motion since the date of the Second Report and related communications between Accord's counsel and the Receiver's counsel, DLA;
 - (ii) an updated Interim R&D, covering the period from the date of the Receivership Order to and including March 5, 2018;
 - (iii) the Receiver's estimate of the Accrued Obligations as of the date of this Supplementary Report and the Receiver's estimate of the Remaining Costs; and
 - (iv) an update on the amount of the Proposed Interim Distribution in respect of which the Receiver is seeking the Court's approval.

III. THE PRIORITY AND DISTRIBUTION MOTION

3. On February 15, 2018, counsel to Accord sent a letter (a copy of which is attached hereto as **Appendix "A"**) to the Receiver's counsel, DLA, with a copy to counsel for Strellson, asking certain questions of the Receiver which it advised had arisen from the Second Report (the "**Second Report Questions**").
4. On February 20, 2018, the Receiver's counsel sent a letter (a copy of which is attached hereto as **Appendix "B"**) to Accord's counsel, with a copy to counsel for Strellson, which contained the Receiver's responses to the Second Report Questions. The Receiver responded to all of the Second Report Questions, except questions relating to the organization of SNAL and Strellson, which the Receiver referred to Strellson's counsel since the Receiver did not have direct knowledge of the information requested. The Receiver has been advised by Danny Nunes, associate counsel with DLA, that the questions posed by Accord's counsel and referred to Strellson's counsel have been answered as at the date of this Supplementary Report. Furthermore, as at the date of this Supplementary Report, neither the Receiver nor its counsel has received any follow-up questions from Accord's counsel nor any request to examine the Receiver.

5. Pursuant to the Controlled Funds Order, the cross examinations of Jim Bates, on behalf of Accord, and Valeria Gomon, on behalf of Strellson (the "**Cross Examinations**"), took place on February 27 and February 28, 2018, respectively. The Receiver's counsel attended the Cross Examinations, and based on the evidence presented therein, nothing has come to the Receiver's attention as at the date of this Supplementary Report that, in the Receiver's view, would alter the priority of the Secured Creditor's claim as outlined in the security opinion obtained.

IV. RECEIVER'S STATEMENTS OF RECEIPTS AND DISBURSEMENTS

6. The updated CAD R&D for the period from the date of the Receivership Order to March 5, 2018 is summarized as follows:

Strellmax Ltd.		
Statement of Receipts and Disbursements (Canadian Dollars)		
For the period July 7, 2017 to March 5, 2018		
Receipts		Notes
Net proceeds from Strellmax	\$ 1,859,672.73	a
SNAL Transaction - cash purchase price	186,781.60	b
Cash in bank at the date of the Receivership Order	54,975.16	
Interest earned	10,298.33	
Miscellaneous refunds	188.14	
FF&E Sales	-	c
Samples Transaction	-	c
Total Receipts	2,111,915.96	
Disbursements		
Funding the Business	259,322.48	a
Professional fees - Receiver	152,916.50	d
Professional fees - Receiver's counsel	75,275.94	d
HST paid on disbursements	29,665.02	
Receivership filing fees	70.00	
Bank charges	72.16	
Total Disbursements	517,322.10	
Excess of Receipts over Disbursements/ Cash on Hand	\$ 1,594,593.86	

Notes:

- a) net proceeds from Strellmax in the amount of approximately \$1.9 million include the net proceeds from the Liquidation Sale and collections of the Company's accounts receivable (including the Controlled Funds). Of the net proceeds collected, the Receiver provided funding to Strellmax in the amount of approximately \$260,000 to operate the Business, as authorized and directed pursuant to the Receivership Order;

- b) the proceeds from the SNAL Transaction shown in the table above reflect the cash portion of the purchase price paid by Strellson in the amount of approximately \$187,000. The total purchase price of the SNAL Transaction amounted to approximately \$970,000, including the portion satisfied by way of a credit bid of a portion of Strellson's secured debt;
- c) the purchase prices for the FF&E Sales and the Samples Transaction were also satisfied by way of credit bids of a portion of Strellson's secured debt, in the amounts of approximately \$87,000 and \$38,000, respectively; and
- d) in addition to the professional fees paid to the Receiver and the Receiver's counsel reflected in the table above, Strellmax paid certain fees and disbursements of the Receiver and the Receiver's counsel directly, which payments are reflected in the Company Cash Flow.
7. As detailed in the above table, the Receiver had total CAD receipts of approximately \$2.1 million between the date of the Receivership Order and March 5, 2018, the majority of which related to net proceeds from Strellmax's Business. Total disbursements over the same period were approximately \$517,000, and as at March 5, 2018, cash on hand was approximately \$1.6 million.
8. The updated USD R&D for the period from the date of the Receivership Order to March 5, 2018 is summarized as follows:

Strellmax Ltd.	
Statement of Receipts and Disbursements (U.S. Dollars)	
For the period July 7, 2017 to March 5, 2018	
Receipts	
Net Proceeds from Strellmax	\$ 125,472.75
Interest earned	412.97
Total Receipts	125,885.72
Disbursements	
Bank charges	19.95
Total Disbursements	19.95
Excess of Receipts over Disbursements/Cash on Hand	\$ 125,865.77

9. As detailed in the above table, the Receiver had total USD receipts of approximately \$126,000 between the date of the Receivership Order and March 5, 2018, the majority of which related to net proceeds from Strellmax's Business, predominantly accounts receivable collections denominated in USD. Total disbursements over the same period were approximately \$20, and as at March 5, 2018, cash on hand was approximately \$126,000.

10. The Receiver estimates there remains approximately \$30,000 in Accrued Obligations primarily relating to professional fees and disbursements incurred up to the date of this Supplementary Report as part of these receivership proceedings. In addition, the Receiver estimates Remaining Costs, including the Remaining Fees and Disbursements (as detailed later in this Supplementary Report), in the amount of \$80,000 (for Outstanding Disbursements of \$110,000 in aggregate).

V. PROPOSED INTERIM DISTRIBUTION

11. As detailed in the Reports and summarized earlier in this Second Report, the security granted by the Company in favour of TD and assigned to Strellson pursuant to the Assignment Agreement, is valid and enforceable according to the independent, written legal opinion obtained by the Receiver in respect of same.
12. The table below sets out the Receiver's Proposed Interim Distribution of the net proceeds from realization to Strellson and/or Accord, in order of priority as determined by this Court:

Strellmax Ltd.	
Funds Available for Interim Distribution	
As at March 5, 2018	
Cash on Hand (in CAD) ⁽¹⁾	\$ 1,756,847.42
Less: Reserves	
81.4 Claims	(21,000.00)
Accrued Obligations	(30,000.00)
Remaining Fees and Disbursements	(70,000.00)
Other Remaining Costs	(10,000.00)
Contingency	(25,847.42)
Total Reserves	(156,847.42)
Proposed Interim Distribution (in CAD)	\$ 1,600,000.00
Note:	
¹ USD-denominated cash on hand has been converted to CAD at the Bank of Canada March 2, 2018 daily rate (1.2891) for presentation purposes.	

13. As at the date of this Supplementary Report, the Receiver seeks this Court's authority to make the Proposed Interim Distribution in the amount of \$1,600,000. Funds reserved by the Receiver are anticipated to be sufficient to fund the estimated remaining administrative costs and professional fees to complete the receivership, and any remaining priority claims of which the Receiver is aware and any further tax remittances required by Strellmax or the Receiver.

14. The Receiver notes that additional funds are expected to be received in the remaining administration, including income tax refunds and input tax credits claimed in the amount of approximately \$170,000, and import duties refunds (although the Receiver is unable to estimate the timing and likelihood of the recoveries on import duties paid at this time).

VI. REQUEST FOR APPROVAL OF FEES

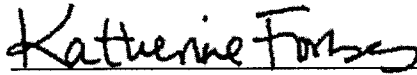
15. The Receiver and its counsel have maintained detailed records of their professional time and disbursements since the date of the Receivership Order.
16. The Receiver's professional fees incurred for services rendered from July 3, 2017 to February 28, 2018 amount to \$346,111.99, plus disbursements in the amount of \$556.34 (all excluding HST). The Receiver's professional fees and disbursements have not yet been approved by the Court. The time spent by the Receiver's professionals is described in the affidavit of Paul van Eyk attached hereto as **Appendix "C"**.
17. The fees of the Receiver's prior counsel, WeirFoulds, for services rendered from June 22, 2017 to December 31, 2017 amount to \$161,882.50, plus disbursements in the amount of \$2,032.39 (all excluding HST). The fees and disbursements of the Receiver's prior counsel have not yet been approved by the Court.
18. The fees of the Receiver's counsel, DLA, for services rendered from January 1, 2018 to February 28, 2018 amount to \$17,710.50, plus disbursements in the amount of \$71.50 (all excluding HST). The fees and disbursements of the Receiver's counsel have not yet been approved by the Court.
19. The time spent by the WeirFoulds and DLA professionals is described in the affidavit of Edmond Lamek attached hereto as **Appendix "D"**. The Receiver has reviewed WeirFoulds' and DLA's accounts and has determined that the services have been duly authorized and duly rendered and that the charges are reasonable given the circumstances.
20. In addition to the fees incurred by the Receiver and its counsel, and on the assumption that there are no delays, disputes or unforeseen developments in connection with these proceedings, including the within motion and the performance of the Remaining Matters, the Receiver has estimated Remaining Fees and Disbursements in the amount of \$70,000.00 for the Receiver and its counsel (all amounts excluding HST). These amounts represent the Receiver's best estimate of the reasonable professional and legal fees required to complete the administration of these proceedings up to the effective date of discharge.

All of which is respectfully submitted on the 8th day of March, 2018.

**Richter Advisory Group Inc.
as the Receiver of
Strellmax Limited
and not in its personal capacity**



Paul van Eyk, CA·CIRP, CA·IFA
Senior Vice-President



Katherine Forbes, CPA, CA
Vice-President

APPENDIX “A”



Julian Heller and Associates
Lawyers

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120 Adelaide Street West
Toronto ON Canada M5H 1T1
T 416.364.2404 F 416.364.0793
www.julianheller.com

jheller@julianheller.com

VIA FACSIMILE & EMAIL

February 15, 2018

DLA Piper (Canada) Ltd.
1 First Canadian Place, Suite 6000
100 King Street West
P.O. Box 367
Toronto, Ontario
M5X 1E2

Attention: Edmond R.B. Lamek

Dear Sir:

RE: Strellson AG vs. Strellmax Ltd.
Our Client: Accord Financial Ltd.
Our File No. 31117

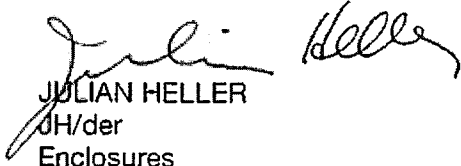
Further to Danny Nunes' email dated February 7, 2018, without prejudice to our rights to examine a representative of the Receiver, I set out below questions arising from the delivery of the Second Report of the Receiver dated February 7, 2018.

In addition, I enclose our letter dated August 18, 2017 to David Cohen that requests a number of items which are also requested now pursuant to the Distribution Motion which is pending. The following are the additional questions:

1. Advise of the mechanism by which Strellson AG bid the debt in order to purchase the various components of the business which come to be housed under Strellson North America Ltd. ("SNAL").
2. There are a number of figures referred to in the report in connection with the various transactions. The total amount appears to be approximately \$980,000. Please provide the allocation for that amount with respect to each transaction.
3. Advise as to the manner in which Strellson "supported" the SNAL sales referred to in paragraph 26 of the Report.
4. Confirm the amount which Strellson AG paid to TD for the assignment of the debt at the outset.
5. Provide the specifics of the allocation as between cash and bid of debt for the SNAL transaction referred to in the Report.

6. Provide the Shareholding Agreement for SNAL.
7. Provide specifics by which SNAL took over the premise leases from Strellmax.

Yours very truly,



JULIAN HELLER
JH/der
Enclosures

c.c. Frank D. Lamie
Thomas Gertner
Clifford Cole

C:\Users\dchisholm.JHA\Documents\Custom Office Templates\Lamek.01.docx



Julian Heller and Associates
Lawyers

Suite 2501
120 Adelaide Street West
Toronto ON Canada M5H 1T1
T 416.364.2404 F 416.364.0793
www.julianheller.com

jheller@julianheller.com

VIA EMAIL

August 18, 2017

Gowling WLG (Canada) LLP
1 First Canadian Place
Suite 1600, 100 King Street West
Toronto, Ontario
M5X 1G5

Client: Strellson AG

Attention: David F.W. Cohen

Dear Sir:

RE: Strellson AG vs. Strellmax Ltd.
Our Client: Accord Financial Ltd.
Our File No. 31117

Further to your letter of August 15, 2017 to Accord Financial Ltd. ("Accord") I have now had an opportunity to conduct a preliminary review of this matter. Please provide me with a copy of the certificate referred to as being included in the "supporting documentation".

Furthermore, in order for my client to determine its position, we request the following information and documentation:


1. The full statement of account as between Strellson AG and Strellmax Ltd. from January 1, 2016 to date.
2. Shareholders Agreement between Strellson AG and Mark Altow, Adamray, and/or any related or affiliated companies in a new company which we understand has been incorporated to carry on the business of Strellmax in North America, which we understand is called Strellson North America Ltd. ("Strellson NA")
3. Copies of all communications and notes reflecting discussions or negotiations between Strellson AG and Strellmax Ltd., Mark Altow and Adamray or related parties with respect to arrangements to continue shipping product in 2016 and 2017, the decision to appoint a Receiver, and to incorporate Strellson NA and to carry on the business of Strellmax.
4. Documentation to reflect any dealings with Adamray or Altow's security in connection with Strellmax.
5. Employment agreement between Mark Altow and Strellson NA.
6. Copies of all invoices from Strellson AG to Strellmax from January 1, 2016 to date.
7. Identification and supporting documentation of the party making payment to Strellson AG set out in the statement of account referred to above.

8. Copies of any agreements between Strellson AG and Strellson NA.

In the circumstances, until we are in receipt of the information requested, my client will not be in a position to make any payment under the letter of credit. Furthermore, by copy of this letter to Adamray and Altow, this is formal notice that if my client is ultimately obliged to make payment under the letter of credit, it will seek full reimbursement from Adamray and Altow pursuant to the Subordination and Assignment Agreements dated March 1, 2016 and signed on March 6, 2016, copies of which are attached hereto.

Lastly, my client does not waive any of its rights and asserts its entitlement to be repaid by Strellmax any amounts which it may be called upon to pay.

Yours very truly,



JULIAN HELLER

JH/der

Enclosures

c.c. **ADAMRAY INVESTMENTS**
3725 Chesswood Drive,
Toronto, Ontario, M3J 2P6
Attention: Mark Altow
Email: m.altow@strellson.ca

c.c. Mark Altow
29 Ridge Hill Drive
Toronto, Ontario
M6C 3A3

P.S. I also acknowledge receipt of Leila Burden Nixon's letter dated August 17, 2017. The version of the facts is not accepted, and the deadline in the circumstances is unrealistic. The subject of the letter of credit is not new and I suggest we schedule a telephone call for Tuesday, August 23 or Wednesday, August 24 to deal with this rather than exchange correspondence.

N:\HELLERVA\Accord Financial\Correspondence\Cohen.03.docx

SUBORDINATION AND ASSIGNMENT

To: Accord Financial Ltd.
77 Bloor Street West, Suite 1803
Toronto, Ontario
M5S 1M2

Date: March 1, 2016

Gentlemen:

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, hereby declares that STRELLMAX LTD. ("DEBTOR") is indebted to the undersigned in the amount of \$1,150,000 which the undersigned does hereby subordinate and postpone to any and all debts, demands, claims, liabilities or causes of action for which the DEBTOR may now or at any time hereafter in any way be liable to you. The undersigned further covenants and agrees with you that the DEBTOR shall not pay, and the undersigned will not accept payment of or assert or seek to enforce against the DEBTOR, any indebtedness now or hereafter owing by the DEBTOR to the undersigned or any collateral or security thereto appertaining, unless and until you have been paid in full and all such debts, claims, liabilities, demands or causes of action now or hereafter owing to you by the DEBTOR. As further security for the undertakings of the undersigned in that behalf, the undersigned hereby assigns to you any and all such indebtedness now or hereafter owing by the DEBTOR to the undersigned and to any and all collateral or security thereof; covenants and agrees to assign, endorse and deliver to and deposit with you any and all notes or other obligations or instruments evidencing any such indebtedness and all collateral thereto appertaining; hereby irrevocably authorizing you to collect, receive, enforce and accept any and all sums or distributions of any kind that may become due, payable or distributable on or in respect of such indebtedness, either principal or interest, or such collateral or security whether paid directly or indirectly by the DEBTOR, or paid or distributed in any bankruptcy, receivership, reorganization or dissolution proceedings or otherwise. The undersigned represents and warrants to you that the undersigned has not assigned or transferred any of the said indebtedness, and that any notes or written obligations taken to evidence such indebtedness or any renewal notes or written obligations taken to evidence such indebtedness or any renewal notes or written obligation will be endorsed with a proper notice of this agreement.

This agreement shall be construed in accordance with the laws of the Province of ONTARIO and is in addition to and not in substitution for any other undertakings, guarantees, or securities now held or that hereafter may be held by you or for your benefit and shall be binding upon the undersigned and the heirs, administrators, executors and assigns of the undersigned and shall enure to the benefit of your successors and assigns.

EXECUTED AT Toronto this 6th day of MARCH, 2016.

ADAMRAY INVESTMENTS LTD.

Shelly Ali
WITNESS
Name Shelly Ali
Address 28 Radial Street
Brampton - Ont - L6Y 5K7

Per: [Signature]
Name Mark Allow, President
Address 29 Ridge Hill Drive, Toronto, ON M6C 3A3

I HAVE AUTHORITY TO BIND THE CORPORATION

ACKNOWLEDGEMENT

The DEBTOR named in the foregoing document hereby acknowledges receipt of notice hereof and of the assignment to ACCORD FINANCIAL LTD.

EXECUTED AT Toronto this 6th day of MARCH, 2016.

STRELLMAX LTD.

Per: [Signature]
Name Mark Allow, President

I HAVE AUTHORITY TO BIND THE CORPORATION

SUBORDINATION AND ASSIGNMENT

To: Accord Financial Ltd.
77 Bloor Street West, Suite 1803
Toronto, Ontario
M5S 1M2

Date: March 1, 2016

Gentlemen:

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, hereby declares that STRELLMAX LTD. ("DEBTOR") is indebted to the undersigned in the amount of \$1,150,000 which the undersigned does hereby subordinate and postpone to any and all debts, demands, claims, liabilities or causes of action for which the DEBTOR may now or at any time hereafter in any way be liable to you. The undersigned further covenants and agrees with you that the DEBTOR shall not pay, and the undersigned will not accept payment of or assert or seek to enforce against the DEBTOR, any indebtedness now or hereafter owing by the DEBTOR to the undersigned or any collateral or security thereto appertaining, unless and until you have been paid in full and all such debts, claims, liabilities, demands or causes of action now or hereafter owing to you by the DEBTOR. As further security for the undertakings of the undersigned in that behalf, the undersigned hereby assigns to you any and all such indebtedness now or hereafter owing by the DEBTOR to the undersigned and to any and all collateral or security thereof; covenants and agrees to assign, endorse and deliver to and deposit with you any and all notes or other obligations or instruments evidencing any such indebtedness and all collateral thereto appertaining; hereby irrevocably authorizing you to collect, receive, enforce and accept any and all sums or distributions of any kind that may become due, payable or distributable on or in respect of such indebtedness, either principal or interest, or such collateral or security whether paid directly or indirectly by the DEBTOR, or paid or distributed in any bankruptcy, receivership, reorganization or dissolution proceedings or otherwise. The undersigned represents and warrants to you that the undersigned has not assigned or transferred any of the said indebtedness, and that any notes or written obligations taken to evidence such indebtedness or any renewal notes or written obligations taken to evidence such indebtedness or any renewal notes or written obligation will be endorsed with a proper notice of this agreement.

This agreement shall be construed in accordance with the laws of the Province of ONTARIO and is in addition to and not in substitution for any other undertakings, guarantees, or securities now held or that hereafter may be held by you or for your benefit and shall be binding upon the undersigned and the heirs, administrators, executors and assigns of the undersigned and shall enure to the benefit of your successors and assigns.

EXECUTED AT Toronto this 6th day of MARCH, 2016.

Sd/
WITNESS
Name Shelly Ali
Address 28 Radial St.
Beaumont, Ont. L6Y 5K7

MARK ALTOW
Per: [Signature]
Name Mark Altow
Address 29 Ridge Hill Drive, Toronto, ON M6C 3A3
Birthdate: SEP 22 1962

.....
ACKNOWLEDGEMENT

The DEBTOR named in the foregoing document hereby acknowledges receipt of notice herof and of the assignment to ACCORD FINANCIAL LTD.

EXECUTED AT Toronto this 6th day of MARCH, 2016.

STRELLMAX LTD.

Per: [Signature]
Mark Altow, President

I HAVE AUTHORITY TO BIND THE CORPORATION

APPENDIX “B”



DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King St W
Toronto ON M5X 1E2
www.dlapiper.com

Danny Nunes
danny.nunes@dlapiper.com
T 416.365.3421
F 416.369.7945

February 20, 2018

VIA EMAIL

Julian Heller and Associates
120 Adelaide Street West, Suite 2501
Toronto, ON M5H 1T1

Attention: **Julian Heller**

Dear Mr. Heller:

Re: Strellson AG (“SAG”) and Strellmax Ltd. (“Strellmax”)

We are in receipt of your letter dated February 15, 2018 wherein you set out certain questions to the Receiver on behalf of your client, Accord Financial Ltd., in respect of the Receiver’s priority and distribution motion returnable March 15, 2018.

The following are the Receiver’s answers to the aforementioned questions (all capitalized terms are as defined in the Second Report of the Receiver dated February 7, 2018 (the “**Second Report**”) unless otherwise indicated):

1. SAG (as purchaser) bid its secured debt by agreeing to set-off, settle, and release a portion of its indebtedness in the various purchases of Strellmax’s assets and it directed title to each of the purchased assets to Strellson North America Ltd. (“**SNAL**”) pursuant to the attached Consent, Receipt and Acknowledgement dated August 1, 2017 and Direction re Title dated August 1, 2017, respectively, both in respect of the SNAL Transaction. As outlined in the Receiver’s pre-filing report dated July 5, 2017 and the Receiver’s first report dated October 6, 2017, both of which were approved pursuant to the Order of the Honourable Mr. Justice Hainey dated October 27, 2017, the secured debt bid by SAG in the SNAL Transaction and Samples Transaction was 100% of cost and in the case of the FF&E Sales, the assets were sold for greater than liquidation value. As outlined in the Second Report, the SNAL Transaction was approved by the Court and closed on August 1, 2017 and the Samples Transaction was approved by the Court and closed on November 28, 2017.
2. The summary of Strellson AG credit bids is as follows:



Strellmax Ltd. in receivership
Summary of Credit Bid Transactions by Strellson AG

<u>(\$CDN)</u>	<u>Amount</u>
SNAL Transaction	\$ 783,687.50
First SSA Amendment	25,000.00
Samples Transaction	37,795.58
<u>FF&E Sales</u>	
Bloor Store	7,775.00
Vancouver Store	15,751.00
Yorkdale store	17,846.00
Ottawa store	16,853.00
Bayview Store	11,176.00
Head office APA	17,217.00
	<u>86,618.00</u>
	<u>\$ 933,101.08</u>

All defined terms have the meanings ascribed them in the Receiver's second report dated February 7, 2018.

3. SAG, in its capacity as secured creditor, was in agreement with the terms of the FF&E Sales transactions as proposed by the Receiver.
4. We refer this question to SAG's counsel.
5. The SNAL Transaction purchase price was satisfied by cash or credit bid, as per the terms of the SNAL Transaction APA. The breakdown of the purchase price is as follows:

Strellmax Ltd. in receivership
SNAL Transaction Purchase Price

<u>(\$CDN)</u>	<u>satisfied by:</u>	<u>Amount</u>
Prescribed Inventory Amount	credit bid	\$ 733,687.50
Delivered In Season Inventory Amount	cash	186,783.36
Purchased Inventory Book Value		<u>920,470.86</u>
IT Systems Credit Bid Amount	credit bid	50,000.00
Total Purchase Price		<u>\$ 970,470.86</u>

All defined terms have the meanings ascribed them in the SNAL Transaction APA, a copy of which is attached as Appendix "D" to the Receiver's first report, dated October 6, 2017.

6. We refer this question to SAG's counsel.



7. The Receiver understands that Strellmax's head office and warehouse lease was operating on a month-to-month basis prior to the closing of the SNAL Transaction and that Strellmax made rent payments to the landlord up to and including July 2017. The Receiver further understands that it was SNAL's intention to enter into a new lease with the landlord for the same premises in order to continue to operate the wholesale business from the same location following the closing of the SNAL Transaction and that SNAL entered into a new lease for these premises effective August 1, 2017. No leases were assigned by Strellmax or the Receiver to SNAL or any other party.

We trust the foregoing is satisfactory.

Sincerely,

DLA Piper (Canada) LLP

Per:

A handwritten signature in black ink, appearing to read 'Danny Nunes', written over a horizontal line.

Danny Nunes

DN

cc: Edmond Lamek, DLA Piper (Canada) LLP
Katherine Forbes, Richter Advisory Group Inc.
Paul van Eyk, Richter Advisory Group Inc.
Clifford Cole, Gowling WLG (Canada) LLP
Thomas Gertner, Gowling WLG (Canada) LLP
Frank Lamie, Gowling WLG (Canada) LLP

CONSENT, ACKNOWLEDGMENT AND RECEIPT

This Consent, Acknowledgment and Receipt is made as of the 1st day of August, 2017 between:

**RICHTER ADVISORY GROUP INC., solely in its capacity as
Court-appointed receiver of the assets, undertakings and properties of
STRELLMAX LTD.
(the "Vendor")**

AND

**STRELLMAX LTD
("Strellmax")**

AND

**STRELLSON AG
(the "Purchaser")**

RECITALS

- A. On June 6, 2016, The Toronto Dominion Bank ("TD"), as lender, and Strellmax, as borrower, entered into a commitment letter (as subsequently amended by an amending agreement dated December 6, 2016, the "**Commitment Letter**") pursuant to which TD agreed to make available to Strellmax certain credit facilities (the "**Credit Facilities**") and Strellmax agreed to grant TD certain collateral security (the "**Collateral Security**").
- B. On June 30, 2017, the Purchaser, as assignee, and TD, as assignor, entered into an Assignment Agreement pursuant to which TD assigned all of its rights and obligations in connection with the Commitment Letter and the Collateral Security to the Purchaser (the "**Assignment Agreement**").
- C. Pursuant to Orders of the Ontario Superior Court of Justice (Commercial List) dated July 7, 2017 (the "**Appointment Order**") made upon the application of the Purchaser: (i.) the Vendor was appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of Strellmax pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") and the *Courts of Justice Act* (Ontario) and was authorized, *inter alia*, to manage all treasury functions of Strellmax and control all receipts and disbursements of Strellmax; and (ii.) the Receiver was authorized to sell certain inventory and assets of Strellmax to the Purchaser (the "**Purchased Assets**") in accordance with the terms of an Asset Purchase Agreement – Non Liquidation Assets, dated July 7, 2017 (the "**APA**").
- D. The purchase price (the "**Purchase Price**") under the APA is to be satisfied in part by way of a credit-bid (the "**Credit-Bid**"), in part by the provision of cash (the "**Cash Consideration**") to the Receiver and in part by way of assuming certain existing obligations of Strellmax.

THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations and warranties of the parties herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties):

1. The Parties agree that the following amounts are owing by Strellmax to the Purchaser pursuant to the Credit Facilities (which amounts for greater certainty do not include any accrued and unpaid interest, fees or costs of the Purchaser in connection with the Assignment Agreement and / or the enforcement of the Collateral Security, which the Purchaser reserves its right to advance in the receivership proceedings of Strellmax or in any subsequent bankruptcy proceedings):
 - (i) \$3,699,310.33 CAD being the amount advanced by the Purchaser to TD under the Assignment Agreement;
 - (ii) \$140,100.00 CAD being the amount advanced by the Purchaser to Strellmax under an Acknowledgement and Amending Agreement dated June 30, 2017 between the Purchaser and Strellmax; and
 - (iii) \$180,000 CAD and \$10,000 USD, being amounts advanced by the Purchaser to Strellmax under a Second Amending Agreement dated July 10, 2017 between the Purchaser, the Receiver and Strellmax.

(collectively, the "**Principal Indebtedness**")

2. The Purchaser agrees that: (i) in satisfaction of the Credit-Bid it is setting-off, settling, and releasing part of the Principal Indebtedness in an amount equal to \$783,687.50 CAD (the "**Credit Bid Amount**"), thereby reducing the Principal Indebtedness to \$3,235,722.83 CAD and \$10,000.00 USD; and (ii) Strellmax may rely on this Consent, Acknowledgment and Receipt to reduce the Principal Indebtedness in its books and records to \$3,235,722.83 CAD and \$10,000.00 USD and may provide this Consent, Acknowledgment and Receipt to any third parties as evidence of the accord, satisfaction and release of the Credit Bid Amount by the Purchaser.
3. The Receiver directs the Purchaser to make payment of the Cash Consideration by wire transfer as follows:

Bank of Montreal
119 St. Jacques
Montreal, QC H2Y 1L6

Transit: 00011
Account No.: 1976-033
Beneficiary: Richter Advisory Group Inc. in trust
4. The Receiver hereby acknowledges: (i) receipt from the Purchaser of the Cash Consideration; and (ii) receipt of this Consent, Acknowledgment and Receipt in satisfaction of the Prescribed Inventory Amount (as defined in the APA) and the IT Systems Credit Bid Amount (as defined in the APA) under section 2.05 of the APA.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS OF WHICH the Parties have executed this Consent, Acknowledgment and Receipt.

RICHTER ADVISORY GROUP INC., solely in its capacity as Court-appointed receiver of the assets, undertakings and properties of **STRELLMAX LTD** and not in its personal or corporate capacity

Per: Katherine Forbes
Name: Katherine Forbes
Title: Vice-President

STRELLMAX LTD.

Per: _____
Name: Mark Altow
Title: Chief Executive Officer

STRELLSON AG

Per: _____
Name: Marcel Braun
Title: Chief Executive Officer

Per: _____
Name: Valeria Gomon
Title: Chief Financial Officer

IN WITNESS OF WHICH the Parties have executed this Consent, Acknowledgment and Receipt.

RICHTER ADVISORY GROUP INC., solely in its capacity as Court-appointed receiver of the assets, undertakings and properties of STRELLMAX LTD and not in its personal or corporate capacity

Per: _____
Name: Katherine Forbes
Title: Vice-President

STRELLMAX LTD.

Per: _____
Name: Mark Altow
Title: Chief Executive Officer

STRELLSON AG

Per: _____
Name: Marcel Braun
Title: Chief Executive Officer

Per: _____
Name: Valeria Gomon
Title: Chief Financial Officer

IN WITNESS OF WHICH the Parties have executed this Consent, Acknowledgment and Receipt.

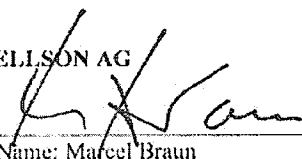
RICHTER ADVISORY GROUP INC., solely in its capacity as Court-appointed receiver of the assets, undertakings and properties of STRELLMAX LTD and not in its personal or corporate capacity

Per: _____
Name: Katherine Forbes
Title: Vice-President

STRELLMAX LTD.

Per: _____
Name: Mark Allow
Title: Chief Executive Officer

STRELLSON AG

Per:  _____
Name: Marcel Braun
Title: Chief Executive Officer

Per: _____
Name: Valeria Gomon
Title: Chief Financial Officer

DIRECTION RE TITLE

TO: RICHTER ADVISORY GROUP INC. (the “Receiver”)

AND TO: WEIRFOULDS LLP
Barristers and Solicitors

RE: Asset Purchase Agreement (the “APA”) dated July 7, 2017 between the Receiver, solely in its capacity as court-appointed receiver of the assets, undertakings and properties of Strellmax Ltd. (the “Debtor”), and not in its personal capacity, as vendor, Strellson AG, as purchaser, Strellson North America Ltd. (the “Buyer”), as buyer, and the Debtor.

You are hereby authorized and directed to engross the transfer of the Purchased Assets (as that term is defined in the APA) to the Buyer and this shall be your good, sufficient and irrevocable authority for so doing.

[SIGNATURE PAGE FOLLOWS]

DATED this 1st day of August, 2017.

STRELLSON AG

Per: 

Name: Marcel Braun

Title: Chief Executive Officer

Per: _____

Name: Valeria Gomon

Title: Chief Financial Officer

I have authority to bind the Corporation.

TOR_LAW\92133712

DATED this 1st day of August, 2017.

STRELLSON AG

Per: _____
Name: Marcel Braun
Title: Chief Executive Officer

Per: *V. Gomon*
Name: Valeria Gomon
Title: Chief Financial Officer

I have authority to bind the Corporation.

TOR_LAW 92133712

APPENDIX “C”

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

**APPLICATION UNDER 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.
C43, AS AMENDED**

**IN THE MATTER OF THE RECEIVERSHIP OF
STRELLMAX LTD.**

AFFIDAVIT OF PAUL VAN EYK

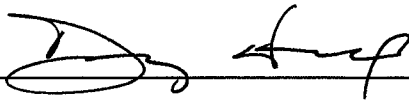
I, **PAUL VAN EYK**, of the City of Kleinburg in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Vice President of Richter Advisory Group Inc. ("**Richter**") and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and whereso stated, I verily believe it to be true.
2. By order (the "**Appointment Order**") of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated July 7, 2017 (the "**Date of Appointment**"), Richter was appointed receiver (the "**Receiver**") of the assets, undertakings and properties of Strellmax Ltd., pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
3. Pursuant to the Appointment Order, the Receiver has provided services and incurred disbursements, in the amount of \$345,555.65 and \$556.34 (all excluding HST), respectively, in the period from July 3, 2017 to February 28, 2018 (the "**Period**") with respect to services provided. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of all invoices rendered by the Receiver on a periodic basis during the Period (the "**Accounts**").
4. True copies of the Accounts, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Receiver, are attached as Exhibit "B" to this my Affidavit.
5. In the course of performing its duties pursuant to the Appointment Order, the Receiver's staff has expended a total of 855.25 hours during the Period. Attached as Exhibit "C" to this my Affidavit is a schedule setting


out a summary of the individual staff involved in the administration of the receivership and the hours and applicable rates claimed by the Receiver for the Period. The average hourly rate billed by the Receiver during the Period is \$404.04.

6. The Receiver requests that this Court approve its Accounts for the Period, in the total amount of \$346,111.99 (excluding HST) for services rendered and recorded during the Period.
7. WeirFoulds LLP ("**WeirFoulds**"), as prior independent legal counsel to the Receiver, have provided legal services to the Receiver, rendered services throughout these proceedings in a manner consistent with the instructions of the Receiver and has prepared an affidavit with respect to the services rendered in the period from June 22, 2017 to December 31, 2017 (the "**Prior Counsel's Period**").
8. DLA Piper (Canada) LLP ("**DLA**"), as independent legal counsel to the Receiver, have provided legal services to the Receiver, rendered services throughout these proceedings in a manner consistent with the instructions of the Receiver and has prepared an affidavit with respect to the services rendered in the period from January 1, 2018 to February 28, 2018 (together with the Prior Counsel's Period, the "**Counsel's Period**"). The Receiver has reviewed the invoices rendered by WeirFoulds and DLA during the Counsel's Period.
9. The Receiver's fees and disbursements for the period from March 1, 2018 to the completion of all work relating to the receivership proceedings will be calculated and billed at the standard rates currently in effect. Barring unforeseen circumstances, I estimate that the Receiver's fees and disbursements to the completion of the receivership proceedings will not exceed \$70,000 (excluding HST), including the fees and disbursements of legal counsel.
10. To the best of my knowledge, the rates charged by the Receiver and its legal counsel are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
11. I verily believe that the fees and disbursements incurred by the Receiver and its legal counsel are fair and reasonable in the circumstances.
12. This Affidavit is sworn in connection with a motion for an Order of this Court to, among other things, approve the fees and disbursements of the Receiver and those of its legal counsel and for no improper purpose.

SWORN BEFORE ME at the CITY of)
TORONTO, in the PROVINCE of ONTARIO)
This 6th day of MARCH, 2018)

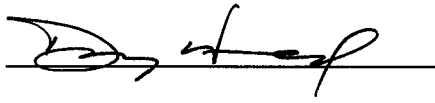


DANNY NUNES



PAUL VAN EYK

This is Exhibit "A" referred to in the Affidavit of
Paul van Eyk, sworn before me this
6th day of March, 2018

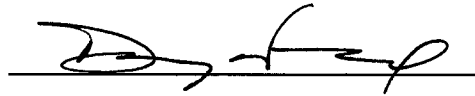

DANNY NUNES

Richter Advisory Group Inc.
IN THE MATTER OF THE RECEIVERSHIP
Re: Strellmax Ltd.

Statement of Accounts
For the Period from July 7, 2017 to February 28, 2018

<u>Invoice</u>	<u>Date of invoice</u>	<u>Fees</u>	<u>Discount</u>	<u>Net fees</u>	<u>Disbursements</u>	<u>HST</u>	<u>Total</u>
20402134	July 31, 2017	117,983.25	(5,899.16)	112,084.09	352.81	14,616.80	127,053.70
20402238	September 15, 2017	73,800.75	(3,689.98)	70,110.77	112.96	9,129.08	79,352.81
20402298	October 11, 2017	65,633.25	(3,281.66)	62,351.59	38.72	8,110.74	70,501.05
20401185	November 9, 2017	45,838.00	(2,291.90)	43,546.10	26.40	5,664.43	49,236.93
20402467	December 14, 2017	28,035.00	(1,401.75)	26,633.25		3,462.32	30,095.57
20402534	January 11, 2018	11,504.50	(575.22)	10,929.28	15.84	1,422.87	12,367.99
20402596	February 6, 2018	9,868.75	(493.43)	9,375.32		1,218.79	10,594.11
20402674	March 5, 2018	11,079.25	(554.00)	10,525.25	9.61	1,369.53	11,904.39
		<u>363,742.75</u>	<u>(18,187.10)</u>	<u>345,555.65</u>	<u>556.34</u>	<u>44,994.56</u>	<u>391,106.55</u>

This is Exhibit "B" referred to in the Affidavit of
Paul van Eyk, sworn before me this
6th day of March, 2018

A handwritten signature in black ink, appearing to read "Danny Nunes", written over a horizontal line.

DANNY NUNES

RICHTER

Attn. Mark Altow, President

Strellmax Ltd.
3725 Chesswood Drive
Toronto, ON M3J 2P6

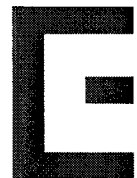
Date: 07/31/2017
Invoice No.: 20402134
Engagement No.: 2020956
Payment Terms: Net 30 Days

Professional services rendered to July 28, 2017	\$ 117,983.25
Disbursements	352.81
Less: 5% Courtesy Discount	-5,899.16
Sub-Total	112,436.90
GST/HST #885435842 RT0001	14,616.80
Total Due	CAD \$ 127,053.70

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20402134
Date: 07/31/2017



Fees

Name	Hours	Rate	Amount
Ann Stremski	6.00	\$ 185.00	\$ 1,110.00
Carol O'Donnell	4.90	250.00	1,225.00
Cindy Michaud	6.70	185.00	1,239.50
Daniel Korsunsky	121.00	350.00	42,350.00
Katherine Forbes	128.20	525.00	67,305.00
Patrick Lareau	1.10	425.00	467.50
Paul Van Eyk	6.35	675.00	4,286.25
	274.25		\$ 117,983.25

Disbursements

Paul Van Eyk			\$ 352.81
			\$ 352.81

Invoice No.: 20402134
Date: 07/31/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
07/03/2017	Katherine Forbes Calls with Strellson AG, Strellson AG counsel, Weirfoulds, and follow-up emails to the Company.	3.00	\$ 525.00	\$ 1,575.00
07/03/2017	Paul Van Eyk Preparing material, review of documents.	2.00	675.00	1,350.00
07/04/2017	Katherine Forbes Update, incorporation of comments from all parties, and review of Proposed Receiver's report, and correspondence with counsel re: same.	3.00	525.00	1,575.00
07/04/2017	Katherine Forbes Daily update call with Strellson AG. Calls and correspondence with Strellson and counsel re: updates to assets subject to APA. Call and correspondence to/from liquidator re: liquidation sales. Review of Strellson retail stores analysis.	5.50	525.00	2,887.50
07/05/2017	Katherine Forbes Finalizing Proposed Receiver's report, preparation of liquidation analysis, calls with Gowlings re: Rodair, other stakeholders concerns.	4.00	525.00	2,100.00
07/05/2017	Katherine Forbes Calls with Strellson AG and the Company re: inventory subject to APA. Review of inventory information, and supporting information for schedules to the APA.	4.00	525.00	2,100.00
07/06/2017	Katherine Forbes Update and finalization of liquidation analysis. Calls and correspondence with Strellson AG, Gowlings, and the Company to analyze inventory and finalize APA. Review of correspondence re: notices of appearance, and compiling supporting information.	6.00	525.00	3,150.00
07/06/2017	Katherine Forbes Drafting stakeholder communications re: APA and receivership at the request of Strellson AG. Review of updated drafts to orders, and APA. Obtaining information required for receivership.	3.00	525.00	1,575.00
07/06/2017	Daniel Korsunsky Estimated security position (inventory and AR). Employee letter. Wholesale customer letter. IT back-up coordination. Press release. Banking meeting and discussion.	3.50	350.00	1,225.00
07/07/2017	Carol O'Donnell	0.70	250.00	175.00

Invoice No.: 20402134
Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
07/07/2017	Open new bank account with BMO, review order. Katherine Forbes Preparation for, and attendance at Court for appointment and granting of orders. Attendance onsite at the Company. Coordinating with the Company, the Lender, and the bank to secure treasury assets, work plan and other Day 1 activities.	6.00	525.00	3,150.00
07/07/2017	Katherine Forbes Correspondence to/from Strellson AG counsel, correspondence to counsel to Bentall Kennedy, meetings with the Company, and Richter team re: IT system back-up. Correspondence to/from liquidator re: liquidation sales.	2.00	525.00	1,050.00
07/07/2017	Cindy Michaud Fax to OSB and post on website: Approval and Vesting Order, Order Appointing Receiver, Endorsement of Justice.	0.60	185.00	111.00
07/07/2017	Paul Van Eyk Attendance in court, review of material, discussion with lawyers.	2.50	675.00	1,687.50
07/07/2017	Daniel Korsunsky On-site receivership activities. Creditor listing. IT back-up coordination. Banking coordination. Discussions with team and management.	4.00	350.00	1,400.00
07/07/2017	Daniel Korsunsky Court material preparation. APA Inventory schedule. Wages and vacation analysis. Transfer of funds letters.	1.50	350.00	525.00
07/10/2017	Patrick Lareau Question from K. Forbes.	0.30	425.00	127.50
07/10/2017	Carol O'Donnell Prepare EIS, email to K. Forbes. Open new bank accounts.	0.80	250.00	200.00
07/10/2017	Katherine Forbes Review and acknowledgment of additional advance from Strellson to Strellmax. Correspondence with counsel to receiver and Strellson. Review of Company funding request to Strellson. Call with V. Gomon re: Rodair.	2.50	525.00	1,312.50
07/10/2017	Katherine Forbes	5.50	525.00	2,887.50

Invoice No.: 20402134
Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
	Onsite work at the Company, including various meetings with management. Creditor inquiries. Banking matters, including correspondence to/from TD. IT backup matters, etc. Work plan provided to Strellson.			
07/10/2017	Cindy Michaud Estate information sheet, changes on documents posted on website.	0.30	185.00	55.50
07/10/2017	Cindy Michaud Fax Application Record to OSB.	0.20	185.00	37.00
07/10/2017	Daniel Korsunsky Creditor listing. Bank balances and activity. IT coordination. Inventory count coordination emails. Notice and Statement of Receiver. Estate Information Summary. Pre-receivership priority payroll analysis. Discussions with Company and team.	8.00	350.00	2,800.00
07/11/2017	Patrick Lareau List of creditors.	0.80	425.00	340.00
07/11/2017	Carol O'Donnell Prepare Estate information sheet. Work on creditor list, communications with D. Korsunsky. Email to D. Korsunsky regarding bank accounts.	1.80	250.00	450.00
07/11/2017	Katherine Forbes Onsite work at the Company. Call with OSB. Call with liquidator and Company. Discussions with Company re: sale guidelines. Monitoring banking. Notice and statement of the receiver.	5.50	525.00	2,887.50
07/11/2017	Katherine Forbes Funding from Strellson to Company, and discussions with management and Strellson's counsel re: same. Compiling schedules to APA. Correspondence with Company and Richter team re: Rodair.	2.30	525.00	1,207.50
07/11/2017	Daniel Korsunsky Drafting of lease repudiation notices. Assisting in opening Richter bank account. GST/HST information. Creditor listing. Estate Information Summary. Discussions with Company and team.	8.00	350.00	2,800.00
07/12/2017	Carol O'Donnell Prepare supplementary list and email to D. Korsunsky. Prepare creditor list.	0.80	250.00	200.00
07/12/2017	Ann Stremski Update creditor list; communication with D. Korsunsky; prepare employee supplementary list.	2.00	185.00	370.00

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Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
07/12/2017	Katherine Forbes Cash flow monitoring and other banking activities, including correspondence with TD. Call with Company and Rodair re: letter of acknowledgment and services to be provided. Review of financial, mailing information for Notice.	2.50	525.00	1,312.50
07/12/2017	Katherine Forbes Weekly liquidator call. Call/meeting with Strellson. Onsite work at the Company, including discussions with management and assistance with service provider, landlord inquiries. Calls with P. van Eyk, counsel.	4.00	525.00	2,100.00
07/12/2017	Cindy Michaud Enter creditors in Ascend, send email re: 2 missing address, update and send Supplementary list	0.60	185.00	111.00
07/12/2017	Daniel Korsunsky Supplementary Mailing List. IT backup coordination. Collection letters for non-factored accounts receivable. Outstanding cheque reconciliation. Creditor listing. Estate Information Summary. Discussions with Company and team. Balance sheet classification.	7.50	350.00	2,625.00
07/13/2017	Ann Stremski Communications and administration re filing; open files; transfer to Estates; open bank accounts in Ascend	1.50	185.00	277.50
07/13/2017	Katherine Forbes Onsite work at the Company, meetings with management and Strellson. Correspondence with Rodair. Banking and funding approval matters, correspondence with TD.	5.50	525.00	2,887.50
07/13/2017	Katherine Forbes Review of Notice and Statement of the Receiver, EIS, creditor listing, and supplemental mailing lists. Review of estimated priority payroll amounts.	2.00	525.00	1,050.00
07/13/2017	Cindy Michaud Update EIS, mailing lists and documents for mailing, exchange of emails with Torontot colleagues,	1.50	185.00	277.50
07/13/2017	Paul Van Eyk Call with Katherine	0.50	675.00	337.50
07/13/2017	Daniel Korsunsky	8.00	350.00	2,800.00

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Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
07/14/2017	Employee benefits suspension reversal call. Supplementary Mailing List. Collection letters for non-factored accounts receivable. Outstanding cheque reconciliation. Creditor listing. Estate Information Summary. Discussions with Company and team.	2.50	185.00	462.50
07/14/2017	Ann Stremski Communications with D. Korsunsky; verify Notice; communicate with OSB and Cindy Michaud	1.50	525.00	787.50
07/14/2017	Katherine Forbes Review of Company's cash flow. Review of final notice and statement of the receiver, EIS, creditor list, etc. and correspondence with Richter team.	1.30	525.00	682.50
07/14/2017	Katherine Forbes Review of Company's funding request and discussion with Richter team. Correspondence with Company re: retail liquidation sales, planned lease repudiations, other considerations. Correspondence to/from TD re: banking.	3.50	185.00	647.50
07/14/2017	Cindy Michaud Emails with Toronto colleagues, mailing to creditors by post and email, post of mailing documents on website, fax documents to OSB.	7.00	350.00	2,450.00
07/14/2017	Daniel Korsunsky Lease Repudiation Notice. Vendor deposit letter. Customer collections letter. Employee letter. Receipts and disbursements schedule. Communication with vendors. Mailing to creditors. Creditor listing. Estate Information Summary.	2.00	525.00	1,050.00
07/17/2017	Katherine Forbes Correspondence and discussions with Richter team re: Company's funding request, cash flow forecast, statutory considerations. Correspondence with counsel re: APA, IT back-up, other receivership matters. Review of acknowledgment letter for Qixas services.	7.50	350.00	2,625.00
07/18/2017	Daniel Korsunsky Cash flow forecast analysis and discussion. Outstanding cheque tracker. Vendor deposits. Funding requests and banking. Employee letter updates. Discussions with management and team.	4.00	525.00	2,100.00

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Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
07/18/2017	Onsite at Company. Weekly liquidator call, review of liquidation sales performance, cash flow forecast and funding requests. Discussions with Richter team re: oversight activities and banking. Correspondence with management re: pre-filing liabilities. Katherine Forbes	3.00	525.00	1,575.00
07/18/2017	Drafting business terms for support services. Drafting and finalizing memo to Company re: operational considerations in receivership. Correspondence with Richter team re: same. Discussion with counsel re: pre-closing activities. Daniel Korsunsky	8.50	350.00	2,975.00
07/19/2017	AR collection letters. Funding requests and banking. Cash flow forecast discussion. Vendor deposits. Employee benefits call. Vendor discussion and agreement. APA Schedule D - Wholesale PO and Deposits. Discussions with management and team. Katherine Forbes	2.50	525.00	1,312.50
07/19/2017	Onsite work at the Company, including meetings with management. Weekly update call with Strellson. Correspondence with counsel re: amendments to APA. Review of banking activity and requests, correspondence to/from TD, Strellson. Katherine Forbes	2.50	525.00	1,312.50
07/19/2017	Correspondence with counsel, call with Strellson and Strellson's counsel re: amounts requested to be paid for goods in transit. Review/execution of AR collection letters. Discussion with Richter team re: landlord inquiries, etc. Katherine Forbes	0.30	525.00	157.50
07/19/2017	Review of liquidation sales performance. Daniel Korsunsky	7.50	350.00	2,625.00
07/20/2017	AR collection letters. Funding requests and banking. Discussions with creditors/recipients of Notice of Receivership. Discussions with management and team. Weekly update call. Head office employee utilization. Landlord letter. Carol O'Donnell	0.30	250.00	75.00
07/20/2017	Open new bank account to hold funds in trust for taxes. Email account number to K. Forbes. Carol O'Donnell	0.50	250.00	125.00
07/20/2017	Email K. Forbes new bank account. Open file and set up bank account in Ascend.			

Invoice No.: 20402134
Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
07/20/2017	Katherine Forbes Onsite work at the Company. Discussions and correspondence with management on transaction, creditor, and banking matters. Review of funding request issues. Drafting closing agenda. Review of amended APA.	4.50	525.00	2,362.50
07/20/2017	Katherine Forbes Reviewing and overseeing monitoring and oversight activities re: Company operations	1.00	525.00	525.00
07/20/2017	Paul Van Eyk Review of emails.	1.00	675.00	675.00
07/20/2017	Daniel Korsunsky Realization schedule. HST analysis. AR analysis. Sales analysis. Landlord call. AR collection letters. Funding requests and banking. Discussions with creditors/recipients of notice. Discussions with management and team.	6.00	350.00	2,100.00
07/21/2017	Katherine Forbes Updated realization analysis at Lender's request. Discussions with counsel to receiver and Strellson re: closing issues, support services agreement. Review of support services agreement draft. Correspondence with Company and Strellson re: closing issues.	4.00	525.00	2,100.00
07/21/2017	Katherine Forbes Letter to TD re: bank transfers. Correspondence with Richter team re: banking issues, payment approvals, calculation of amounts to be transferred, etc. Review of Schedule D and send to Strellson for comment. Updating employee letter.	2.80	525.00	1,470.00
07/21/2017	Paul Van Eyk Review of emails and analysis.	0.25	675.00	168.75
07/21/2017	Daniel Korsunsky Schedule D of APA analysis. Funding requests and banking. Vendor letter and discussion. Discussions with management and team.	7.00	350.00	2,450.00
07/24/2017	Katherine Forbes Onsite work at the Company including meetings with Strellson and management. Compile and review list of operational items for closing, update work plan. Banking matters and discussions with Richter team.	4.00	525.00	2,100.00
07/24/2017	Katherine Forbes	2.00	525.00	1,050.00

Invoice No.: 20402134
Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
	Finalizing employee letter from receiver. Review of HST matters, drafts of closing documents re: APA.			
07/24/2017	Paul Van Eyk Discussion with K. Forbes, review of emails.	0.10	675.00	67.50
07/24/2017	Daniel Korsunsky Standard cost testing for APA. Vendor discussions. Funding requests and banking. Inventory count coordination. Inventory listings. Wire transfers. Discussions with management and team.	7.00	350.00	2,450.00
07/25/2017	Katherine Forbes Onsite work at the Company, including meetings with Strellson AG, and review of Excluded IT. Update work plan at request of Strellson AG. Discussions with Richter team and review of funding requests, and various correspondence re: same.	3.50	525.00	1,837.50
07/25/2017	Katherine Forbes Review of APA document mark-ups for HST matters and other language, and correspondence with counsel re: same. Correspondence with Company's counsel re: draft lease repudiation notices.	2.50	525.00	1,312.50
07/25/2017	Daniel Korsunsky Payroll analysis. Employee benefits call. Standard cost testing. Vendor discussions. Funding requests and banking. Wire transfers. Discussions with management and team.	8.00	350.00	2,800.00
07/26/2017	Katherine Forbes Onsite work at the Company including call, meetings with Strellson AG on APA closing and other receivership matters. Correspondence with Company re: operational matters.	4.00	525.00	2,100.00
07/26/2017	Katherine Forbes Correspondence with Company counsel re: lease repudiations. Review of updated APA drafts and other closing documents, correspondence with counsel re: same.	2.00	525.00	1,050.00
07/26/2017	Daniel Korsunsky Factoring emails. Employee benefits call. Standard cost testing. Vendor discussions. Shipping analysis. Funding requests. Inquiries to bank regarding activity. Discussions with management and team.	6.50	350.00	2,275.00
07/27/2017	Katherine Forbes	4.00	525.00	2,100.00

Invoice No.: 20402134
 Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
07/27/2017	Onsite work at the Company, including discussions with management re: creditor inquiry and funding requests. Discussions with Richter team and review of funding matters. Katherine Forbes	3.50	525.00	1,837.50
07/27/2017	Meetings with management and Purchaser re: inventory calculation at closing, Excluded IT, action items for closing, etc. Review and discussions re: Schedule D. Call with Purchaser's counsel re: IT Systems. Calculation of cash consideration. Daniel Korsunsky	8.00	350.00	2,800.00
07/28/2017	Contractor invoice template. Creditor notice inquiries. Unsecured creditor discussions. Vendor discussions. Cash purchase price calculation. Funding requests. Inquiries to bank regarding activity. Discussions with management and team. Katherine Forbes	4.00	525.00	2,100.00
07/28/2017	Onsite work at the Company, including meetings with management re: closing and employee offers, costs. Correspondence with counsel re: APA terms and amendment. Correspondence with Company, Company's counsel re: disclaimers. Katherine Forbes	3.00	525.00	1,575.00
07/28/2017	Review of insurance and IT payments, funding request amounts in question, build up of inventory per APA, Schedule D. Manulife matters and correspondence. Daniel Korsunsky	7.50	350.00	2,625.00
Fees Total		274.25		\$ 117,983.25

Date	Name and Description	Hours	Rate	Amount
07/14/2017	Paul Van Eyk 07/14/2017: 8 pages X 125 copies @ \$0.1 ; Mailing - Notice and Statement of the Receiver			\$ 100.00
07/14/2017	Paul Van Eyk 07/14/2017: Postage: Notice and Statement of the Receiver			252.81

Invoice No.: 20402134
Date: 07/31/2017



Date	Name and Description	Hours	Rate	Amount
Disbursements Total				<hr/> \$ 352.81

Invoice No.: 20402134
Date: 07/31/2017



Remittance Form

Attn. Mark Altow, President

Strellmax Ltd.
3725 Chesswood Drive
Toronto, ON M3J 2P6

Invoice Summary

Sub-Total		\$ 112,436.90
GST/HST #885435842 RT0001		14,616.80
Total Due	CAD	\$ 127,053.70

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

Attn. Mark Altow, President

Strellmax Ltd.
3725 Chesswood Drive
Toronto, ON M3J 2P6

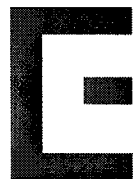
Date: 09/15/2017
Invoice No.: 20402238
Engagement No.: 2020956
Payment Terms: Net 30 Days

Professional services rendered to September 1, 2017	\$ 73,800.75
Disbursements	112.96
Less: 5% Courtesy Discount	-3,689.98
Sub-Total	70,223.73
GST/HST #885435842 RT0001	9,129.08
Total Due	CAD \$ 79,352.81

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20402238
Date: 09/15/2017



Fees

Name	Hours	Rate	Amount
Ann Stremski	0.50	\$ 185.00	\$ 92.50
Carol O'Donnell	2.50	250.00	625.00
Daniel Korsunsky	113.70	350.00	39,795.00
Katherine Forbes	60.90	525.00	31,972.50
Patrick Lareau	1.50	425.00	637.50
Paul Van Eyk	0.95	675.00	641.25
Soazig Bourgine	0.20	185.00	37.00
	180.25		\$ 73,800.75

Disbursements

Disbursements			\$ 112.96
			\$ 112.96

Invoice No.: 20402238
Date: 09/15/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
07/24/2017	Carol O'Donnell Emails with D. Korsunsky regarding transferring of funds from company acct.	0.20	\$ 250.00	\$ 50.00
07/25/2017	Carol O'Donnell Verify bank for wire transfer for HST, email to K. Forbes, update, scan and save.	0.40	250.00	100.00
07/27/2017	Carol O'Donnell Verify bank for wire, email to K. Forbes, update, scan and save.	0.30	250.00	75.00
07/28/2017	Carol O'Donnell Verify bank for wire transfer, email to K. Forbes. Enter, scan and save.	0.40	250.00	100.00
07/31/2017	Katherine Forbes Review of inventory count variance to book for APA, various correspondence with parties to APA. Compiling and review closing documents and Schedule D to APA. Finalizing APA and support services including HST.	4.50	525.00	2,362.50
07/31/2017	Katherine Forbes Correspondence with Lender. Review of receivership costs. Correspondence with Company re: return of inventory for liquidation sales. Detailed invoicing activities. Various Company inquiries.	2.00	525.00	1,050.00
07/31/2017	Daniel Korsunsky Inventory count reconciliation. WSIB documents. Transaction closing activities. Funds transfers. Master list of all funding to date. O/S cheque reconciliation. Vendor discussions. Funding requests, banking activities. Discussions with management and team.	9.50	350.00	3,325.00
08/01/2017	Katherine Forbes Correspondence to/from parties to APA re: IT and closing. Reviewing and providing documents. Review of inventory calculation and credit bid. Discussions with Richter team re: reporting issues. Call with Purchaser counsel re: closing.	3.50	525.00	1,837.50
08/01/2017	Katherine Forbes Discussions with Richter team re: funding requests and pre-filing obligations.	0.50	525.00	262.50
08/01/2017	Katherine Forbes Liquidator weekly call.	0.50	525.00	262.50
08/01/2017	Daniel Korsunsky	7.00	350.00	2,450.00

Invoice No.: 20402238
Date: 09/15/2017



Date	Name and Description	Hours	Rate	Amount
	Inventory/sales reconciliation. Credit bid amount. Security coordination. Transaction closing activities. Employee benefits call and update. Funds transfers. Master list of all funding to date. Discussions with management and team.			
08/02/2017	Katherine Forbes Receivership update call with Lender. Circulating closing documents. Correspondence with Receiver's counsel and Purchaser's counsel.	1.50	525.00	787.50
08/02/2017	Katherine Forbes Discussions with Richter team and oversight of funding requests and banking. Review of insurance documents. Review of store exit plan and sale guidelines.	2.50	525.00	1,312.50
08/02/2017	Daniel Korsunsky Insurance data. Receipts and disbursements schedule. Weekly status call. Vendor discussions. Funding requests. Banking activities. Discussions with management and team.	8.00	350.00	2,800.00
08/03/2017	Katherine Forbes Update work plan, invoicing, review R&D workpapers, review cash flow forecast, correspondence with Company on liquidation sales and post-closing matters.	4.00	525.00	2,100.00
08/03/2017	Katherine Forbes Correspondence with receiver's counsel and Company's counsel re: Manulife benefits and Buyer requests.	0.50	525.00	262.50
08/03/2017	Daniel Korsunsky Creation of cash flow model. Removal of fixtures information gathering. Receipts and disbursements schedule. Weekly status call. Vendor discussions. Funding requests and other banking activities. Discussions with management and team.	8.00	350.00	2,800.00
08/04/2017	Katherine Forbes Correspondence with Receiver's counsel, Company counsel, Company on store closure obligations, employee issues, Manulife coverage suspension, and other. Responding to various inquiries from management re: transition to Purchaser.	3.50	525.00	1,837.50
08/04/2017	Katherine Forbes Reviewing banking, approving transfer of funds to receiver's account. Discussions with Richter team re: approval of funding requests.	0.80	525.00	420.00

Invoice No.: 20402238
Date: 09/15/2017



Date	Name and Description	Hours	Rate	Amount
08/04/2017	Daniel Korsunsky Cash flow model updates. Information gathering re: removal of fixtures. Receipts and disbursements schedule. Weekly status call. Vendor discussions. Funding requests. Banking activities. Discussions with management and team.	4.50	350.00	1,575.00
08/07/2017	Katherine Forbes Correspondence with M. Altow and Richter team re: Vancouver lease. Correspondence with D. Korsunsky re: funding request.	0.50	525.00	262.50
08/08/2017	Carol O'Donnell Verify bank for wire transfer, create transfer to HST account. Update Ascend.	0.50	250.00	125.00
08/08/2017	Ann Stremski Bank reconciliation.	0.20	185.00	37.00
08/08/2017	Katherine Forbes Correspondence and telephone call with D. Cohen (Gowling WLG) re: Vancouver lease.	1.00	525.00	525.00
08/08/2017	Daniel Korsunsky Payroll analysis. CBSF deposit letter. Equipment sales assistance. Employee benefits call. Weekly liquidation call. Funding requests and other banking activities. Discussions with management and team.	3.80	350.00	1,330.00
08/09/2017	Katherine Forbes Correspondence with D. Korsunsky re: funding requests, services, and other costs. Review of draft letter re: lease assignment, and correspondence with counsel.	0.50	525.00	262.50
08/09/2017	Soazig Bourgine Website posting.	0.20	185.00	37.00
08/09/2017	Daniel Korsunsky CRA phone discussion re: payroll. Update call with Strellson AG. Transfer of services and credit cards. Employee benefits call and agreement with legal department. Funding requests. Banking activities. Discussions with management and team.	4.50	350.00	1,575.00
08/10/2017	Carol O'Donnell Emails with K. Forbes and D. Korsunsky regarding WEPP.	0.10	250.00	25.00
08/10/2017	Katherine Forbes Correspondence with Richter team re: life insurance and property insurance matters, WEPPA deadlines, and funding requests.	0.50	525.00	262.50
08/10/2017	Daniel Korsunsky	4.00	350.00	1,400.00

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Date	Name and Description	Hours	Rate	Amount
	Inventory listing for insurance quote. Insurance premium analysis. Funding requests. Banking activities, including letters of direction and funds transfer. O/S cheque list. Discussions with management and team.			
08/11/2017	Patrick Lareau WEPPA analysis.	0.50	425.00	212.50
08/11/2017	Carol O'Donnell Prepare registration fees and efile.	0.30	250.00	75.00
08/11/2017	Katherine Forbes Correspondence with Richter team re: closing costs, payment of liquidator fees, Manulife benefits and transition to the Buyer.	0.50	525.00	262.50
08/11/2017	Daniel Korsunsky Records of Employment. Transfer of services discussions. Termination letter discussion. Daily monitoring. Transfer of services discussions. Funding requests and other banking activities. Discussions with management and team.	2.90	350.00	1,015.00
08/13/2017	Paul Van Eyk Review of emails.	0.50	675.00	337.50
08/14/2017	Patrick Lareau Communication with Service Canada.	0.50	425.00	212.50
08/14/2017	Katherine Forbes Correspondence with D. Korsunsky re: receivership costs, company operations, and employee matters. Telephone call from J. Pernica re: Vancouver lease and correspondence with D. Cohen re: same.	1.00	525.00	525.00
08/14/2017	Daniel Korsunsky Daily monitoring. Funding requests. Daily banking. Liquidation discussion. Estimated realization analysis. Discussions with management and team.	4.60	350.00	1,610.00
08/15/2017	Katherine Forbes Review of financial information and realization update requested by lender. Discussions with Richter team on various operational and banking matters. Weekly liquidation call. Call with D. Cohen re: Vancouver lease. Review of inventory excluded from APA.	5.00	525.00	2,625.00
08/15/2017	Daniel Korsunsky Daily monitoring. Funding requests. Daily banking. Insurance analysis/discussion. Weekly liquidation call. Vendor discussions. Estimated realization analysis. Discussions with management and team.	4.80	350.00	1,680.00

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Date	Name and Description	Hours	Rate	Amount
08/16/2017	Patrick Lareau Confirmation of extension of WEPPA deadline.	0.50	425.00	212.50
08/16/2017	Katherine Forbes Review of realization update requested by Lender. Discussion and correspondence with real estate consultant re: Vancouver Lease. Weekly receivership update call with Lender. Correspondence to M. Altow re: credit card facility. Other operational matters.	4.50	525.00	2,362.50
08/16/2017	Daniel Korsunsky Daily monitoring. Funding requests. Daily banking. Weekly receivership call. Benefits discussion with provider. Hydro disconnection issue. Estimated realization analysis. Discussions with management and team.	4.90	350.00	1,715.00
08/17/2017	Katherine Forbes Review of Company purchases of inventory. Discussions with management. Discussions with Richter team re: funding requests, banking controls, Vancouver lease. Inventory reconciliation for realization update requested by Lender. Correspondence with counsel.	3.00	525.00	1,575.00
08/17/2017	Daniel Korsunsky Lease and percentage re rent analysis. ROEs. Various account terminations. Credit card cancellation. Vendor calls regarding receivership. Daily monitoring. Funding requests. Inventory and margin analysis. Discussions with management and team.	5.00	350.00	1,750.00
08/18/2017	Katherine Forbes Calls with Gowling WLG re: Bentall Kennedy, and M. Altow re: Vancouver lease. Discussions with D. Korsunsky re: company operations and employee matters, etc. Correspondence with liquidator. Review of draft Vancouver lease offer.	2.30	525.00	1,207.50
08/18/2017	Paul Van Eyk Review of emails.	0.10	675.00	67.50
08/18/2017	Daniel Korsunsky Credit card cancellation. Daily monitoring. Funding requests. Daily banking. Updating O/S cheque listing.	3.30	350.00	1,155.00
08/21/2017	Katherine Forbes Call with real estate consultant re: Vancouver lease value. Discussions with Richter team re: WEPPA, banking, employee matters.	1.30	525.00	682.50

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Date	Name and Description	Hours	Rate	Amount
08/21/2017	Daniel Korsunsky Vendor deposit letter. Daily monitoring. Daily banking. Funds transfers. Discussions with vendors and logistics companies. R&D schedule updates. Wire to trust account. Utilities calculations. WEPPA analysis. Discussions with management and team.	4.00	350.00	1,400.00
08/22/2017	Katherine Forbes Liquidation update call. Discussions with D. Korsunsky re: insurance, banking and funding request matters, liquidation costs.	2.00	525.00	1,050.00
08/22/2017	Daniel Korsunsky Weekly liquidation call. Payroll processing. Vendor deposit letter. Daily monitoring. Funding requests. Daily banking. Discussions with vendors and logistics companies. Discussions with management and team.	5.00	350.00	1,750.00
08/23/2017	Ann Stremski Bookkeeping on trust account.	0.30	185.00	55.50
08/23/2017	Katherine Forbes Receivership update call with Lender. Discussions with Richter team re: inventory reconciliation, receivership costs. Correspondence with company re: liquidation costs.	1.10	525.00	577.50
08/23/2017	Daniel Korsunsky Weekly receivership call. CRA calls. Daily monitoring. Daily banking. HST audit. Discussions with management and team.	3.90	350.00	1,365.00
08/24/2017	Katherine Forbes Discussions with Richter team re: inventory reconciliation, asset realizations, staffing, upcoming CRA audit, other matters. Review of purchases in receivership and income tax return, employee terminations. Correspondence with counsel re: landlords.	1.50	525.00	787.50
08/24/2017	Katherine Forbes Review and acknowledgment of offer to Vancouver landlord, correspondence and call with Transferee's counsel, Transferee, and Receiver's counsel re: same. Review of liquidation consultant agreement and correspondence with Lender re: same.	1.50	525.00	787.50
08/24/2017	Daniel Korsunsky	3.80	350.00	1,330.00

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Date	Name and Description	Hours	Rate	Amount
	License partner discussions. Organization of trust examination documents. Updates to OS cheque listing. Tax return coordination. Transition discussion with controller. Daily monitoring. Daily banking. Discussions with management and team.			
08/25/2017	Katherine Forbes Review of daily sales performance. Discussions with Richter team re: pre-filing liabilities, planning re: company staffing levels and CRA audit.	0.50	525.00	262.50
08/25/2017	Daniel Korsunsky Shipment/customs coordination. Transfer of utility accounts. Daily monitoring. Funding requests. Daily banking. Discussions with management and team.	3.50	350.00	1,225.00
08/28/2017	Carol O'Donnell Transfer funds from Receiver account to HST account.	0.30	250.00	75.00
08/28/2017	Katherine Forbes Discussions with Richter team re: CRA audit and employee matters. Review of letter of direction sent to TD Bank. Review of correspondence re: purchaser costs. Lender request re: parties to notice of the receiver.	1.00	525.00	525.00
08/28/2017	Daniel Korsunsky HST transfers by receiver. WEPPA schedule. Controller transition. Daily monitoring. Daily banking. Liquidation matters. Discussions with management and team.	4.20	350.00	1,470.00
08/29/2017	Katherine Forbes Discussions and correspondence with Richter team, counsel, Lender's counsel re: Accord and review of letter from Accord. Correspondence with Richter team re: Purchaser's freight and other costs re: APA, other matters.	2.50	525.00	1,312.50
08/29/2017	Paul Van Eyk Call on o/s issues.	0.10	675.00	67.50
08/29/2017	Daniel Korsunsky Legal matters with factoring party. Back-up of controller's computer. Payroll coordination and transition. WEPPA schedule. Final day transition meeting with controller and newco CFO. Daily monitoring. Daily banking. Weekly liquidation update call.	5.80	350.00	2,030.00
08/30/2017	Katherine Forbes	1.00	525.00	525.00

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Date	Name and Description	Hours	Rate	Amount
08/30/2017	Receivership update call with lender, review of APA purchase price to confirm responsibility for landing costs. Emails to V. Gomon, Richter team re: bankruptcy costs and Gowlings bill payment. Responding to Purchaser CFO email. Katherine Forbes	2.00	525.00	1,050.00
08/30/2017	Correspondence with counsel, Lender's counsel re: Accord holding funds. Correspondence with Company counsel re: lease repudiations. Discussion with D. Korsunsky re: repudiations, operational matters. Review and comments on repudiation drafts. Daniel Korsunsky	4.00	350.00	1,400.00
08/30/2017	Bank letter re: signing officers. Legal matters with Accord. Payroll coordination. Inventory matters and discussions with COO. Notification list to Lender. Daily monitoring. Daily banking. Weekly receivership call.	1.50	525.00	787.50
08/31/2017	Calls with V. Gomon re: bankruptcy considerations, Vancouver lease, and incremental cost reimbursement to estate. Review of considerations. Call to L. Burden Nixon re: bankruptcy considerations.	1.70	525.00	892.50
08/31/2017	Review of build-up of funds held by Accord, call and correspondence with counsel, lender's counsel and Richter team re: same. Review of draft letter to Accord counsel. Correspondence with liquidation consultant.	0.50	525.00	262.50
08/31/2017	Review of Bayview lease repudiation by Strellmax and correspondence with Richter team, M. Altow re: issues.	0.25	675.00	168.75
08/31/2017	Review of emails, call with K. Forbes.	4.70	350.00	1,645.00
08/31/2017	A/R and cash deposits reconciliation. Lease repudiation assistance - Vancouver and Bayview. Legal matters with Accord. WEPPA schedule. Vendor discussions. Funding requests update. Daily monitoring. Weekly receivership call.	0.20	525.00	105.00
09/01/2017	Correspondence with Richter team re: costs to be incurred by Purchaser.			

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Date	Name and Description	Hours	Rate	Amount
Fees Total		180.25		\$ 73,800.75
Date	Name and Description	Hours	Rate	Amount
07/17/2017	Disbursements			\$ 112.96
Disbursements Total				\$ 112.96

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Remittance Form

Attn. Mark Altow, President

Strellmax Ltd.
3725 Chesswood Drive
Toronto, ON M3J 2P6

Invoice Summary

Sub-Total		\$ 70,223.73
GST/HST #885435842 RT0001		9,129.08
Total Due	CAD	\$ 79,352.81

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Date: 10/11/2017
Invoice No.: 20402298
Engagement No.: 2020956
Payment Terms: Net 30 Days

Professional services rendered to September 30, 2017		\$ 65,633.25
Disbursements		38.72
Less: professional courtesy discount		-3,281.66
Sub-Total		<hr/> 62,390.31
GST/HST #885435842 RT0001		8,110.74
Total Due	CAD	<hr/> \$ 70,501.05

T. 416. 488. 2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



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Fees

Name	Hours	Rate	Amount
Adam Sherman	0.20	\$ 675.00	\$ 135.00
Ann Stremski	0.40	185.00	74.00
Carol O'Donnell	3.90	250.00	975.00
Daniel Korsunsky	74.60	350.00	26,110.00
Katherine Forbes	66.10	525.00	34,702.50
Pascale Lareau	2.80	185.00	518.00
Patrick Lareau	2.20	425.00	935.00
Paul Van Eyk	2.55	675.00	1,721.25
Soazig Bourgine	2.50	185.00	462.50
	155.25		\$ 65,633.25

Disbursements

Disbursements			\$ 38.72
			\$ 38.72

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Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
09/01/2017	Daniel Korsunsky Vendor and deposit discussions. Daily monitoring.	1.40	\$ 350.00	\$ 490.00
09/05/2017	Pascale Lareau Bank reconciliation (3 bank accts).	0.60	185.00	111.00
09/05/2017	Katherine Forbes Correspondence with counsel re: amendment to agency agreement. Correspondence from landlord's counsel re: Bloor lease vacate date. Discussions with Richter team re: Accord funds flow, payroll matters, vacation liabilities. Review of court order terms.	2.00	525.00	1,050.00
09/05/2017	Daniel Korsunsky Payroll review. Manual wire request. Freight and duty analysis. Daily monitoring. Daily banking. Discussions with management and team.	5.00	350.00	1,750.00
09/06/2017	Carol O'Donnell Review of WEPP. File POC.	0.40	250.00	100.00
09/06/2017	Katherine Forbes Liquidation update call. Review of correspondence from D. Cohen re: Vancouver lease, and to/from M. Altow re: Bloor lease. Correspondence with Richter team re: insurance payments. Review initial WEPPA calculation. Responding to counsel to Oxford.	2.00	525.00	1,050.00
09/06/2017	Katherine Forbes Bill of sale template for fixtures. Agenda for receivership update call. Correspondence with Richter team re: CRA audit, insurance matters. Call with Purchaser CFO re: support services.	1.00	525.00	525.00
09/06/2017	Daniel Korsunsky Trust examination with auditor. Weekly liquidation call. Daily monitoring. Discussions with management and team.	8.00	350.00	2,800.00
09/07/2017	Patrick Lareau WEPPA (Wage Earner Protection Program).	1.20	425.00	510.00
09/07/2017	Carol O'Donnell Email with K. Forbes regarding preparation of notice for WEPP. Email GL's to D. Korsunsky.	0.50	250.00	125.00
09/07/2017	Katherine Forbes	3.50	525.00	1,837.50

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Date	Name and Description	Hours	Rate	Amount
	Weekly receivership update call and recap email. Update call with Richter team and counsel. Review of WEPPA calculation and editing notice. Discussion with Richter team re: back-ups. Review of estimated pre-filing HST.			
09/07/2017	Katherine Forbes Email to M. Altow re: employee vacation entitlement. Review of cash and banking. Invoicing activities.	0.70	525.00	367.50
09/07/2017	Soazig Bourgine WEPPA notice, email to K. Forbes.	0.50	185.00	92.50
09/07/2017	Daniel Korsunsky HST analysis. WEPP draft schedule completion. Weekly receivership call. Daily monitoring. Discussions with management and team.	4.80	350.00	1,680.00
09/08/2017	Carol O'Donnell Review of WEPP with P. Lareau and D. Korsunsky.	0.50	250.00	125.00
09/08/2017	Katherine Forbes Review of amendment to support services agreement and correspondence with counsel. Correspondence with Purchaser re: sales in Strellmax locations. Final review of WEPPA. Hyper AMS invoices.	1.30	525.00	682.50
09/08/2017	Katherine Forbes Call with V. Gomon re: bankruptcy considerations. Review of insurance terms of Bayview lease at Lender's request. Update correspondence to Richter team.	0.60	525.00	315.00
09/08/2017	Paul Van Eyk Calls with Gowlings, counsel re: Accord.	0.60	675.00	405.00
09/08/2017	Daniel Korsunsky R&D schedule updates. Bank letter of direction. Correspondence with CRA auditor. Daily banking and monitoring. Discussions with management and team. Invoice payments.	4.20	350.00	1,470.00
09/09/2017	Katherine Forbes Correspondence with counsel, Purchaser's counsel re: terms of support services amendment.	0.20	525.00	105.00
09/10/2017	Katherine Forbes Correspondence with counsel and Purchaser's counsel re: terms of support services amendment.	0.30	525.00	157.50
09/11/2017	Pascale Lareau	1.50	185.00	277.50

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Date	Name and Description	Hours	Rate	Amount
	Employee WEPPA filings, preparing proof of claim.			
09/11/2017	Carol O'Donnell Prepare WEPP schedule for input to Service Canada. Discussion with D. Korsunsky. Verify bank for wire transfers, input wire transfers. Prepare transfer to HST account. Emails with Richter team.	0.90	250.00	225.00
09/11/2017	Katherine Forbes Call with counsel and Purchaser's counsel re: support services amendment. Call with counsel re: employee vacation release requested. Review of and responding to various correspondence re: operations.	1.50	525.00	787.50
09/11/2017	Katherine Forbes Correspondence to/from National Leasing, Buyer re: buyout. Review of furniture and fixtures offer from Buyer, and correspondence re: same.	1.20	525.00	630.00
09/11/2017	Soazig Bourguine WEPPA mailings.	1.00	185.00	185.00
09/11/2017	Daniel Korsunsky Discussion with secured creditor re: vendor and supplier notifications provided. Daily monitoring. Daily banking. Discussions with management and team.	2.70	350.00	945.00
09/12/2017	Katherine Forbes Update with Richter team re: realizable assets. Call with counsel re: motion to court. Correspondence with Buyer re: purchase of furniture and fixtures, and review of purchase price calculation. Review of inventory shipped to Vancouver store.	1.70	525.00	892.50
09/12/2017	Katherine Forbes Review of vacation entitlement adjustment and related employment standards. Correspondence to/from Company re: store operations and next steps. Detailed invoicing activities.	1.20	525.00	630.00
09/12/2017	Paul Van Eyk Discussion with K. Forbes re: next steps.	0.50	675.00	337.50
09/12/2017	Daniel Korsunsky Correspondence with vendor re: deposit and future shipments. Group benefits assistance. Daily monitoring. Daily banking. Discussions with management and team.	3.10	350.00	1,085.00
09/13/2017	Katherine Forbes	1.50	525.00	787.50

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Date	Name and Description	Hours	Rate	Amount
09/13/2017	Various calls with Buyer's employees re: operational matters, Vancouver store, and issues re: access to Strellmax books and records. Discussions with Richter team. Lender call agenda, review of APA, support services agreement. Katherine Forbes	1.20	525.00	630.00
09/13/2017	Weekly receivership update call with Lender, and follow-up email re: open items. Call with Lender's counsel re: pre-filing HST. Paul Van Eyk	0.25	675.00	168.75
09/13/2017	Review of emails. Daniel Korsunsky	4.10	350.00	1,435.00
09/14/2017	Commissions analysis. Payroll updates. Daily monitoring. Daily banking. Discussions with management and team. Katherine Forbes	2.20	525.00	1,155.00
09/14/2017	Numerous calls with Lender, and counsel, Lender's counsel re: bankruptcy considerations and Vancouver lease. Discussions with Richter team re: email back-ups, purchaser questions. Review of correspondence to/from Accord and Lender's counsel. Katherine Forbes	1.30	525.00	682.50
09/14/2017	Review of correspondence re: store operations matters, purchaser intentions re: stores leases. Drafting National Leasing release and indemnity. Daniel Korsunsky	2.90	350.00	1,015.00
09/15/2017	Weekly receivership call. Planning call with Company finance team. Co-pay insurance correspondence with provider. Daily monitoring. Daily banking. Discussions with management and team. Katherine Forbes	3.40	525.00	1,785.00
09/15/2017	Review and comment on Bloor lease extension. Correspondence re: status of support services amendment and pre-funding rent. Review of correspondence to/from counsel to Accord. Drafting First Receiver's Report. Review of correspondence re: Vancouver lease. Katherine Forbes	0.90	525.00	472.50
09/15/2017	Correspondence to purchaser re: samples purchase price. Review of National Leasing release mark-up. Review of correspondence re: Accord, and correspondence with counsel re: same.			

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Date	Name and Description	Hours	Rate	Amount
09/15/2017	Adam Sherman Review/approve bank reconciliations for August 2017, including discussion with Richter team.	0.20	675.00	135.00
09/15/2017	Daniel Korsunsky AR and cash reconciliations. Vendor payments. Rent discussions. Daily monitoring. Daily banking. Discussions with management and team.	2.00	350.00	700.00
09/18/2017	Pascale Lareau Employee WEPPA filings.	0.70	185.00	129.50
09/18/2017	Patrick Lareau WEPPA (Wage Earner Protection Program).	1.00	425.00	425.00
09/18/2017	Carol O'Donnell Discussion with K. Forbes regarding WEPP. Amend WEPP.	0.70	250.00	175.00
09/18/2017	Katherine Forbes Discussion with counsel re: Accord, support services amendment. Review and comment on support services amendment. Correspondence with Company re: store operations and cut-off matters. Correspondence re: cost reimbursement from Buyer.	2.00	525.00	1,050.00
09/18/2017	Katherine Forbes Update/correction to WEPPA filing, notice, letter of explanation, and discussion with Richter team re: same, payroll, and banking matters.	1.50	525.00	787.50
09/18/2017	Soazig Bourguine Amended WEPPA, employee letter, labels, mailing.	1.00	185.00	185.00
09/18/2017	Daniel Korsunsky Payroll funding. WEPPA updates. Vacation pay analysis. Daily monitoring. Daily banking. Discussions with management and team.	3.40	350.00	1,190.00
09/19/2017	Daniel Korsunsky Group benefits updates. Vendor payments, and discussions. Daily monitoring. Funds transfers. Funding request. Planning call with SNAL CFO. Insurance queries. Daily banking. Discussions with management and team.	2.60	350.00	910.00
09/20/2017	Carol O'Donnell Prepare wire transfer.	0.50	250.00	125.00
09/20/2017	Katherine Forbes	2.20	525.00	1,155.00

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Date	Name and Description	Hours	Rate	Amount
	Review of correspondence to the Company re: reporting needs, and various treasury items. Follow-up with Company on Bloor lease extension, vacation pay, other matters. Correspondence with National Leasing, Company re: Buyer buyout.			
09/20/2017	Katherine Forbes Review and comment on furniture and fixtures draft APA, purchase price, and correspondence with counsel re: same.	1.70	525.00	892.50
09/20/2017	Daniel Korsunsky Accounting systems back-up planning. Correspondence with temp staffing agency. Settling recent credit card charges. Group benefits updates. Vendor discussions and payments. Daily monitoring. Funding requests.	3.00	350.00	1,050.00
09/21/2017	Carol O'Donnell Amend wire.	0.20	250.00	50.00
09/21/2017	Ann Stremski Communication with creditor.	0.20	185.00	37.00
09/21/2017	Katherine Forbes Correspondence to/from receiver's counsel, purchaser's counsel re: support services amendment. Correspondence to/from receiver's counsel re: Accord, employee vacation claim. Review of balance held by Accord.	1.20	525.00	630.00
09/21/2017	Katherine Forbes Preparation for, and weekly Lender update call. Discussion with D. Korsunsky re: Strellmax software licences, payroll matters. Review of credit notes issued by Company.	1.50	525.00	787.50
09/21/2017	Daniel Korsunsky Weekly receivership call. Correspondence regarding 18.2 samples. IT licence renewal analysis, planning, and correspondence. Daily monitoring. Funding request. Funds transfer follow-up. Daily banking. Discussions with management and team.	3.00	350.00	1,050.00
09/22/2017	Carol O'Donnell Update accounts and email GL's to D. Korsunsky.	0.20	250.00	50.00
09/22/2017	Ann Stremski Bookkeeping for trust account.	0.20	185.00	37.00
09/22/2017	Katherine Forbes	0.70	525.00	367.50

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Date	Name and Description	Hours	Rate	Amount
	Call with counsel re: bankruptcy considerations. Correspondence from/to Lender re: Accord update. Correspondence with Richter team re: IT matters, information requests.			
09/22/2017	Daniel Korsunsky Correspondence regarding 18.2 samples. IT licence renewal correspondence. Daily monitoring. Daily banking. Discussions with management and team.	1.00	350.00	350.00
09/25/2017	Katherine Forbes Call with counsel, lender's counsel re: bankruptcy considerations. Call with counsel re: Accord timing. Correspondence to/from counsel re: same. Drafting Receiver's First Report. Follow-up with Company re: outstanding matters.	3.50	525.00	1,837.50
09/25/2017	Daniel Korsunsky Call with counsel. Estimated realization analysis. Vendor correspondence regarding pre-filing invoices. Vendor discussion regarding music service interruption. Daily monitoring. Daily banking. Discussions with management and team.	7.00	350.00	2,450.00
09/26/2017	Katherine Forbes Call/email with Richter team and draft bankruptcy considerations per Lender request. Correspondence with counsel re: same.	2.20	525.00	1,155.00
09/26/2017	Katherine Forbes Follow-up with Company re: Bloor extension, other information requests for Receiver's records. Correspondence to/from counsel, Purchaser's counsel re: support services amendment. Drafting Receiver's First Report. Review of SNAL employee offer letters.	2.00	525.00	1,050.00
09/26/2017	Paul Van Eyk Call with K. Forbes.	0.10	675.00	67.50
09/26/2017	Daniel Korsunsky Funding request. Timeline and planning call with Company finance team. Estimated realization analysis. Vendor correspondence regarding pre-filing invoices. Vendor call. Daily monitoring. Daily banking. Discussions with management and team.	8.00	350.00	2,800.00
09/27/2017	Katherine Forbes	5.50	525.00	2,887.50

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Date	Name and Description	Hours	Rate	Amount
	Review and finalization of realization update, receivership next steps, and correspondence to Lender. Calls with Richter team, counsel re: bankruptcy considerations including review of applicable law. Correspondence with Gowlings re: Vancouver.			
09/27/2017	Katherine Forbes Drafting Receiver's First Report, review of draft notice of motion. Follow-up with Company re: execution of support services amendment.	1.20	525.00	630.00
09/27/2017	Paul Van Eyk Discussion on bankruptcy matters, review of emails.	0.50	675.00	337.50
09/27/2017	Daniel Korsunsky Insurance proceeds follow-up. Termination and Buyer hire letters. Estimated realization analysis. Vendor correspondence re: pre-filing invoices. O/S cheque listing updates. Daily monitoring. Daily banking. Discussions with management and team.	5.00	350.00	1,750.00
09/28/2017	Katherine Forbes Update with P. van Eyk, receivership update call with Lender, correspondence to/from Lender. Review of lease assignment considerations requested by Lender. Correspondence with counsel re: lease next steps, and court dates. Call from L. Burden Nixon.	2.70	525.00	1,417.50
09/28/2017	Katherine Forbes Drafting Receiver's First Report to court. Responding to Company re: vacation pay matters. Review of reconciliation re: Buyer sales collected by Strellmax, employee bonuses. Correspondence with Gowlings re: support services amendment execution.	2.50	525.00	1,312.50
09/28/2017	Paul Van Eyk Discussion with K. Forbes.	0.10	675.00	67.50
09/28/2017	Daniel Korsunsky Moneris sales reconciliation. Weekly receivership call. Funding request. Retail employee correspondence. Moneris letter. Utilities transfer of vendor. Daily monitoring. Daily banking. Discussions with management and team.	3.40	350.00	1,190.00
09/29/2017	Katherine Forbes	7.00	525.00	3,675.00

Invoice No.: 20402298
Date: 10/11/2017



Date	Name and Description	Hours	Rate	Amount
	Drafting Receiver's First Report and review of related documentation. Follow-up with Company re: outstanding information requests. Correspondence from Purchaser's counsel re: purchase agreements.			
09/30/2017	Katherine Forbes Edits to Receiver's First Report, and correspondence with Richter team. Follow-up emails on various matters to Lender, Buyer, and Company.	1.00	525.00	525.00
09/30/2017	Paul Van Eyk Review and comment on report, email to K. Forbes.	0.50	675.00	337.50
Fees Total		155.25		\$ 65,633.25

Date	Name and Description	Hours	Rate	Amount
09/11/2017	Disbursements			\$ 38.72
Disbursements Total				\$ 38.72

Invoice No.: 20402298
Date: 10/11/2017



Remittance Form

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 62,390.31
GST/HST #885435842 RT0001		8,110.74
Total Due	CAD	\$ 70,501.05

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

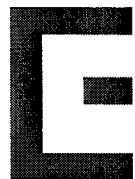
Date: 11/09/2017
Invoice No.: 20402378
Engagement No.: 2020956
Payment Terms: Net 30 Days

Professional services rendered to October 31, 2017	\$ 45,838.00
Disbursements	26.40
Less: professional courtesy discount	-2,291.90
Sub-Total	<hr/> 43,572.50
GST/HST #885435842 RT0001	5,664.43
Total Due	<hr/> CAD \$ 49,236.93

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20402378
Date: 11/09/2017



Fees

Name	Hours	Rate	Amount
Adam Sherman	0.30	\$ 675.00	\$ 202.50
Ann Stremski	0.80	185.00	148.00
Carol O'Donnell	8.10	250.00	2,025.00
Cindy Michaud	0.70	185.00	129.50
Daniel Korsunsky	64.80	350.00	22,680.00
Katherine Forbes	35.20	525.00	18,480.00
Pascale Lareau	0.80	185.00	148.00
Paul Van Eyk	3.00	675.00	2,025.00
	<hr/>		
Disbursements	113.70		\$ 45,838.00

Disbursements			\$ 26.40
			<hr/>
			\$ 26.40

Invoice No.: 20402378
Date: 11/09/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
10/02/2017	Katherine Forbes Review of FF&E, samples purchase agreements. Correspondence with Buyer re: head office FF&E list, information required. Update to receivership task list. Correspondence with Buyer's employees, C. O'Donnell re: Strellmax HST returns.	4.00	\$ 525.00	\$ 2,100.00
10/02/2017	Paul Van Eyk Review of emails on Vancouver lease.	1.00	675.00	675.00
10/03/2017	Carol O'Donnell Communications with CRA to open HST #. Prepare form RC-59.	1.40	250.00	350.00
10/03/2017	Katherine Forbes All parties call with Lender to discuss bankruptcy considerations. Follow-up call with counsel. Update receivership work plan. Follow-up with Company on various matters. Compiling Company's sales activity for August HST return.	2.90	525.00	1,522.50
10/03/2017	Katherine Forbes Review and execution of updated Bayview, Ottawa, Yorkdale FF&E agreements. Correspondence with Company re: head office FF&E.	0.70	525.00	367.50
10/03/2017	Paul Van Eyk Call with Company, counsel, Lender re: bankruptcy considerations.	1.00	675.00	675.00
10/04/2017	Katherine Forbes Compiling estimated bankruptcy costs and supporting details at Lender's request, discussions with Lender's counsel, Richter team re: same. Correspondence to/from Buyer re: support services amendment. Discussion of WEPPA inputs, B.C. PST with Richter team.	2.30	525.00	1,207.50
10/04/2017	Katherine Forbes Lender update call, and follow-up correspondence re: employee liabilities. Review of open issues, including realizable assets, income tax returns, customer collections, etc. and discussion with Richter team.	1.10	525.00	577.50
10/04/2017	Daniel Korsunsky Correspondence with Company re: customer payments. Payroll analysis. Funding request, rent payment, daily banking. Weekly receivership call. August HST return. 2016 tax return coordination. WEPPA calculations. Discussions with management and team.	8.50	350.00	2,975.00

Invoice No.: 20402378
Date: 11/09/2017



Date	Name and Description	Hours	Rate	Amount
10/05/2017	Carol O'Donnell Email GLs to K. Forbes. Transfer funds from general trust to Strellmax trust account.	0.60	250.00	150.00
10/05/2017	Ann Stremski Bank reconciliations on 3 accounts.	0.40	185.00	74.00
10/05/2017	Katherine Forbes Update work plan. Correspondence with counsel and update to Receiver's First Report. HST calculations pursuant to support services agreement, correspondence with Buyer. Review of head office FF&E listing.	3.10	525.00	1,627.50
10/05/2017	Katherine Forbes GL entries for estate account, correspondence with C. O'Donnell re: banking. Review WEPPA calculation, correspondence with Lender.	1.40	525.00	735.00
10/05/2017	Daniel Korsunsky Rodair deposit. Cash collateral release. August HST return. 2016 books and tax return coordination. WEPPA updates. Copier securitization analysis. Daily monitoring. Daily banking. Meeting with CFO on-site. Discussions with management and team.	3.20	350.00	1,120.00
10/06/2017	Ann Stremski Prepare entries for bank charge transfers; update schedule.	0.10	185.00	18.50
10/06/2017	Katherine Forbes Review of Accord documents. Correspondence with counsel re: materials in support of Receiver's First Report; compiling appendices and finalizing same for service. Update work plan. Edit/review WEPPA notices, correspondence with Richter team.	3.40	525.00	1,785.00
10/06/2017	Katherine Forbes Discussions with Richter team re: Company's HST. Updating dates in draft notice re: Vancouver lease repudiation and correspondence to Company re: same, National leasing release agreement. Execution of release. Executing support services amendment.	1.10	525.00	577.50
10/06/2017	Daniel Korsunsky R&D schedule updates. O/S cheque listing updates. WSIB correspondence. Correspondence with utilities and hydro providers and arranging bill payment. HST reconciliation and filing assistance. Daily monitoring. Discussions with management and team.	3.10	350.00	1,085.00

Invoice No.: 20402378
Date: 11/09/2017



Date	Name and Description	Hours	Rate	Amount
10/10/2017	Carol O'Donnell Prepare Company HST for August 2017.	0.90	250.00	225.00
10/10/2017	Katherine Forbes Correspondence to/from Richter team re: outstanding items from Company for WEPPA filings, funds held by Accord, court scheduling.	0.30	525.00	157.50
10/10/2017	Paul Van Eyk Preparing for 9:30 Court appointment, review of related materials.	0.60	675.00	405.00
10/10/2017	Daniel Korsunsky Vendor deposit collection. Vendor email. Correspondence re: copier sale. Sales tracking. B.C. PST registration and correspondence with BC Finance Ministry. HST return review. Correspondence regarding insurance claim. Manager bonuses analysis.	2.50	350.00	875.00
10/11/2017	Carol O'Donnell Prepare reallocations, amend HST schedule.	0.50	250.00	125.00
10/11/2017	Katherine Forbes Review of August HST calculation based on Company's books and records, correspondence with Richter team re: same. Correspondence from counsel re: Accord matter. Review of correspondence from Strellson AG re: pre-filing supplier amounts.	0.90	525.00	472.50
10/11/2017	Daniel Korsunsky Court appearance in chambers. Key supplier and A/P reconciliation and payment correspondence. Phone call with Buyer CFO regarding Buyer and Strellmax matters and updates. WSIB conference call. Rent and rent reimbursement discussion.	2.60	350.00	910.00
10/12/2017	Katherine Forbes Correspondence from/to Lender. Correspondence from/to counsel, Richter team re: J. Heller correspondence.	0.50	525.00	262.50
10/12/2017	Daniel Korsunsky Insurance correspondence. HST analysis update. Daily monitoring. Daily banking. Discussions with management and team.	2.10	350.00	735.00

Invoice No.: 20402378
Date: 11/09/2017



Date	Name and Description	Hours	Rate	Amount
10/13/2017	Katherine Forbes Correspondence with L. Burden Nixon, providing copies of fully executed agreements. Bloor lease acknowledgment letter and email to counsel. Email to Company re: store closures. Emails to lender re: receivership invoices, Court hearing next steps.	0.90	525.00	472.50
10/13/2017	Daniel Korsunsky Court appearance in chambers. Daily monitoring. Funding request. Weekly receivership call agenda. Daily banking, support services reconciliation. Discussions with management and team.	3.40	350.00	1,190.00
10/16/2017	Katherine Forbes Telephone call with D. Korsunsky re: agenda for Lender update call, HST, income taxes, WEPPA, sale of furniture, and other outstanding matters. Correspondence to Lender re: HST.	1.30	525.00	682.50
10/16/2017	Daniel Korsunsky Correspondence with vendor. September HST filing. Payroll review. WSIB phone call. Office FF&E listing and valuation. Manager contract review re: bonuses. Receivership update email to Lender. Discussions with management and team.	3.90	350.00	1,365.00
10/17/2017	Katherine Forbes Review of head office fixed assets sale price. Update with Richter team. Review of draft Notice of Motion and Order returnable October 27.	1.50	525.00	787.50
10/17/2017	Daniel Korsunsky Reconciliation of Buyer's sales. HST returns. Receivership weekly update. Manager bonus analysis and follow-up. Payment of invoices including professional fees. Call with Company management re: receivership administration.	3.70	350.00	1,295.00
10/18/2017	Carol O'Donnell Prepare cheques.	0.20	250.00	50.00
10/18/2017	Carol O'Donnell File HST on Company's behalf, per Company's books and records.	0.30	250.00	75.00
10/18/2017	Katherine Forbes Discussion with Richter team re: employee sales bonuses, store operations, and accounts receivable collections. Correspondence with Company and counsel re: same.	1.00	525.00	525.00

Invoice No.: 20402378
Date: 11/09/2017



Date	Name and Description	Hours	Rate	Amount
10/18/2017	Daniel Korsunsky Discussion with Company re: credit notes to customers, duty drawback, remaining stores exit plan. Payment correspondence with vendor. WEPPA and further bonus discussion. Daily monitoring. Daily banking.	5.20	350.00	1,820.00
10/19/2017	Carol O'Donnell Prepare wire transfer.	0.40	250.00	100.00
10/19/2017	Katherine Forbes Review of and correspondence to/from Lender, Buyer, and counsel. Call with M. Altow re: store operations. Correspondence with Richter team, and review of Lender updates.	0.80	525.00	420.00
10/19/2017	Daniel Korsunsky Follow-up with Company and Lender on duty drawback, insurance claim, credit notes, store exits, and outstanding payments. Funding request for HST and professional invoices. Closure of merchant services account. Discussion with counsel.	3.70	350.00	1,295.00
10/20/2017	Katherine Forbes Review of draft Order for Motion returnable Nov. 7. Correspondence with Richter team, counsel re: materials for Motion returnable Oct. 27. Call with M. Altow re: store operations.	1.00	525.00	525.00
10/20/2017	Daniel Korsunsky B.C. PST registration and filing. Discussion with company bank. Filing of claim documents. Daily monitoring. Daily banking. Discussions with management and team.	1.70	350.00	595.00
10/23/2017	Carol O'Donnell Prepare Company's September 2017 HST Schedule, B.C. PST, based on Company's books and records. Discussion with D. Korsunsky re: troubleshooting online filing.	1.40	250.00	350.00
10/23/2017	Katherine Forbes Correspondence from counsel re: draft Order for Motion returnable November 7. Review of debtor's counsel invoice. Review of various correspondence from Richter team to Lender, Strellmax.	0.40	525.00	210.00

Invoice No.: 20402378
Date: 11/09/2017



Date	Name and Description	Hours	Rate	Amount
10/23/2017	Daniel Korsunsky Group insurance queries and coordination. Tax return coordination. July B.C. sales tax return. Documents to Company for bank reconciliation information request from company. Daily monitoring. Daily banking. Discussions with management and team.	1.90	350.00	665.00
10/24/2017	Carol O'Donnell Discussions with D. Korsunsky re: Company's B.C. sales tax. Troubleshooting online filing.	0.30	250.00	75.00
10/24/2017	Katherine Forbes Correspondence with Richter team, counsel re: debtor's counsel invoice, insurance matters, FF&E store APA's, bank accounts. Review of correspondence re: store operations. Update discussion with D. Korsunsky.	1.20	525.00	630.00
10/24/2017	Daniel Korsunsky Store Closure plan. Assisting the Company with September HST return, payment of same. HST payment oversight and instruction. WSIB information request. Insurance renewal. Vancouver and Bloor FF&E sales and APAs.	4.50	350.00	1,575.00
10/25/2017	Carol O'Donnell Prepare schedule of Company's September 2017 HST.	0.20	250.00	50.00
10/25/2017	Katherine Forbes Correspondence with Richter team re: debtor counsel's invoice, employee payments, HST payments. Correspondence with M. Alow re: Bloor extension agreement.	0.50	525.00	262.50
10/25/2017	Daniel Korsunsky Weekly receivership call. Reconciliation of former CFO task list. Store exit and closure plan. Daily monitoring. Daily banking. Discussions with management and team.	1.30	350.00	455.00
10/26/2017	Katherine Forbes Follow-up with M. Alow re: Bloor extension. Follow-up with counsel re: support services amendment. Review of correspondence to/from counsel, and from Accord's counsel re: language of Motion returnable November 7.	0.50	525.00	262.50
10/26/2017	Daniel Korsunsky Phone discussion with Wendy of SNAL. Daily monitoring. Daily banking. Discussions with management and team.	1.00	350.00	350.00

Invoice No.: 20402378
Date: 11/09/2017



Date	Name and Description	Hours	Rate	Amount
10/27/2017	Carol O'Donnell Filing of Company HST online. Review of additional WEPP.	0.50	250.00	125.00
10/27/2017	Katherine Forbes Review of Accord cross-motion and correspondence to counsel. Correspondence to M. Altow re: Bloor, attaching updated extension agreement. Correspondence with V. Gomon re: support services amendment.	0.60	525.00	315.00
10/27/2017	Katherine Forbes Review of WEPP, HST calculation, collections notice from Accord, and correspondence with Richter team re: same, banking.	0.50	525.00	262.50
10/27/2017	Paul Van Eyk Review of correspondence re: Accord matter.	0.20	675.00	135.00
10/27/2017	Daniel Korsunsky Court appearance. WSIB correspondence. Vancouver APA circulation. Letter of direction re: closure to CIBC. WEPPA updates. WEPPA filing. Addressing ADP short-funding. Correspondence regarding Accord collections notice re: delinquent customer.	5.60	350.00	1,960.00
10/30/2017	Pascale Lareau Registered employee to Service Canada.	0.80	185.00	148.00
10/30/2017	Carol O'Donnell Discussions with D. Korsunsky regarding 2nd submission of WEPP. Prepare schedule for WEPP. Email K. Forbes GLs. Amend letter to employees for WEPP.	0.60	250.00	150.00
10/30/2017	Katherine Forbes Follow-up with M. Altow re: Bloor lease extension. Email to Lender re: Company's counsel invoice. Review of Cross-Motion by Accord, and correspondence with counsel. Discussions with Richter team.	1.20	525.00	630.00
10/30/2017	Katherine Forbes Updated HST for support services agreement.	0.20	525.00	105.00
10/30/2017	Cindy Michaud Post documents on website and send to OSB.	0.30	185.00	55.50
10/30/2017	Paul Van Eyk Review of emails/correspondence on Accord matter.	0.20	675.00	135.00

Invoice No.: 20402378
 Date: 11/09/2017



Date	Name and Description	Hours	Rate	Amount
10/30/2017	Daniel Korsunsky Payroll. CIBC account closure. WEPPA letter updates. Correspondence regarding Moneris/AMEX issues. Insurance claim. Tax return follow-up. Correspondence re: Company counsel invoice. Discussions with management.	3.40	350.00	1,190.00
10/31/2017	Carol O'Donnell Email Company's B.C. sales tax declarations to D. Korsunsky. Email GL's to K. Forbes. Post documents to website and fax to OSB.	0.80	250.00	200.00
10/31/2017	Ann Stremski Prepare mailing and postage form.	0.30	185.00	55.50
10/31/2017	Katherine Forbes Review of updated WEPPA notice. Discussion with C. O'Donnell re: Receiver HST filings. Review of various correspondence from Richter team, and documents on website. Telephone call with M. Altow re: store operations.	1.00	525.00	525.00
10/31/2017	Katherine Forbes Executing Samples APA, and review/edit of Receiver's Certificate. Email to Purchaser's counsel re: satisfaction of purchase price. Review of correspondence from Vancouver landlord re: surrender condition, and correspondence with Strellmax and counsel.	0.90	525.00	472.50
10/31/2017	Cindy Michaud Prepare documents and envelopes for WEPPA mailing.	0.40	185.00	74.00
10/31/2017	Adam Sherman Review/approve bank reconciliations for September 2017.	0.30	675.00	202.50
10/31/2017	Daniel Korsunsky Tax return coordination. Vancouver employee matters and terminations. Funding request. CAD AR collection coordination. USD remaining AR analysis. Cheque requisition. Daily monitoring. Daily banking. Discussions with management and team.	3.50	350.00	1,225.00
Fees Total		113.70		\$ 45,838.00
Date	Name and Description	Hours	Rate	Amount
10/31/2017	Disbursements			\$ 26.40
Disbursements Total				\$ 26.40

Invoice No.: 20402378
Date: 11/09/2017

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Date	Name and Description	Hours	Rate	Amount
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Invoice No.: 20402378
Date: 11/09/2017



Remittance Form

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 43,572.50
GST/HST #885435842 RT0001		5,664.43
Total Due	CAD	\$ 49,236.93

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Date: 12/14/2017
Invoice No.: 20402467
Engagement No.: 2020956
Payment Terms: Net 30 Days

Professional services rendered to November 30, 2017	\$ 28,035.00
Less: Professional courtesy discount	-1,401.75
Sub-Total	<u>26,633.25</u>
GST/HST #885435842 RT0001	3,462.32
Total Due	<u>CAD \$ 30,095.57</u>

T. 416. 488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20402467
Date: 12/14/2017



Fees

Name	Hours	Rate	Amount
Adam Sherman	0.20	\$ 675.00	\$ 135.00
Ann Stremski	2.10	185.00	388.50
Carol O'Donnell	4.00	250.00	1,000.00
Daniel Korsunsky	17.50	350.00	6,125.00
Katherine Forbes	38.00	525.00	19,950.00
Pascale Lareau	0.90	185.00	166.50
Paul Van Eyk	0.40	675.00	270.00
	63.10		\$ 28,035.00

Invoice No.: 20402467
Date: 12/14/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
11/01/2017	Katherine Forbes Calls with counsel, Lender's counsel re: November 7 motion, and review of updated draft order, correspondence re: same. Emails to S. Graff, counsel re: debtor's counsel invoice. Review and comment on consent for Samples APA.	1.00	\$ 525.00	\$ 525.00
11/01/2017	Katherine Forbes Correspondence to Vancouver landlord re: terms of Receivership Order.	0.30	525.00	157.50
11/01/2017	Paul Van Eyk Review of emails re: November 7 motion.	0.20	675.00	135.00
11/01/2017	Daniel Korsunsky Calls with counsel, Lender's counsel, and team re: November 7 motion. Correspondence with Company re: customer credit notes. Correspondence with CIBC. Coordination of BC PST payment. Daily monitoring. Daily banking. Discussions with management and team.	1.00	350.00	350.00
11/02/2017	Carol O'Donnell Prepare wire transfer.	0.50	250.00	125.00
11/02/2017	Katherine Forbes Follow-up correspondence with Company on outstanding matters. Circulating fully executed Samples APA. Wire requisition approval. Discussions with Richter team re: BC PST.	0.60	525.00	315.00
11/02/2017	Daniel Korsunsky Reconciliation of customer refund and processing of same. Coordination and filing of BC PST return for October 2017 on Company's behalf. Daily monitoring.	1.00	350.00	350.00
11/03/2017	Katherine Forbes Review of lease extension agreement provided by Bloor landlord, correspondence with Company, counsel re: same. Telephone call with M. Altow re: Bloor lease, store operations. Drafting Receiver's Second Report. Correspondence to Company re: legal invoices.	1.50	525.00	787.50
11/06/2017	Pascale Lareau Bank reconciliation (3 bank accounts).	0.60	185.00	111.00
11/06/2017	Carol O'Donnell Filed Company's October BC PST online, email to D. Korsunsky. Call CRA regarding access codes and periods of filing. Email D. Korsunsky.	0.50	250.00	125.00

Invoice No.: 20402467
Date: 12/14/2017



Date	Name and Description	Hours	Rate	Amount
11/06/2017	Katherine Forbes Drafting Receiver's Second Report. Correspondence with counsel and review of changes to draft order, other materials to be filed with the Court. Correspondence with M. Altow re: delinquent customer account, surrender of retail stores.	2.80	525.00	1,470.00
11/06/2017	Daniel Korsunsky Responding to vendor inquiries. Funds transfers. Execution of Bloor FF&E APA. Call with BC auditor. PST payment coordination. TD letter of direction. Invoice payment. AR collections matters. Daily banking and monitoring. Discussions with management.	1.40	350.00	490.00
11/07/2017	Ann Stremski Prepare entries for online transfers on 3 accounts.	0.20	185.00	37.00
11/07/2017	Katherine Forbes Attendance at Court re: Controlled Funds Order (Accord). Drafting Receiver's Second Report. Correspondence to/from M. Altow re: employee offers from Buyer.	2.90	525.00	1,522.50
11/07/2017	Daniel Korsunsky Preparation for and attendance at Court. Follow-up with CIBC regarding account transfer and closure. Daily monitoring. Daily banking. Discussions with management and team.	1.80	350.00	630.00
11/08/2017	Carol O'Donnell Post documents to website and fax to OSB.	0.40	250.00	100.00
11/08/2017	Katherine Forbes Correspondence with Lender re: Court order granted November 7th. Correspondence with counsel, Richter team re: release of Controlled Funds. Detailed invoicing activities. Drafting Receiver's Second Report.	1.50	525.00	787.50
11/08/2017	Daniel Korsunsky WEPPA schedule for remaining employees and other employee matters including termination letters, bonuses, and payroll. Correspondence regarding status of BC PST payment and discussion with BC auditor. Assessing sale of equipment. Wire to receiver.	2.00	350.00	700.00
11/09/2017	Carol O'Donnell Posted to website and faxed to OSB order.	0.30	250.00	75.00
11/09/2017	Katherine Forbes	0.80	525.00	420.00

Invoice No.: 20402467
Date: 12/14/2017



Date	Name and Description	Hours	Rate	Amount
	Correspondence with Richter team re: posting documents to website, detailed invoicing activities, etc. Drafting Receiver's Second Report.			
11/09/2017	Daniel Korsunsky Daily monitoring. Daily banking. Discussions with management and team.	0.50	350.00	175.00
11/10/2017	Ann Stremski Trust account entries.	0.30	185.00	55.50
11/10/2017	Katherine Forbes Journal entries for estate account. Correspondence with Richter team re: customer collections, invoicing.	0.50	525.00	262.50
11/10/2017	Daniel Korsunsky Daily monitoring. Daily banking.	0.20	350.00	70.00
11/13/2017	Pascale Lareau GST declaration.	0.30	185.00	55.50
11/13/2017	Katherine Forbes Correspondence from/to Lender re: secured debt balance, Samples APA, head office FF&E, employee matters. Review and comment on Priority and Distribution Notice of Motion, review of correspondence re: same. Drafting Receiver's Second Report.	2.60	525.00	1,365.00
11/13/2017	Daniel Korsunsky Call with Company management. Invoice payment. IT and data storage discussion with provider. Payroll and bonus payment review and administration. Duty drawback collection discussion. Daily monitoring and banking.	2.10	350.00	735.00
11/14/2017	Carol O'Donnell Communications with CRA regarding access codes and missing remittances. Email with D. Korsunsky.	0.40	250.00	100.00
11/14/2017	Ann Stremski Trust account entries; communication with K. Forbes.	0.40	185.00	74.00
11/14/2017	Katherine Forbes Discussion with Richter team re: IT matters, updated realization analysis. Review of, and correspondence with counsel re: Priority and Distribution Notice of Motion, order. Estate account journal entries and correspondence with Richter team re: same.	1.30	525.00	682.50
11/14/2017	Daniel Korsunsky	4.50	350.00	1,575.00

Invoice No.: 20402467
Date: 12/14/2017



Date	Name and Description	Hours	Rate	Amount
	WEPPA updates. Recirculating amended Bloor APA. HST and PST analysis. CIBC account closure request. Reconciliation of SNAL amounts owing to Strellmax. HST discussion with CRA. Estimated realization update. Daily monitoring and banking.			
11/15/2017	Carol O'Donnell Email GLs to D. Korsunsky.	0.10	250.00	25.00
11/15/2017	Ann Stremski Trust account entries.	0.70	185.00	129.50
11/15/2017	Katherine Forbes Review of correspondence re: Priority and Distribution Motion, and correspondence with counsel on language of order re: same. Discussion with Richter team re: IT matters. Email to Strellson AG re: Receiver's and Receiver's counsel invoices.	0.50	525.00	262.50
11/15/2017	Daniel Korsunsky Estimated realization update. Reconciliation of Buyer amounts owing to Strellmax. Daily banking. Daily monitoring. Discussions with management and team.	3.00	350.00	1,050.00
11/16/2017	Katherine Forbes Receiver's R&D and compiling Strellmax cash flow statement. Discussion with Richter team.	1.50	525.00	787.50
11/16/2017	Adam Sherman Review/approve October 2017 bank reconciliation.	0.20	675.00	135.00
11/17/2017	Katherine Forbes Follow-up email to Strellson AG.	0.10	525.00	52.50
11/17/2017	Paul Van Eyk Review of various email.	0.20	675.00	135.00
11/20/2017	Ann Stremski Bookkeeping for trust account.	0.50	185.00	92.50
11/20/2017	Katherine Forbes Update call with Lender, and follow-up email. Correspondence with Company. Payment of receivership invoices.	1.00	525.00	525.00
11/21/2017	Katherine Forbes Call with Company re: outstanding items, credit notes to be posted, and follow-up correspondence re: same.	0.70	525.00	367.50
11/22/2017	Katherine Forbes	0.50	525.00	262.50

Invoice No.: 20402467
 Date: 12/14/2017



Date	Name and Description	Hours	Rate	Amount
	Correspondence with Toronto Hydro, Company re: payment status. Correspondence to TD Bank re: outstanding cheques.			
11/23/2017	Carol O'Donnell Prepare deposit.	0.20	250.00	50.00
11/23/2017	Katherine Forbes Correspondence with Richter team re: estate account entries. Correspondence with Company, Accord re: customer collections.	0.50	525.00	262.50
11/24/2017	Carol O'Donnell Post motion to website and fax to OSB.	0.50	250.00	125.00
11/24/2017	Katherine Forbes Review of correspondence from TD Bank re: bank activity. Correspondence with Richter team re: website posting. Correspondence to/from Company re: tax return, outstanding invoices.	0.50	525.00	262.50
11/27/2017	Carol O'Donnell Verify Company's HST/PST calculation, email to K. Forbes.	0.20	250.00	50.00
11/27/2017	Katherine Forbes Responding to former employee inquiry. Call and correspondence with Company re: credit notes to be issued. Follow-up with Buyer, Buyer's counsel re: transaction documentation. Correspondence with UPS representative, Company re: outstanding invoices.	1.50	525.00	787.50
11/27/2017	Katherine Forbes Correspondence with Richter team re: website posting. Correspondence with Receiver's counsel re: contents of Receiver's Second Report. Drafting Receiver's Second Report, and review of supporting documentation re: same.	1.50	525.00	787.50
11/28/2017	Carol O'Donnell Communications with CRA regarding access code for 002 for HST, email to K. Forbes.	0.20	250.00	50.00
11/28/2017	Katherine Forbes Review of outstanding Rogers invoices and correspondence with Rogers representative, Company re: same. Call with CRA representative re: HST filings, and correspondence with Richter team re: same. Correspondence with Company's counsel re: account.	2.00	525.00	1,050.00
11/28/2017	Katherine Forbes	1.00	525.00	525.00

Invoice No.: 20402467
 Date: 12/14/2017



Date	Name and Description	Hours	Rate	Amount
	Updating realization analysis, review of cash activity.			
11/28/2017	Katherine Forbes Finalization and circulation of Receiver's Certificate re: Samples Transaction.	0.40	525.00	210.00
11/29/2017	Katherine Forbes Drafting Receiver's Second Report, and review of Notice of Motion, Accord Affidavit, and other supporting documentation. Correspondence with Company re: October HST return, insurance claim submission, support services reconciliation, etc.	4.00	525.00	2,100.00
11/29/2017	Katherine Forbes Updated realization analysis for Receiver's Second Report, Lender update.	1.00	525.00	525.00
11/30/2017	Carol O'Donnell Verify bank for wire transfer, update deposit, email GLs to K. Forbes. File Company's HST for October 2017.	0.70	250.00	175.00
11/30/2017	Katherine Forbes Correspondence with Company re: ROE's. Correspondence with Company and Richter team re: filing of the Company's October HST return. Drafting of Receiver's Second Report, and call with counsel re: same. Updating Receiver's R&D.	5.50	525.00	2,887.50
Fees Total		63.10		\$ 28,035.00

Date	Name and Description	Hours	Rate	Amount
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Invoice No.: 20402467
Date: 12/14/2017



Remittance Form

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 26,633.25
GST/HST #885435842 RT0001		3,462.32
Total Due	CAD	\$ 30,095.57

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Date: 01/11/2018
Invoice No.: 20402534
Engagement No.: 2020956
Payment Terms: Net 30 Days

Professional services rendered to December 31, 2017			\$ 11,504.50
Less: Courtesy Discount			-575.22
Disbursements			15.84
			<hr/>
Sub-Total			10,945.12
GST/HST #885435842 RT0001			1,422.87
			<hr/>
Total Due	CAD		\$ 12,367.99

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20402534
Date: 01/11/2018



Fees

Name	Hours	Rate	Amount
Adam Sherman	0.30	\$ 675.00	\$ 202.50
Ann Stremski	0.60	185.00	111.00
Carol O'Donnell	2.70	250.00	675.00
Cindy Michaud	0.90	185.00	166.50
Katherine Forbes	17.30	525.00	9,082.50
Pascale Lareau	3.20	185.00	592.00
Paul Van Eyk	1.00	675.00	675.00
	26.00		\$ 11,504.50

Disbursements

Disbursements			\$ 15.84
			\$ 15.84

Invoice No.: 20402534
Date: 01/11/2018



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
12/01/2017	Katherine Forbes Review and edit of Receiver's Second Report. Letter of direction to bank to close bank account. Correspondence with counsel re: inquiry from Accord.	2.00	\$ 525.00	\$ 1,050.00
12/01/2017	Katherine Forbes Review and comment on Company's WSIB submission re: premiums.	0.50	525.00	262.50
12/04/2017	Pascale Lareau Bank reconciliation (3 bank accounts).	0.60	185.00	111.00
12/04/2017	Katherine Forbes Discussing Receiver's Second Report with Richter team, editing, and circulating to counsel for comments. Correspondence with Company re: tax return status, WSIB info, Buyer customer collections received by Accord.	1.00	525.00	525.00
12/04/2017	Katherine Forbes Correspondence with counsel re: Receiver's Certificate filing re: Samples Transaction. Updating realization analysis for Priority and Distribution Motion.	0.40	525.00	210.00
12/05/2017	Pascale Lareau GST/HST reconciliation for Nov. 2017.	0.30	185.00	55.50
12/05/2017	Carol O'Donnell File Company's BC PST online. Update deposit.	0.30	250.00	75.00
12/05/2017	Katherine Forbes Update WEPPA schedule for submission, and correspondence with Company re: same, potential realizable assets. Review of outstanding invoices and correspondence with Company re: payment. Follow-up re: head office assets APA.	1.50	525.00	787.50
12/06/2017	Carol O'Donnell Update deposits.	0.20	250.00	50.00
12/06/2017	Katherine Forbes Correspondence with Company re: remaining realizable assets including accounts receivable. Updating Company's cash flow and realization update for Priority and Distribution Motion, and correspondence with Richter team and counsel re: same.	1.00	525.00	525.00
12/06/2017	Katherine Forbes Update WEPPA submission.	0.40	525.00	210.00

Invoice No.: 20402534
Date: 01/11/2018



Date	Name and Description	Hours	Rate	Amount
12/07/2017	Katherine Forbes Correspondence with Richter team, counsel re: hearing for Priority and Distribution Motion. Circulating fully executed head office assets APA. Correspondence with Company re: employee matters, WEPPA submission, tax return. Update WEPPA schedule.	1.00	525.00	525.00
12/08/2017	Carol O'Donnell Review additional WEPP. Prepare schedule for entering data to Service Canada website.	0.50	250.00	125.00
12/08/2017	Katherine Forbes Finalization of WEPPA submission and notice, and correspondence with Richter team re: same.	0.50	525.00	262.50
12/11/2017	Pascale Lareau Registered new employee for WEPPA.	1.40	185.00	259.00
12/11/2017	Katherine Forbes Telephone call with former employee Tamille Johnson. Follow-up with Richter team re: WEPPA submission and Tamille Johnson mailing.	0.50	525.00	262.50
12/12/2017	Ann Stremski Trust account entries.	0.20	185.00	37.00
12/12/2017	Katherine Forbes Follow-up with Company on unpaid invoices, WSIB information. Follow-up with Buyer re: reimbursement of costs owing.	0.60	525.00	315.00
12/13/2017	Katherine Forbes Correspondence from/to Company re: payment of vacation pay, income tax return information. Correspondence from/to counsel re: Priority and Distribution motion and timing of related materials.	0.50	525.00	262.50
12/14/2017	Katherine Forbes Review of Company's calculation of WSIB premium, and correspondence with Company re: same. Review of banking activity, and email to bank re: approved cheques. Correspondence from/to Buyer re: reimbursement.	1.00	525.00	525.00
12/15/2017	Ann Stremski Communication with K. Forbes; update employee address; reprint and send WEPPA package.	0.40	185.00	74.00

Invoice No.: 20402534
Date: 01/11/2018



Date	Name and Description	Hours	Rate	Amount
12/15/2017	Katherine Forbes Telephone call with former employee G. Herrera re: WEPPA and address update. Telephone call and follow-up correspondence with Enbridge re: closing accounts and open invoices. Correspondence with Company re: payments, WSIB.	0.80	525.00	420.00
12/15/2017	Katherine Forbes Correspondence with counsel and Lender re: Priority and Distribution Motion timing.	0.20	525.00	105.00
12/15/2017	Paul Van Eyk Review of Receiver's Second Report.	1.00	675.00	675.00
12/15/2017	Adam Sherman Review/approve bank reconciliations for November 2017.	0.30	675.00	202.50
12/18/2017	Carol O'Donnell Prepare cheques.	0.20	250.00	50.00
12/18/2017	Katherine Forbes Email to TD Bank re: approved payments. Forwarding CRA notice to file to tax preparer. Cheque requisition for Receiver's fees, fees of Receiver's counsel.	0.50	525.00	262.50
12/19/2017	Katherine Forbes Drafting Receiver's section 246(2) report to OSB and review of supporting materials. Review of employee benefit plan premiums and email to insurance broker. Email to Company re: November HST.	1.50	525.00	787.50
12/19/2017	Katherine Forbes Review of adjusted WSIB form and correspondence to Company re: same.	0.10	525.00	52.50
12/19/2017	Cindy Michaud Add creditor and send POC by regular mail, email, scan returned envelope.	0.40	185.00	74.00
12/20/2017	Pascale Lareau Working on GST/HST declaration summary for October and November 2017.	0.60	185.00	111.00
12/20/2017	Carol O'Donnell Verify HST. Verify bank for wire transfer, update deposit. Email GL to K. Forbes.	0.50	250.00	125.00

Invoice No.: 20402534
 Date: 01/11/2018



Date	Name and Description	Hours	Rate	Amount
12/20/2017	Katherine Forbes Monitoring banking and preparing wire requisition; telephone call with TD Bank re: same. Correspondence from/to Company re: address corrections for WEPPA, vacation pay, WSIB payments. Drafting letter to WSIB re: pre- and post-filing insurable earnings.	1.20	525.00	630.00
12/20/2017	Katherine Forbes Review and approve October and November HST.	0.20	525.00	105.00
12/21/2017	Pascale Lareau HST declaration October and November 2017.	0.30	185.00	55.50
12/21/2017	Carol O'Donnell Prepare reallocations, transfer funds from HST account to Receiver Account. Update entries. Email GLs to K. Forbes.	0.80	250.00	200.00
12/21/2017	Katherine Forbes Drafting section 246(2) interim report. Reviewing GLs and updating interim R&D. Correspondence with Richter team re: same.	1.10	525.00	577.50
12/21/2017	Cindy Michaud Email, send WEPPA document to an employee.	0.30	185.00	55.50
12/22/2017	Carol O'Donnell File Company's November HST online.	0.20	250.00	50.00
12/22/2017	Katherine Forbes Executing manual wire form for vacation pay, and verification call from TD Bank re: same. Correspondence with Richter team re: Company's November HST return information. Correspondence with counsel re: scheduling Priority and Distribution Motion.	0.80	525.00	420.00
12/22/2017	Cindy Michaud Fax to OSB the First Interim Report of the Receiver.	0.20	185.00	37.00
Fees Total		26.00		\$ 11,504.50
Date	Name and Description	Hours	Rate	Amount
12/11/2017	Disbursements			\$ 15.84
Disbursements Total				\$ 15.84

Invoice No.: 20402534
Date: 01/11/2018



Remittance Form

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 10,945.12
GST/HST #885435842 RT0001		1,422.87
Total Due	CAD	\$ 12,367.99

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

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Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

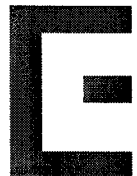
Date: 02/06/2018
Invoice No.: 20402596
Engagement No.: 2020956
Payment Terms: Net 30 Days

Professional services rendered to January 31, 2018			\$ 9,868.75
Less: Courtesy Discount			-493.43
			<hr/>
Sub-Total			9,375.32
GST/HST #885435842 RT0001			1,218.79
			<hr/>
Total Due	CAD		\$ 10,594.11

T. 416. 488. 2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20402596
Date: 02/06/2018



Fees

Name	Hours	Rate	Amount
Adam Sherman	0.30	\$ 675.00	\$ 202.50
Ann Stremski	1.60	185.00	296.00
Carol O'Donnell	1.50	250.00	375.00
Katherine Forbes	15.50	525.00	8,137.50
Pascale Lareau	1.90	185.00	351.50
Paul Van Eyk	0.75	675.00	506.25
	21.55		\$ 9,868.75

Invoice No.: 20402596
Date: 02/06/2018



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
01/02/2018	Ann Stremski Communications with former Strellmax employee and K. Forbes.	0.30	\$ 185.00	\$ 55.50
01/02/2018	Katherine Forbes Correspondence with A. Stremski re: A. Chan WEPPA inquiry.	0.20	525.00	105.00
01/03/2018	Katherine Forbes Correspondence from/to Richter team re: WSIB inquiry.	0.10	525.00	52.50
01/04/2018	Pascale Lareau Bank reconciliation (3 bank accounts).	0.60	185.00	111.00
01/04/2018	Katherine Forbes Correspondence from/to Lender. Return telephone call to WSIB. Review of utilities bills and correspondence with Enbridge, Company. WEPPA submission and draft notice for S. Ali.	1.30	525.00	682.50
01/08/2018	Pascale Lareau HST reconciliation for December 2017.	0.40	185.00	74.00
01/08/2018	Katherine Forbes Correspondence from M. Altow re: B.C. PST. Detailed invoicing activities. Review of email from Enbridge and correspondence to Buyer re: outstanding invoices to be paid.	0.50	525.00	262.50
01/09/2018	Ann Stremski Enter information for employee WEPPA with Service Canada, verify Notice, and communication with K. Forbes and C. O'Donnell.	0.40	185.00	74.00
01/09/2018	Katherine Forbes Correspondence with Company re: employee vacation pay, tax return status. Detailed invoicing activities. Follow-up re: insurance policy cancellation.	0.70	525.00	367.50
01/09/2018	Katherine Forbes Call with B.C. PST representatives re: Aug/Sep 2017, closure of account. Follow-up email correspondence and completion of necessary forms.	0.50	525.00	262.50
01/10/2018	Pascale Lareau Updated list of Service Canada payments.	0.40	185.00	74.00
01/10/2018	Ann Stremski Update address and resend WEPPA documents to employee; communications with K. Forbes.	0.30	185.00	55.50
01/10/2018	Katherine Forbes	0.70	525.00	367.50

Invoice No.: 20402596
Date: 02/06/2018



Date	Name and Description	Hours	Rate	Amount
	Call with Buyer and Lender re: vacation liability and WEPPA process. Responding to follow-up correspondence from the Buyer on behalf of the transferred employees. Various follow-up correspondence with the Company re: insurance, outstanding AR and invoices			
01/10/2018	Katherine Forbes Call with Buyer re: transfer of Bell accounts, and review of documentation.	0.30	525.00	157.50
01/11/2018	Carol O'Donnell Prepare cheques.	0.20	250.00	50.00
01/11/2018	Ann Stremski Trust account entries.	0.20	185.00	37.00
01/11/2018	Katherine Forbes Correspondence with former employee re: WEPPA package. Correspondence with Lender re: mechanics of interim distribution. Update to estimated realizations at Lender's request.	1.00	525.00	525.00
01/12/2018	Ann Stremski Print and email WEPPA package to employee.	0.20	185.00	37.00
01/12/2018	Katherine Forbes Email and telephone call with Lender to discuss realizations analysis, and Priority and Distribution motion. Reviewing correspondence re: WEPPA mailing, payments made. Monitoring cash.	0.80	525.00	420.00
01/14/2018	Paul Van Eyk Review of realizations analysis.	0.50	675.00	337.50
01/15/2018	Katherine Forbes Correspondence with former employee re: WEPPA package mailing. Voicemail from former employee L. Dawes and correspondence with Richter team re: same. Follow-up with Company re: outstanding payments.	0.40	525.00	210.00
01/15/2018	Adam Sherman Review/approve bank reconciliations (3 accounts) for December 2017.	0.30	675.00	202.50
01/16/2018	Ann Stremski Research and resend WEPPA documents to employee.	0.20	185.00	37.00
01/16/2018	Katherine Forbes	0.70	525.00	367.50

Invoice No.: 20402596
Date: 02/06/2018



Date	Name and Description	Hours	Rate	Amount
	Review of payments and banking activity, correspondence with TD Bank re: approved cheques. Forwarding commercial insurance cancellation form to broker. Follow-up with Company re: duty drawback status.			
01/17/2018	Katherine Forbes Correspondence from/to counsel re: materials timeline in support of Priority and Distribution Motion.	0.30	525.00	157.50
01/18/2018	Carol O'Donnell Review HST reconciliation, email to K. Forbes. Communications with employees regarding WEPPA.	0.40	250.00	100.00
01/18/2018	Katherine Forbes Follow-up with Richter team re: employee matters. Review of December 2017 HST return. Correspondence with Company re: Strellmax December 2017 HST return.	0.60	525.00	315.00
01/19/2018	Pascale Lareau HST return for December 2017.	0.30	185.00	55.50
01/19/2018	Katherine Forbes Correspondence with Company re: pre-filing import duties, income tax return open items, unpaid invoices. Correspondence from/to Toronto Hydro representative.	0.40	525.00	210.00
01/22/2018	Katherine Forbes Summarizing open items and correspondence with Company re: same. Call with M. Altow re: outstanding accounts receivable.	0.80	525.00	420.00
01/23/2018	Katherine Forbes Accord correspondence re: uncollectable accounts, review of accounts receivable reports, and correspondence with M. Altow re: same.	0.50	525.00	262.50
01/24/2018	Katherine Forbes Correspondence from/to Strellson and Gowling WLG re: secured loan balance. Correspondence with Company, insurance broker re: insurance notice received, and with M. Altow and Accord re: open AR items.	0.70	525.00	367.50
01/25/2018	Katherine Forbes Telephone call with T. Gertner (Gowling WLG) re: Strellson secured debt balance, and follow-up correspondence, review of documentation re: same. Review of Lender's legal invoices and summarizing secured loan balance; correspondence with V. Gomon re: same.	1.00	525.00	525.00

Invoice No.: 20402596
Date: 02/06/2018



Date	Name and Description	Hours	Rate	Amount
01/25/2018	Katherine Forbes Review of Manulife employee benefits final invoice details, and correspondence with insurance broker re: same. Correspondence with Richter team re: former employee WEPPA inquiries.	0.50	525.00	262.50
01/26/2018	Katherine Forbes Monitoring banking activity.	0.10	525.00	52.50
01/26/2018	Paul Van Eyk Reviewing email correspondence on various matters.	0.25	675.00	168.75
01/29/2018	Pascale Lareau Deposit cheque.	0.20	185.00	37.00
01/29/2018	Carol O'Donnell Prepare reallocations in GL. Email to K. Forbes.	0.50	250.00	125.00
01/29/2018	Katherine Forbes Follow-up email to/from Company re: open items. Review of receivership GLs, update to receiver's R&D, and correspondence with Richter team re: same. Update of realizations analysis and Company's cash flow activity for Second Report.	2.20	525.00	1,155.00
01/30/2018	Carol O'Donnell File Company's HST online. Emails with K. Forbes.	0.40	250.00	100.00
01/30/2018	Katherine Forbes Review of correspondence from Company re: Buyer's sales deposited with Strellmax, and from Company re: tax return status. Correspondence with Richter team re: Company's December 2017 HST calculation. Monitoring the Company's banking activity.	0.60	525.00	315.00
01/31/2018	Katherine Forbes Correspondence with Manulife representative re: final Strellmax employee benefits billing. Correspondence from Strellson re: updated secured debt balance, and update to realizations analysis. Correspondence from/to Company re: 2017 T4s.	0.60	525.00	315.00
Fees Total		21.55		\$ 9,868.75

Invoice No.: 20402596
Date: 02/06/2018



Remittance Form

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 9,375.32
GST/HST #885435842 RT0001		1,218.79
Total Due	CAD	\$ 10,594.11

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

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Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

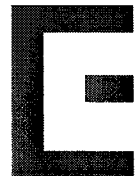
Date: 03/05/2018
Invoice No.: 20402674
Engagement No.: 2020956
Payment Terms: Net 30 Days

Fees		\$ 11,079.25
Less: Courtesy Discount		-554.00
Disbursements		9.61
		<hr/>
Sub-Total		10,534.86
GST/HST #885435842 RT0001		1,369.53
		<hr/>
Total Due	CAD	\$ 11,904.39

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20402674
Date: 03/05/2018



Fees

Name	Hours	Rate	Amount
Adam Sherman	0.30	\$ 675.00	\$ 202.50
Ann Stremski	0.20	185.00	37.00
Carol O'Donnell	0.40	250.00	100.00
Katherine Forbes	14.30	525.00	7,507.50
Pascale Lareau	1.60	185.00	296.00
Paul Van Eyk	4.35	675.00	2,936.25
	21.15		\$ 11,079.25

Disbursements

Disbursements \$ 9.61

Invoice No.: 20402674
Date: 03/05/2018

E

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
02/01/2018	Katherine Forbes Correspondence with counsel re: updated timeline to Priority and Distribution Motion, and service of materials. Correspondence from/to Accord, Company re: closing account.	0.40	\$ 525.00	\$ 210.00
02/02/2018	Katherine Forbes Correspondence with counsel, discussion with Richter team re: updated draft Second Report. Correspondence with Company re: outstanding customer matters.	0.50	525.00	262.50
02/05/2018	Carol O'Donnell Update interest, email GL's to K. Forbes.	0.20	250.00	50.00
02/05/2018	Katherine Forbes Review and update of Second Report, updating R&D. Correspondence with Richter team and former employee re: WEPPA inquiry. Review of counsel comments on Second Report, correspondence re: same.	4.00	525.00	2,100.00
02/06/2018	Katherine Forbes Correspondence with Company re: outstanding invoices. Review of Accord and Strellson AG affidavits, and correspondence with counsel re: same.	0.80	525.00	420.00
02/07/2018	Katherine Forbes Updating Second Report for Accord and Strellson AG materials served Feb. 6/18, and finalization for service. Discussions with Richter team and counsel re: same. Corresponding with Buyer re: out of pocket costs.	1.00	525.00	525.00
02/07/2018	Katherine Forbes Correspondence and discussion with M. Altow re: outstanding AR, Priority and Distribution Motion process questions. Receivership update email to Lender re: outstanding matters.	0.80	525.00	420.00
02/07/2018	Paul Van Eyk Review of Second Report and materials filed. Discussions with K. Forbes, counsel re: same.	3.00	675.00	2,025.00
02/08/2018	Katherine Forbes Email correspondence with Buyer re: out of pocket expenses and utilities accounts. Correspondence from TD re: deposit into Strellmax account. Reconciliation of employee benefits final billing and correspondence with Company re: final payment.	0.80	525.00	420.00

Invoice No.: 20402674
Date: 03/05/2018



Date	Name and Description	Hours	Rate	Amount
02/08/2018	Katherine Forbes Return telephone call to CRA.	0.10	525.00	52.50
02/13/2018	Pascale Lareau HST reconciliation Jan. 2018.	0.30	185.00	55.50
02/13/2018	Ann Stremski Trust account entries.	0.10	185.00	18.50
02/13/2018	Katherine Forbes Correspondence with M. Altow re: Accord collections.	0.20	525.00	105.00
02/14/2018	Katherine Forbes Correspondence with Richter team re: CRA inquiry.	0.10	525.00	52.50
02/15/2018	Katherine Forbes Review of questions posed by Accord to Receiver, and correspondence with counsel re: same.	0.40	525.00	210.00
02/16/2018	Ann Stremski Trust account entries.	0.10	185.00	18.50
02/16/2018	Katherine Forbes Responding to questions posed to the Receiver by Accord's counsel, and correspondence with Receiver's counsel and Richter team re: same. Correspondence with Richter team re: documents to be posted on website.	1.70	525.00	892.50
02/20/2018	Paul Van Eyk Review of revised report and correspondence related to Accord matter.	0.75	675.00	506.25
02/21/2018	Paul Van Eyk Review of material.	0.50	675.00	337.50
02/22/2018	Katherine Forbes Telephone call from Gowlings re: Strellson AG/Accord examinations, and email to counsel re: same. Correspondence re: status of tax return.	0.30	525.00	157.50
02/23/2018	Katherine Forbes Review of correspondence from counsel re: Strellson AG/Accord.	0.10	525.00	52.50
02/23/2018	Paul Van Eyk Review of correspondence from counsel re: Strellson AG/Accord.	0.10	675.00	67.50
02/26/2018	Katherine Forbes	0.70	525.00	367.50

Invoice No.: 20402674
 Date: 03/05/2018



Date	Name and Description	Hours	Rate	Amount
	Correspondence with counsel re: Strellson AG/Accord examinations, quantum and timing of Controlled Funds. Correspondence with Richter team, Company re: HST and EHT, respectively.			
02/27/2018	Pascale Lareau Sending documents to CRA for HST audit request for Oct to Dec. 2017, HST declaration Jan. 2018.	0.60	185.00	111.00
02/27/2018	Carol O'Donnell Review HST reconciliation for January 2018 and email to K. Forbes.	0.20	250.00	50.00
02/27/2018	Katherine Forbes Review of January HST, WSIB bill, EHT annual return form. Sending documentation to Richter team requested by CRA re: HST audit. Correspondence with Buyer re: AMEX deposits. Call from TD and follow-up email re: payment. Email to tax preparer re: 2017.	1.40	525.00	735.00
02/27/2018	Katherine Forbes Counsel update re: examinations.	0.20	525.00	105.00
02/27/2018	Adam Sherman Review/approve bank reconciliations (3 accounts) for January 2018.	0.30	675.00	202.50
02/28/2018	Pascale Lareau Working on HST request by Revenu Canada.	0.70	185.00	129.50
02/28/2018	Katherine Forbes Correspondence with Accord, M. Altow on remaining accounts receivable items. Correspondence with Company re: WSIB, EHT, January HST. Forwarding Company's HST information to Richter team. Counsel update re: examinations.	0.80	525.00	420.00
Fees Total		21.15		\$ 11,079.25
Date	Name and Description	Hours	Rate	Amount
02/01/2018	Disbursements			\$ 9.61
Disbursements Total				\$ 9.61

Invoice No.: 20402674
Date: 03/05/2018



Remittance Form

Richter Advisory Group Inc. Receiver re: Strellmax Ltd.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 10,534.86
GST/HST #885435842 RT0001		1,369.53
Total Due	CAD	\$ 11,904.39

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

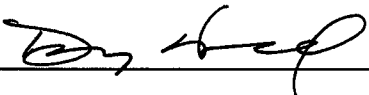
Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

This is Exhibit "C" referred to in the Affidavit of
Paul van Eyk, sworn before me this
6th day of March, 2018



DANNY NUNES

**ONTARIO SUPERIOR COURT OF JUSTICE
IN THE MATTER OF THE RECEIVERSHIP
Re: Strellmax Ltd.**

**For the Period from July 7, 2017 to February 28, 2018
Time Summary and applicable rates**

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Adam Sherman	1.60	675.00	1,080.00
Ann Stremski	12.20	185.00	2,257.00
Carol O'Donnell	28.00	250.00	7,000.00
Cindy Michaud	8.30	185.00	1,535.50
Daniel Korsunsky	391.60	350.00	137,060.00
Katherine Forbes	375.50	525.00	197,137.50
Pascale Lareau	11.20	185.00	2,072.00
Patrick Lareau	4.80	425.00	2,040.00
Paul Van Eyk	19.35	675.00	13,061.25
Soazig Bourgine	2.70	185.00	499.50
	<u>855.25</u>		<u>363,742.75</u>
Discount			(18,187.10)
Total			<u>345,555.65</u>
Average Hourly Amount			<u>404.04</u>

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**AFFIDAVIT OF PAUL VAN EYK
(sworn March 6, 2018)**

DLA PIPER (CANADA) LLP
1 First Canadian Place, Suite 6000
100 King Street West
Toronto ON M5X 1E2

Edmond F.B. Lamek (LSUC No. 33195Q)
Tel: 416.365.4444
Fax: 416.369.7945
Email: edmond.lamek@dlapiper.com

Danny M. Nunes (LSUC No. 53802D)
Tel: 416.365.3421
Fax: 416.369.7945
Email: danny.nunes@dlapiper.com

Lawyers for the Receiver

APPENDIX “D”

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

BETWEEN:

STRELLSON AG

Applicant

-and-

STRELLMAX LTD.

Respondent

**FEE AFFIDAVIT OF EDMOND F.B. LAMEK
(Sworn March 7, 2018)**

I, EDMOND F. B. LAMEK, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a former partner in the law firm of WeirFoulds LLP (“**WeirFoulds**”), who were the solicitors to Richter Advisory Group Inc. (the “**Receiver**”) herein until December 31, 2017, and am a partner in the law firm of DLA Piper (Canada) LLP (“**DLA**”), who currently act as the solicitors for the Receiver. Accordingly, I have knowledge of matters hereinafter deposed to.
2. Attached hereto as **Exhibit “A”** is a copy of the five Statements of Account of WeirFoulds in respect of services rendered to the Receiver for the period from June 22, 2017 to December 31, 2017 (the “**WeirFoulds Billing Period**”). During the WeirFoulds Billing Period the total fees billed by WeirFoulds were \$161,882.50, plus disbursements of \$2,032.39 and applicable taxes of \$21,308.94.

3. As set out in the following table, 233.3 hours were billed by WeirFoulds personnel during the WeirFoulds Billing Period, resulting in an average hourly rate of \$683.88 (exclusive of applicable taxes):

Lawyers	Hours	Rate/Hr.
Edmond Lamek	146.5	\$795.00
Danny Nunes	69.8	\$525.00
Maralynne Monteith	8.7	\$800.00
Lia Boritz	2.0	\$250.00
Sean Foran	0.5	\$600.00
Clerks/Students	Hours	Rate/Hr
Ruth DeSousa	2.6	\$200.00
Tony Mazzagatti	2.0	\$150.00
Joe Bove	1.0	\$150.00
Jim Dublack	0.2	\$200.00
TOTAL	233.3	Avg. Rate/Hr: \$683.88

4. The activities detailed in the Statements of Account attached as Exhibit "A" accurately reflect the services provided by WeirFoulds and the rates charged are the standard hourly rates of those individuals at Weirfoulds at the time they were incurred.

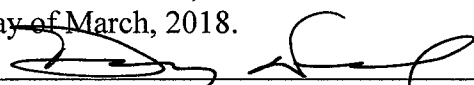
5. Attached hereto as **Exhibit "B"** is a copy of the Statement of Account of DLA in respect of services rendered to the Receiver for the period from January 1, 2018 to February 28, 2018 (the "**DLA Billing Period**"). During the DLA Billing Period the total fees billed by DLA were \$17,710.50, plus disbursements of \$71.50 and applicable taxes of \$2,311.61.

6. As set out in the following table, 29.2 hours were billed by DLA personnel during the DLA Billing Period, resulting in an average hourly rate of \$606.52 (exclusive of applicable taxes):

Lawyers	Hours	Rate/Hr.
Edmond Lamek	5.5	\$850.00
Danny Nunes	23.7	\$550.00
TOTAL	29.2	Avg. Rate/Hr: \$606.52

7. The activities detailed in the Statement of Account attached as Exhibit "B" accurately reflects the services provided by DLA and the rates charged are the standard hourly rates of those individuals at DLA at the time they were incurred.

8. I swear this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of WeirFoulds and DLA set out above and for no other or improper purpose.

Sworn before me at the)
City of Toronto, in the)
Province of Ontario, this)
7th day of March, 2018.)
)
A Commissioner for taking affidavits, etc.)

DANNY NUNES


EDMOND F.B. LAMEK

This is Exhibit A referred to in the
affidavit of ..EDMOND F. B. LATEK.....
sworn before me, this 7th
day of MARCH, 20 13


.....
K COMMISSIONER FOR TAKING AFFIDAVITS

DANNY NUNES

INVOICE

WeirFoulds^{LLP}

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

T: 416-365-1110 F: 416-365-1876

www.weirfoulds.com

July 24, 2017
Invoice 268302
Page 1

Richter Advisory Group Inc.
Attention: Katherine Forbes
181 Bay Street
Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3

Our Matter # 18478.00001 Strellmax Ltd. Receivership Proceedings

For Professional Services through June 30, 2017

FEES	\$31,605.50
DISBURSEMENTS (Taxable)	\$299.50
DISBURSEMENTS (Non Taxable)	None
HST	\$4,147.65
TOTAL FOR THIS INVOICE	\$36,052.65
TOTAL DUE	\$36,052.65

INVOICE**WeirFoulds**^{LLP}

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

T: 416-365-1110 F: 416-365-1876

www.weirfoulds.com

July 24, 2017
Invoice 268302
Page 2

Below is a description of the services rendered through June 30, 2017 with respect to our File No. 18478.00001

Fee Detail

Date	Description	Name	Hours	Rate	Fees
22/06/17	Lunch meeting with Van Eyk and Cohen for background on Strellmax receivership; follow up call with Lamie regarding related matters.	Edmond Lamek	1.20	795.00	954.00
23/06/17	Speak to E. Lamek regarding security review; review security documents;	Danny Nunes	1.00	525.00	525.00
23/06/17	Call with Cohen and Graff regarding proposed acquisition structure; emails with Cohen and Van Eyk regarding same.	Edmond Lamek	0.80	795.00	636.00
26/06/17	Attend conference to discuss receivership application; review draft steps memo; review correspondence regarding same;	Danny Nunes	2.30	525.00	1,207.50
26/06/17	Conference call with Gowlings, A&B, Richter, Pernica regarding proposed action plan and transaction steps; working on Step memo, circulate in draft to Richter, A&B and Gowlings, follow up emails re same.	Edmond Lamek	4.80	795.00	3,816.00
27/06/17	Review correspondence regarding draft steps memo; draft security opinion and review searches relating to same; correspondence to and from T. Gertner regarding same;	Danny Nunes	4.70	525.00	2,467.50
27/06/17	revising Step memo; reviewing and discussing Cohen revised action plan with van Eyk and Forbes; begin drafting Wholesale Business Assets APA	Edmond Lamek	4.50	795.00	3,577.50
27/06/17	Conducted a corporate verbal search to determine the correct corporation name, number and jurisdiction regarding Richter Advisory Group Inc.;	Ruth DeSousa	0.10	200.00	20.00
27/06/17	Conducted profile searches, ppsa, bank act, and execution searches regarding	Ruth DeSousa	1.50	200.00	300.00

INVOICE

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

T: 416-365-1110 F: 416-365-1876

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July 24, 2017
Invoice 268302
Page 3**Fee Detail**

Date	Description	Name	Hours	Rate	Fees
	Strellmax Ltd., Adamray Investments Inc. and Frances and Mark Altow Family Trust; review all search results and prepared a full corporate search report;				
28/06/17	Review correspondence regarding receivership steps; revise security opinion; review draft asset purchase agreement; review correspondence regarding same; correspondence to and from E. Lamek regarding security opinion;	Danny Nunes	2.60	525.00	1,365.00
28/06/17	Continue drafting Wholesale Business Assets APA, numerous email exchanges with Richter for background info; 5 pm. update conference call with Gowlings and Richter; reviewing HBC Concession License agreement	Edmond Lamek	6.50	795.00	5,167.50
28/06/17	Conducted bank act and execution searches regarding Frances and Mark Altow Family Trust; and updated the report;	Ruth DeSousa	0.40	200.00	80.00
29/06/17	Review correspondence regarding steps memo; review correspondence regarding application materials; review correspondence regarding draft APA; correspondence to and from E. Lamek regarding draft security opinion; review draft application materials;	Danny Nunes	3.00	525.00	1,575.00
29/06/17	continuing to work on Wholesale Business APA; discussing with Forbes and incorporating her comments; reviewing and commenting on draft Gowlings court materials; emails and calls re matters relating to HBC concession; DC lease; goods in transit; purchase value and liquidation; reviewing draft security review;	Edmond Lamek	5.30	795.00	4,213.50
30/06/17	Review correspondence regarding draft	Danny Nunes	2.00	525.00	1,050.00

INVOICE

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7	T: 416-365-1110 F: 416-365-1876
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July 24, 2017
 Invoice 268302
 Page 4

Fee Detail

Date	Description	Name	Hours	Rate	Fees
	receivership materials; review correspondence regarding TD security opinion; review correspondence attaching draft pre-filing report; review application record;				
30/06/17	Reviewing and commenting on draft Receivership Application court materials and Approval and Vesting Order; Reviewing and commenting on draft Receiver's pre-filing report; reviewing and revising security review memo and dealing with BC PPSA issues; numerous email exchanges re all of the foregoing and additional APA and transaction issues.	Edmond Lamek	5.80	795.00	4,611.00
30/06/17	Re: Strellmax Ltd. - order ppsa search in British Columbia;	Jim Dublack	0.20	200.00	40.00

Total Fees for Professional Services	\$31,605.50
HST	\$4,108.71
Total Fees including HST	<u>\$35,714.21</u>

Disbursements

Taxable Disbursements	
Prints BW	18.00
Search Fees	281.50
Total Taxable Disbursements	<u>299.50</u>
Total Disbursements	\$299.50
HST	\$38.94
Total Disbursements and HST for this Invoice	<u>\$338.44</u>

INVOICE

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

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July 24, 2017
Invoice 268302
Page 5

Totals For This Matter

Total Fees Including HST.....	\$35,714.21
Total Disbursements Including HST.....	\$338.44
Total Fees and Disbursements Including HST.....	\$36,052.65
Amount Applied From Trust.....	\$0.00
Total Due For This Matter	\$36,052.65

Summary

Name	Hours	Rate	Fees
Danny Nunes	15.60	525.00	8,190.00
Edmond Lamek	28.90	795.00	22,975.50
Jim Dublack	0.20	200.00	40.00
Ruth DeSousa	2.00	200.00	400.00
Total Summary	46.70		\$31,605.50

INVOICE

WeirFoulds^{LLP}

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

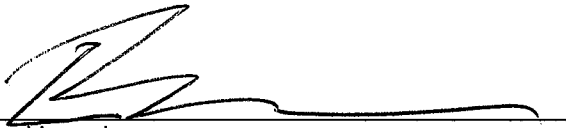
T: 416-365-1110 F: 416-365-1876

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July 24, 2017
Invoice 268302
Page 6

THIS IS OUR ACCOUNT HEREIN.

WeirFoulds LLP
Per



Edmond Lamek

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

GST/HST REG.NO.
R119427177RT0001

INVOICE

WeirFoulds^{LLP}

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7	T: 416-365-1110 F: 416-365-1876 www.weirfoulds.com
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July 24, 2017
Invoice 268302
Page 7

Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
Outstanding AR Summary		0.00

INVOICE

WeirFoulds^{LLP}

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

T: 416-365-1110 F: 416-365-1876

www.weirfoulds.com

August 30, 2017

Invoice 269350

Page 1

Richter Advisory Group Inc.
Attention: Katherine Forbes
181 Bay Street
Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3

Our Matter # 18478.00001 Strellmax Ltd. Receivership Proceedings

For Professional Services through July 31, 2017

FEES	\$58,872.00
DISBURSEMENTS (Taxable)	\$470.05
DISBURSEMENTS (Non Taxable)	None
HST	\$7,714.47
TOTAL FOR THIS INVOICE	\$67,056.52
TOTAL DUE	\$67,056.52

INVOICE**WeirFoulds**^{LLP}

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

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August 30, 2017

Invoice 269350

Page 2

Below is a description of the services rendered through July 31, 2017 with respect to our File No. 18478.00001

Fee Detail

Date	Description	Name	Hours	Rate	Fees
03/07/17	Review pre-filing receiver's report; correspondence to and from E. Lamek regarding same; correspondence to K. Forbes regarding same; review correspondence regarding same;	Danny Nunes	1.10	525.00	577.50
03/07/17	Conference call with Gowlings and Richter to go over Strellson business points on current draft of APA. Follow up emails.	Edmond Lamek	0.80	795.00	636.00
04/07/17	Revise security opinion; correspondence to and from E. Lamek regarding same; review correspondence regarding draft APA;	Danny Nunes	2.80	525.00	1,470.00
04/07/17	Revising APA per Gowlings/Richter/Lamek conference call yesterday and related follow up emails with comments on June 29 draft; discussing revisions to security opinion with Nunes.	Edmond Lamek	3.20	795.00	2,544.00
04/07/17	Evening emails and comments on security review and report and IT issues;	Edmond Lamek	0.80	795.00	636.00
04/07/17	Ordered a British Columbia corporate profile and a PPSA search regarding the corporations Strellmax Ltd. and Adamray Investments Inc.; and updated the full corporate search report;	Ruth DeSousa	0.60	200.00	120.00
05/07/17	Correspondence regarding security review and finalizing same; correspondence regarding APA; serve pre-filing report; correspondence regarding factum; review same and provide comments;	Danny Nunes	3.90	525.00	2,047.50
05/07/17	Working most of day on finalizing APA, commenting on Receiver's report and other court documents; calls and email	Edmond Lamek	6.20	795.00	4,929.00

INVOICE

4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7

T: 416-365-1110 F: 416-365-1876

www.weirfoulds.com

August 30, 2017
Invoice 269350
Page 3**Fee Detail**

Date	Description	Name	Hours	Rate	Fees
	exchanges re the foregoing throughout the day and into the evening; reviewing Gowlings factum and providing comments;				
06/07/17	Correspondence to and from F. Lamie regarding factum; correspondence regarding receivership application; review correspondence regarding APA; review correspondence regarding revised orders;	Danny Nunes	1.30	525.00	682.50
06/07/17	Providing comments on revised draft orders, reviewing draft factum and discussing with Nunes; calls with Gowlings and Van Eyk re Accord;	Edmond Lamek	2.50	795.00	1,987.50
06/07/17	Filed Pre-Filing Report at Commercial Court;	Tony Mazzagatti	0.50	150.00	75.00
07/07/17	Review correspondence regarding receivership application; correspondence regarding execution of APA;	Danny Nunes	0.60	525.00	315.00
07/07/17	Final prep for and attend SAG Application for appointment of Richter as Receiver and Approval of APA with SAG/Newco. Follow up emails re logistics and related practical day one issues.	Edmond Lamek	3.20	795.00	2,544.00
10/07/17	Review credit amending agreement; review correspondence regarding same;	Danny Nunes	0.30	525.00	157.50
10/07/17	Emails regarding additional funding by Strellson AG under TD facility and security; reviewing and commenting on draft loan amendment from Gowlings re \$200K additional advance;	Edmond Lamek	0.60	795.00	477.00
11/07/17	Correspondence to and from K. Plunkett regarding APA; correspondence to K. Forbes regarding	Danny Nunes	1.00	525.00	525.00

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August 30, 2017
Invoice 269350
Page 4**Fee Detail**

Date	Description	Name	Hours	Rate	Fees
	same;				
11/07/17	Emails with Forbes regarding Viking Rideau and other operational matters;	Edmond Lamek	0.30	795.00	238.50
12/07/17	Correspondence regarding executed APA;	Danny Nunes	0.30	525.00	157.50
13/07/17	Review correspondence from K. Forbes regarding support agreement;	Danny Nunes	0.20	525.00	105.00
13/07/17	Emails with Forbes and with Robert Crepin of Cadillac Fairview re Rideau Centre lease.	Edmond Lamek	0.50	795.00	397.50
14/07/17	Review receiver's statement to creditors;	Danny Nunes	0.20	525.00	105.00
14/07/17	Call with Robert Crepin of Cadillac Fairview; emails with K Forbes regarding disclaimer timing and drafting of Support Agreement.	Edmond Lamek	0.80	795.00	636.00
17/07/17	Correspondence regarding support agreement, cash collateral and employee letter;	Danny Nunes	0.30	525.00	157.50
17/07/17	Call and emails with Katherine Forbes regarding points to be covered in a Support Services Agreement and receiver post closing funding requirements;	Edmond Lamek	1.00	795.00	795.00
18/07/17	Review letter to employees and revise same; correspondence to K. Forbes regarding same; speak to E. Lamek regarding same;	Danny Nunes	0.60	525.00	315.00
18/07/17	Reviewing drafts of several closing documents received from Gowlings; Call with Katherine Forbes re same and other closing issues and requirements, including Support Services Agreement;	Edmond Lamek	1.70	795.00	1,351.50
19/07/17	Update emails with Forbes regarding	Edmond Lamek	0.50	795.00	397.50

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	Support Services agreement and related transactional matters;				
20/07/17	Revising APA Amendments per discussion with Forbes; begin drafting Support Services agreement; reviewing closing related materials from Forbes and Burden-Nixon; several calls and email exchanges with Forbes;	Edmond Lamek	5.70	795.00	4,531.50
21/07/17	Continue drafting Support Services Agreement; calls with Katherine Forbes re HST, Employees; other practical receivership matters post closing; conf call with Forbes and Burden-Nixon re closing agenda and HST; revising SSA per comments of Forbes, circulating for comments;	Edmond Lamek	4.50	795.00	3,577.50
24/07/17	Review correspondence attaching final employee letter and review same;	Danny Nunes	0.20	525.00	105.00
24/07/17	Much of day dealing with HST related issues and proposed amendments to incorporate drop shipment concept; discussions with Maralynne Monteith; calls with Gowlings re same; emails and calls with Forbes regarding amendments to APA;	Edmond Lamek	5.20	795.00	4,134.00
24/07/17	Review email trail on HST matter; request further information; meeting Edmond Lamek to discuss same;	Maralynne Monteith	1.10	800.00	880.00
25/07/17	Revising Bill of Sale, emails with Forbes re same. Various emails and discussions with Maralynne Monteith and Gowlings re HST deal structure; reviewing and commenting on Credit Bid receipt document;	Edmond Lamek	3.70	795.00	2,941.50
25/07/17	Review emails Court Order and APA; email comments on APA and requirement to conform to drop shipment rules; review and revise APA	Maralynne Monteith	3.80	800.00	3,040.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	draft certificate, warranty and indemnity; follow up emails to Edmond Lamek;				
26/07/17	Numerous emails over the course of the day on revisions to Drop Shipment language and related HST issues and assumed contracts, IT systems; Support Services HST; HST Indemnity;	Edmond Lamek	4.20	795.00	3,339.00
26/07/17	Review proposed amendments to APA and Certificate and Indemnity; review drop shipment certificate; and forward comments to Edmond Lamek;	Maralynne Monteith	2.40	800.00	1,920.00
27/07/17	Calls and emails regarding IT Systems to be assumed; HST issues on Support Services Agreement; commenting on latest draft of receipt, consent and Services agreement; emails with Forbes on certain APA revisions; emails with Group re same; call with Gowlings regarding HST on Drop Shipment structure and HST Support services set off issue;	Edmond Lamek	3.60	795.00	2,862.00
27/07/17	Review Support Services Agreement; suggest revisions to 5.01; and forward comments to Edmond Lamek; follow up emails on cooperation agreement;	Maralynne Monteith	1.40	800.00	1,120.00
28/07/17	Much of day reviving and revising and updating closing documents re HST set off, amendments to APA and Support Services Agreement, numerous calls and email regarding same;	Edmond Lamek	3.30	795.00	2,623.50
29/07/17	Emails regarding HST issues and Wholesale open order deposit amounts in credit bid;	Edmond Lamek	0.60	795.00	477.00
31/07/17	Call with Forbes and Gowlings re Wholesale PO Deposits in Prescribed inventory Amount; numerous follow up emails to clarify with Gowlings.	Edmond Lamek	3.70	795.00	2,941.50

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	Reviewing and commenting to Gowlings on revisions to SSA and APA to incorporated latest comments and emails with Forbes re same;				
Total Fees for Professional Services					\$58,872.00
HST					\$7,653.36
Total Fees including HST					\$66,525.36

Disbursements

Taxable Disbursements	
Prints BW	147.30
Prints Colour	7.80
Search Fees	126.00
Binding & Tabs	26.45
Copies	162.50
Total Taxable Disbursements	470.05
Total Disbursements	\$470.05
HST	\$61.11
Total Disbursements and HST for this Invoice.....	\$531.16

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August 30, 2017

Invoice 269350

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Totals For This Matter

Total Fees Including HST.....	\$66,525.36
Total Disbursements Including HST.....	\$531.16
Total Fees and Disbursements Including HST.....	\$67,056.52
Amount Applied From Trust.....	\$0.00
Total Due For This Matter	\$67,056.52

Summary

Name	Hours	Rate	Fees
Danny Nunes	12.80	525.00	6,720.00
Edmond Lamek	56.60	795.00	44,997.00
Maralynne Monteith	8.70	800.00	6,960.00
Ruth DeSousa	0.60	200.00	120.00
Tony Mazzagatti	0.50	150.00	75.00
Total Summary	79.20		\$58,872.00

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WeirFoulds LLP
Per



Edmond Lamek

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

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Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
Outstanding AR Summary		<u>0.00</u>

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October 12, 2017
Invoice 270776
Page 1

Richter Advisory Group Inc.
Attention: Katherine Forbes
181 Bay Street
Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3

Our Matter # 18478.00001 Strellmax Ltd. Receivership Proceedings

For Professional Services through September 30, 2017

FEES	\$32,177.00
DISBURSEMENTS (Taxable)	\$50.70
DISBURSEMENTS (Non Taxable)	None
HST	\$4,189.60
TOTAL FOR THIS INVOICE	\$36,417.30
TOTAL DUE	\$36,417.30

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October 12, 2017

Invoice 270776

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Below is a description of the services rendered through September 30, 2017 with respect to our File No. 18478.00001

Fee Detail

Date	Description	Name	Hours	Rate	Fees
01/08/17	Reviewing and commenting on various revised closing documents and numerous emails and calls with Katherine Forbes and Gowlings re same and logistics of closing and DC Lease;	Edmond Lamek	2.30	795.00	1,828.50
02/08/17	Dealing with various closing delay logistics issues and Receiver's certificate. Emails and calls regarding same throughout the day;	Edmond Lamek	2.20	795.00	1,749.00
03/08/17	Discussions with K. Forbes regarding purchaser payroll issues;	Edmond Lamek	0.70	795.00	556.50
04/08/17	Dealing with Manulife Group benefits issues; receivers certificate;	Edmond Lamek	0.80	795.00	636.00
04/08/17	Filed a Receivers Certificate at Commercial Court;	Joe Bove	0.50	150.00	75.00
15/08/17	Calls and emails with K. Forbes regarding Vancouver Store lease;	Edmond Lamek	0.50	795.00	397.50
24/08/17	Call and emails with Katherine Forbes regarding Vancouver lease and other small asset sales under small sale threshold;	Edmond Lamek	0.40	795.00	318.00
30/08/17	Calls and emails with K. Forbes re Accord, furniture; Vancouver lease and possible bankruptcy; reviewing Accord Agreement with Strellmax;	Edmond Lamek	1.50	795.00	1,192.50
31/08/17	Emails with Gowlings re furniture and with Richter re furniture, Vancouver lease and Accord controlled funds. Drafting demand letter to Accord's lawyer;	Edmond Lamek	2.00	795.00	1,590.00
01/09/17	Finalizing and sending demand letter to Heller/Accord and related discussions with K. Forbes;	Edmond Lamek	0.50	795.00	397.50

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
06/09/17	Emails with Gowlings re Accord withholding the Strellmax AR proceeds;	Edmond Lamek	0.40	795.00	318.00
07/09/17	Reviewing all Accord agreements, amendments, correspondence and their template agreements; reviewing cases from Gowlings; call with Gertner; emails with Forbes regarding info in Strellmax electronic files relating to Accord arrangements.	Edmond Lamek	1.60	795.00	1,272.00
08/09/17	Call with Burden Nixon and follow up emails regarding bankruptcy assignment of Vancouver Store Lease, and steps and costing of same;	Edmond Lamek	0.70	795.00	556.50
09/09/17	Email exchanges with Forbes and Burden Nixon regarding Bloor street and amended Support Services Agreement; reviewing same;	Edmond Lamek	1.30	795.00	1,033.50
11/09/17	Email exchanges and conference call with Burden Nixon and K. Forbes regarding Bloor location SNAL inventory sales and various other administrative and transactional matters;	Edmond Lamek	1.20	795.00	954.00
12/09/17	Correspondence regarding call to discuss Accord; attend conference call with E. Lamek and K. Forbes to discuss motion regarding same; review correspondence from E. Lamek attaching relevant documents and review same;	Danny Nunes	1.00	525.00	525.00
12/09/17	Call with K. Forbes and D. Nunes regarding Accord seizure of Strellmax's \$550,000; follow up calls with K. Forbes and Burden Nixon regarding FF&E purchase agreements, sale of samples, and related matters;	Edmond Lamek	1.50	795.00	1,192.50

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October 12, 2017
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Page 4**Fee Detail**

Date	Description	Name	Hours	Rate	Fees
13/09/17	Draft notice of motion for Accord matter and send same to E. Lamek for comment;	Danny Nunes	1.00	525.00	525.00
13/09/17	Call from K. Forbes re backing up email files and Vancouver and Bloor lease situations;	Edmond Lamek	0.40	795.00	318.00
13/09/17	E-mails with E. Lombardi; e-mail with L. Boritz;	Sean G. Foran	0.20	600.00	120.00
14/09/17	Review correspondence from K. Forbes National Leasing release; correspondence regarding Accord matter;	Danny Nunes	0.60	525.00	315.00
14/09/17	Conference call with K. Forbes and Burden Nixon regarding Bloor lease extension; furniture sale; Vacation pay issue; Vancouver lease situation; reviewing revised Accord Notice of Motion;	Edmond Lamek	0.80	795.00	636.00
15/09/17	Review correspondence regarding Accord matter; revise National Leasing release; correspondence regarding same; correspondence regarding draft notice of motion for Accord motion; revise same; review correspondence from K. Forbes regarding Bloor lease extension;	Danny Nunes	2.00	525.00	1,050.00
15/09/17	Various email exchanges (Richter, Gowlings, Heller) regarding Accord refusal to turn over Strellmax Funds;	Edmond Lamek	0.80	795.00	636.00
15/09/17	Research on waiving vacation entitlement;	Lia Boritz	2.00	250.00	500.00
15/09/17	E-mails with L. Boritz;	Sean G. Foran	0.20	600.00	120.00
17/09/17	E-mails with L. Boritz; e-mail with E. Lombardi;	Sean G. Foran	0.10	600.00	60.00
18/09/17	Correspondence regarding Bloor lease	Danny Nunes	0.50	525.00	262.50

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October 12, 2017

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	extension; discuss same with E. Lamek and K. Forbes; correspondence regarding Accord motion; correspondence to and from commercial court regarding availability for Accord motion;				
18/09/17	Meeting with K. Forbes to go over Bloor; Samples sale; Vacation Pay; Vancouver lease and bankruptcy; store furniture sales. Materially revising Gowlings draft of Support Services Agreement amendment sending to Forbes and reviewing her subsequent comments;	Edmond Lamek	1.70	795.00	1,351.50
19/09/17	Reviewing and discussing Gowlings' draft furniture purchase agreements with K. Forbes; revising same. Emails with Forbes regarding values on Furniture schedule spreadsheet;	Edmond Lamek	1.70	795.00	1,351.50
20/09/17	Correspondences regarding Strellson APA; research forced assignment of Vancouver store lease;	Danny Nunes	1.50	525.00	787.50
20/09/17	Emails and calls with Gowlings and Richter re Bloor Lease extension logistics and related inventory sale logistics and employee issues and proposed sale of FF&E;	Edmond Lamek	1.60	795.00	1,272.00
21/09/17	Review correspondence regarding Accord matter;	Danny Nunes	0.40	525.00	210.00
21/09/17	Emails with K. Forbes regarding payment of vacation pay equivalent to former employee; email exchanges with Julian Heller and Gowlings/Richter re Heller's position refusal to release Strellmax funds. Subsequent email exchange regarding gowlings requests to revise my amendments to SSA amendment;	Edmond Lamek	1.40	795.00	1,113.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
22/09/17	Review correspondence regarding Accord motion;	Danny Nunes	0.20	525.00	105.00
22/09/17	Call with David Cohen regarding his call with Heller; email exchange with Forbes; emails with Julian Heller re refusal to hand over Strellmax funds. Emails with Forbes re the foregoing; revising Notice of Motion.	Edmond Lamek	0.70	795.00	556.50
25/09/17	Call with Burden Nixon and K. Forbes regarding Vancouver lease and Strellmax bankruptcy logistics and concerns; reviewing relevant documentation and follow up emails to K. Forbes and Burden Nixon re same;	Edmond Lamek	1.50	795.00	1,192.50
26/09/17	emails with Burden Nixon and Forbes regarding Support Services Agreement; call with Cohen regarding Accord; revising Accord NoM; reviewing and commenting of Forbes' reporting email to Strellson	Edmond Lamek	1.80	795.00	1,431.00
27/09/17	Correspondence to and from E. Lamek regarding Notice of Motion on Accord matter and scheduling of chambers appointment; speak to E. Lamek regarding assignment of Vancouver lease; correspondence regarding Accord motion;	Danny Nunes	1.10	525.00	577.50
27/09/17	Discussion with K. Forbes regarding Vancouver Lease assignment logistics and operations issues regarding sale of new inventory of SNAL in a bankruptcy; discussion re same with Joe Pernica;	Edmond Lamek	1.70	795.00	1,351.50
28/09/17	Correspondence regarding scheduling of chambers appointment and motion on Accord matter;	Danny Nunes	0.50	525.00	262.50
28/09/17	Emails with K. Forbes regarding Vancouver Lease Bankruptcy issues;	Edmond Lamek	1.40	795.00	1,113.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
29/09/17	Correspondence regarding scheduling chambers appointment for Accord motion;	Danny Nunes	0.70	525.00	367.50

Total Fees for Professional Services	\$32,177.00
HST	\$4,183.01
Total Fees including HST.....	<u>\$36,360.01</u>

Disbursements

Taxable Disbursements

Prints BW	50.70	
Total Taxable Disbursements	<u>50.70</u>	
Total Disbursements		\$50.70
HST		\$6.59
Total Disbursements and HST for this Invoice.....		<u>\$57.29</u>

Totals For This Matter

Total Fees Including HST.....	\$36,360.01
Total Disbursements Including HST.....	\$57.29
Total Fees and Disbursements Including HST.....	<u>\$36,417.30</u>
Amount Applied From Trust.....	\$0.00
Total Due For This Matter	<u>\$36,417.30</u>

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October 12, 2017

Invoice 270776

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Summary

Name	Hours	Rate	Fees
Danny Nunes	9.50	525.00	4,987.50
Edmond Lamek	33.10	795.00	26,314.50
Joe Bove	0.50	150.00	75.00
Lia Boritz	2.00	250.00	500.00
Sean Foran	0.50	600.00	300.00
Total Summary	45.60		\$32,177.00

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Page 9

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Per



Edmond Lamek

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

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Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
<hr/> Outstanding AR Summary		<hr/> 0.00

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November 11, 2017
Invoice 271873
Page 1

Richter Advisory Group Inc.
Attention: Katherine Forbes
181 Bay Street
Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3

Our Matter # 18478.00001 Strellmax Ltd. Receivership Proceedings

For Professional Services through October 31, 2017

FEES	\$25,245.00
DISBURSEMENTS (Taxable)	\$762.12
DISBURSEMENTS (Non Taxable)	None
HST	\$3,380.93
TOTAL FOR THIS INVOICE	\$29,388.05
TOTAL DUE	\$29,388.05

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November 11, 2017

Invoice 271873

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Below is a description of the services rendered through October 31, 2017 with respect to our File No. 18478.00001

Fee Detail

Date	Description	Name	Hours	Rate	Fees
01/10/17	Correspondence from K. Forbes attaching draft report;	Danny Nunes	0.10	525.00	52.50
02/10/17	Correspondence regarding scheduling chambers appointment and Accord motion; correspondence to and from commercial court regarding same; review and revise draft receiver's report;	Danny Nunes	1.50	525.00	787.50
02/10/17	Extended email exchange with Julian Heller regarding timing of Receiver's motion to compel delivery of Strellmax funds.	Edmond Lamek	0.70	795.00	556.50
03/10/17	Review and revise receiver's report and send to K. Forbes for review and comment;	Danny Nunes	1.30	525.00	682.50
03/10/17	Correspondence to and from commercial court regarding scheduling chambers appointment for Accord motion;	Danny Nunes	0.40	525.00	210.00
03/10/17	Morning Conference call with SAG and others to go over Vancouver Lease assignment strategy; follow up emails and discussions with K. Forbes re same and re Accord Motion.	Edmond Lamek	1.70	795.00	1,351.50
04/10/17	Correspondence regarding revised Receiver's report;	Danny Nunes	0.20	525.00	105.00
04/10/17	Email exchanges with K. Forbes regarding Receiver's Report on Accord and bankruptcy/Vancouver lease assignment budgeting;	Edmond Lamek	0.40	795.00	318.00
05/10/17	Review Receiver's draft report; correspondence regarding same;	Danny Nunes	2.40	525.00	1,260.00
05/10/17	Finalizing motion material on Accord; various related emails and amended	Edmond Lamek	1.10	795.00	874.50

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November 11, 2017

Invoice 271873

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	Support Services Agreement;				
06/10/17	Finalize Accord motion materials; review and revise receiver's report; correspondence regarding same; serve same;	Danny Nunes	4.10	525.00	2,152.50
06/10/17	Vancouver Lease strategy email exchanges; amendment to SSA; finalizing materials with Nunes for service on Heller;	Edmond Lamek	1.60	795.00	1,272.00
11/10/17	Correspondence regarding Accord motion;	Danny Nunes	0.50	525.00	262.50
11/10/17	Attend 9:30am chambers appointment to schedule Oct 27 motion (adjourned to Friday on request of Heller); reviewing Heller email and drafting response to it and discussing same with Richter.	Edmond Lamek	1.60	795.00	1,272.00
12/10/17	Correspondence regarding Accord motion;	Danny Nunes	0.70	525.00	367.50
12/10/17	Several email exchanges with J. Heller regarding tomorrow's scheduling attendance and his proposed timeline;	Edmond Lamek	0.80	795.00	636.00
13/10/17	Correspondence to and from K. Forbes regarding lease amendment letter and revise same;	Danny Nunes	0.40	525.00	210.00
13/10/17	Attend adjourned scheduling motion for November 7 motion to enforce receivership order against Accord;	Edmond Lamek	1.50	795.00	1,192.50
16/10/17	Draft samples transaction motion materials; correspondence regarding same;	Danny Nunes	1.20	525.00	630.00
17/10/17	Draft sample transaction approval motion materials; correspondence to K. Forbes regarding same; correspondence to and from	Danny Nunes	2.10	525.00	1,102.50

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November 11, 2017

Invoice 271873

Page 4

Fee Detail

Date	Description	Name	Hours	Rate	Fees
	commercial court regarding scheduling same;				
17/10/17	email regarding Samples motion and Accord motion, and Bloor extension to mid November.	Edmond Lamek	0.30	795.00	238.50
18/10/17	Correspondence regarding sample transaction sale approval motion;	Danny Nunes	0.40	525.00	210.00
18/10/17	Emails with Forbes regarding FF&E and various administrative issues arising with SNAL, including support services agreement;	Edmond Lamek	0.30	795.00	238.50
19/10/17	Finalize samples transaction motion materials; correspondence regarding same with F. Lamie;	Danny Nunes	0.40	525.00	210.00
19/10/17	Email exchange with Forbes regarding removal of purchased FF&E by SNAL; discussing samples sale approval motion with Nunes	Edmond Lamek	0.50	795.00	397.50
20/10/17	Finalize motion record for samples transaction approval and serve same; correspondence regarding same;	Danny Nunes	2.30	525.00	1,207.50
20/10/17	Drafting proposed consent order for November 7 hearing; discussing with D. Nunes and K. Forbes.	Edmond Lamek	1.40	795.00	1,113.00
23/10/17	Correspondence regarding Accord draft order;	Danny Nunes	0.30	525.00	157.50
23/10/17	Email with K. Forbes regarding draft order; revising per that exchange, circulating draft accord order and discussing with F. Lamie and Cole.	Edmond Lamek	1.10	795.00	874.50
24/10/17	Correspondence regarding draft Accord order; review correspondence from J. Heller regarding Accord motion;	Danny Nunes	0.40	525.00	210.00
24/10/17	Emails with Gowlings regarding draft	Edmond Lamek	0.70	795.00	556.50

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November 11, 2017
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 Page 5

Fee Detail

Date	Description	Name	Hours	Rate	Fees
	Controlled Funds Order; letter from Heller and response to him re same;				
24/10/17	Filed Motion;	Tony Mazzagatti	0.50	150.00	75.00
25/10/17	Correspondence regarding Strellson LC and Accord;	Danny Nunes	0.30	525.00	157.50
25/10/17	Various emails with Richter and Gowlings about draft order and email with J. Heller;	Edmond Lamek	0.50	795.00	397.50
26/10/17	Correspondence regarding draft order for Accord motion;	Danny Nunes	1.10	525.00	577.50
26/10/17	Emails with K. Forbes and D. Nunes regarding J. Heller concerns over approval of activities and report in tomorrows motion, emails with J. Heller re same. follow up emails with van Eyk;	Edmond Lamek	1.80	795.00	1,431.00
27/10/17	Attend Strellmax motion for samples transaction approval; correspondence to service list regarding same; review correspondence from J. Heller attending responding and cross motion record and review same; review correspondence regarding same;	Danny Nunes	1.50	525.00	787.50
30/10/17	Review correspondence regarding Accord motion;	Danny Nunes	0.20	525.00	105.00
30/10/17	Reviewing Accord Cross-Motion record and emails with Richter and D. Nunes re same;	Edmond Lamek	1.00	795.00	795.00
31/10/17	Correspondence regarding proposed wording for consent order on Accord motion;	Danny Nunes	0.40	525.00	210.00

Total Fees for Professional Services \$25,245.00

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November 11, 2017
Invoice 271873
Page 6

HST	\$3,281.85
Total Fees including HST	<u>\$28,526.85</u>

Disbursements

Taxable Disbursements

Copies	231.50
Prints BW	112.05
Binding & Tabs	49.13
Court Fees	160.00
Deliveries	209.44

Total Taxable Disbursements	<u>762.12</u>
Total Disbursements	\$762.12
HST	\$99.08
Total Disbursements and HST for this Invoice.....	<u>\$861.20</u>

Totals For This Matter

Total Fees Including HST.....	\$28,526.85
Total Disbursements Including HST.....	\$861.20
Total Fees and Disbursements Including HST.....	<u>\$29,388.05</u>
Amount Applied From Trust.....	\$0.00
Total Due For This Matter	<u>\$29,388.05</u>

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November 11, 2017

Invoice 271873

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Summary

Name	Hours	Rate	Fees
Danny Nunes	22.20	525.00	11,655.00
Edmond Lamek	17.00	795.00	13,515.00
Tony Mazzagatti	0.50	150.00	75.00
Total Summary	39.70		\$25,245.00

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November 11, 2017

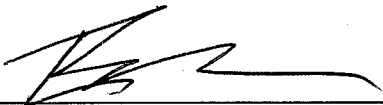
Invoice 271873

Page 8

THIS IS OUR ACCOUNT HEREIN.

WeirFoulds LLP

Per



Edmond Lamek

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

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November 11, 2017

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Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
Outstanding AR Summary		<u>0.00</u>

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December 12, 2017

Invoice 272901

Page 1

Richter Advisory Group Inc.
Attention: Katherine Forbes
181 Bay Street
Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3

Our Matter # 18478.00001 Strellmax Ltd. Receivership Proceedings

For Professional Services through November 30, 2017

FEES	\$13,983.00
DISBURSEMENTS (Taxable)	\$450.02
DISBURSEMENTS (Non Taxable)	None
HST	\$1,876.29
TOTAL FOR THIS INVOICE	\$16,309.31
TOTAL DUE	\$16,309.31

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December 12, 2017

Invoice 272901

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Below is a description of the services rendered through November 30, 2017 with respect to our File No. 18478.00001

Fee Detail

Date	Description	Name	Hours	Rate	Fees
01/11/17	Correspondence regarding draft consent order for Accord appearance on November 7, 2017; call with E. Lamek to discuss same; correspondence with receiver and Strellson AG counsel to discuss same;	Danny Nunes	0.60	525.00	315.00
01/11/17	11 am conference call regarding Accord and Heller; revising form of Order and drafting litigation timeline; circulating for comment	Edmond Lamek	2.50	795.00	1,987.50
02/11/17	Correspondence regarding Accord motion and service of motion record in respect of same;	Danny Nunes	0.40	525.00	210.00
02/11/17	call with Frank Lamie regarding draft order; incorporating Richter changes, sending to Heller with explanatory cover email note.	Edmond Lamek	1.10	795.00	874.50
03/11/17	Review correspondence regarding Accord motion consent order;	Danny Nunes	0.30	525.00	157.50
03/11/17	Emails with Gowlings, Heller and Richter regarding timetable and draft order; emails with Graff and Cohen regarding Accord Cross motion and responding to same.	Edmond Lamek	0.70	795.00	556.50
03/11/17	Attempted to File Motion	Tony Mazzagatti	0.50	150.00	75.00
06/11/17	Correspondence regarding receiver's motion and consent order; discuss same with E. Lamek;	Danny Nunes	0.60	525.00	315.00
06/11/17	Much of day back and forth with Heller and Gowlings on draft order terms; and drafting Chart explaining why practically speaking, the Priority issue resolves all issues, reviewing with Richter and Nunes. .	Edmond Lamek	2.20	795.00	1,749.00

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December 12, 2017

Invoice 272901

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
06/11/17	Filed Motion	Tony Mazzagatti	0.50	150.00	75.00
07/11/17	Correspondence regarding receiver's motion;	Danny Nunes	0.30	525.00	157.50
07/11/17	Attend motion before Hainey J. on delivery of Accord Controlled Funds to Receiver and scheduling of Priority and Distribution motion.	Edmond Lamek	1.50	795.00	1,192.50
08/11/17	Correspondence regarding transfer of controlled funds; correspondence to service list regarding receiver's motion;	Danny Nunes	0.40	525.00	210.00
08/11/17	follow up emails with Heller and Richter regarding delivery of Controlled Funds and matters for January Priority and Distribution motion	Edmond Lamek	0.50	795.00	397.50
08/11/17	Entered Order at Commercial Court	Joe Bove	0.50	150.00	75.00
10/11/17	Draft notice of motion for priority and distribution motion; correspondence to and from E. Lamek regarding same; correspondence to K. Forbes regarding same;	Danny Nunes	1.00	525.00	525.00
10/11/17	revisions to Nunes draft Notice of Motion and discussing same with him. emails to Heller and Gowlings about scheduling a January hearing date.	Edmond Lamek	0.80	795.00	636.00
13/11/17	Correspondence regarding relief sought in priority and distribution motion; review revised draft notice of motion; discuss same with E. Lamek; revise draft notice of motion;	Danny Nunes	0.70	525.00	367.50
13/11/17	call and email with Forbes regarding draft Notice of Motion. Discuss additional relief to be sought with Nunes. Emails with Heller regarding timing of January motion.	Edmond Lamek	0.80	795.00	636.00
14/11/17	Correspondence to and from K. Forbes	Danny Nunes	1.20	525.00	630.00

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December 12, 2017

Invoice 272901

Page 4

Fee Detail

Date	Description	Name	Hours	Rate	Fees
	regarding revised notice of motion; speak to E. Lamek regarding same; revise draft notice of motion; correspondence to F. Lamie regarding same;				
14/11/17	Revisions to Accord NoM, emails with Gowlings regarding draft Notice of Motion and Accord motion timing/process	Edmond Lamek	0.80	795.00	636.00
15/11/17	Correspondence to and from F. Lamie regarding draft notice of motion; finalize same; correspondence to and from K. Forbes regarding same; discuss same with E. Lamek; correspondence to J. Heller attaching notice of motion for priority and distribution motion;	Danny Nunes	1.60	525.00	840.00
21/11/17	Correspondence regarding scheduling priority and distribution motion;	Danny Nunes	0.10	525.00	52.50
23/11/17	Correspondence regarding scheduling priority and distribution motion;	Danny Nunes	0.20	525.00	105.00
24/11/17	Correspondence regarding scheduling of priority and distribution motion;	Danny Nunes	0.50	525.00	262.50
27/11/17	Correspondence regarding scheduling of priority and distribution motion; review draft receiver's report table of contents;	Danny Nunes	0.30	525.00	157.50
28/11/17	Correspondence regarding scheduling of priority and distribution motion;	Danny Nunes	0.40	525.00	210.00
29/11/17	Correspondence regarding scheduling of priority and distribution motion;	Danny Nunes	0.50	525.00	262.50
30/11/17	Correspondence regarding call to discuss draft receiver's report; attend same; correspondence to T. Gertner regarding scheduling of priority and distribution motion;	Danny Nunes	0.60	525.00	315.00

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December 12, 2017
Invoice 272901
Page 5

Fee Detail

Date	Description	Name	Hours	Rate	Fees
Total Fees for Professional Services					\$13,983.00
HST					\$1,817.79
Total Fees including HST					<u>\$15,800.79</u>

Disbursements

Taxable Disbursements

Prints BW	84.90	
Deliveries	76.98	
Court Fees	160.00	
Binding & Tabs	19.39	
Copies	108.75	
Total Taxable Disbursements	<u>450.02</u>	
Total Disbursements		\$450.02
HST		\$58.50
Total Disbursements and HST for this Invoice		<u>\$508.52</u>

Totals For This Matter

Total Fees Including HST	\$15,800.79
Total Disbursements Including HST	\$508.52
Total Fees and Disbursements Including HST	<u>\$16,309.31</u>
Amount Applied From Trust	\$0.00
Total Due For This Matter	<u>\$16,309.31</u>

INVOICE

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December 12, 2017

Invoice 272901

Page 6

Summary

Name	Hours	Rate	Fees
Danny Nunes	9.70	525.00	5,092.50
Edmond Lamek	10.90	795.00	8,665.50
Joe Bove	0.50	150.00	75.00
Tony Mazzagatti	1.00	150.00	150.00
Total Summary	22.10		\$13,983.00

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December 12, 2017

Invoice 272901

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WeirFoulds LLP

Per



Edmond Lamek

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you.

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December 12, 2017

Invoice 272901

Page 8

Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
Outstanding AR Summary		<u>0.00</u>

This is ExhibitB..... referred to in the
affidavit of ..EDMOND F.B. LAMEK.....
sworn before me, this7th.....
day ofMARCH....., 20 18.....

..........
A COMMISSIONER FOR TAKING AFFIDAVITS
DANNY NUNES



DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King St W
Toronto ON M5X 1E2
www.dlapiper.com
T 416.365.3500
F 416.365.7886

Richter Advisory Group Inc.
181 Bay Street, Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3 Canada

Attention: Katherine Forbes

Our File No: 38517-00001

Richter Advisory Group Inc.
Re: Advising re: Strellmax Ltd. Receivership

Date: March 5, 2018
Invoice Number: 1771303

For Professional Services rendered and disbursements advanced through February 28, 2018.

PROFESSIONAL SERVICES

<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
01/05/18	Danny Nunes	Review correspondence from J. Heller regarding schedule for priority and distribution motion; review correspondence from E. Lamek regarding same;	0.40	220.00
01/15/18	Danny Nunes	Review correspondence from T. Gertner regarding schedule for priority and distribution motion;	0.20	110.00
01/16/18	Danny Nunes	Correspondence to and from K. Forbes and E. Lamek regarding schedule for exchange of materials for priority and distribution motion;	0.60	330.00
01/23/18	Danny Nunes	Correspondence regarding finalizing schedule for materials for priority and distribution motion;	0.50	275.00
01/26/18	Edmond Lamek	Call with Steven Graff regarding upcoming motion, Altow examination and related matters;	0.40	340.00
01/31/18	Danny Nunes	Correspondence to E. Lamek regarding schedule for exchange of materials on priority and distribution motion;	0.20	110.00
02/01/18	Danny Nunes	Correspondence to and from K. Forbes and E. Lamek regarding timeline for exchange of materials for priority and distribution motion;	0.40	220.00
02/02/18	Danny Nunes	Correspondence to and from K. Forbes regarding receiver's report; review correspondence attaching responding affidavit of Strellson and review same;	1.80	990.00
02/02/18	Edmond Lamek	Emails with Nunes and Forbes regarding updates etc. for Draft Report;	0.50	425.00
02/03/18	Danny Nunes	Correspondence to and from E. Lamek regarding receiver's report;	0.30	165.00



<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
02/04/18	Edmond Lamek	Reviewing and commenting of draft receiver's report and numerous related email exchanges with Nunes and Forbes;	1.60	1,360.00
02/04/18	Danny Nunes	Review correspondence from E. Lamek and K. Forbes regarding revised second report; review and revise same; correspondence to K. Forbes regarding same;	2.50	1,375.00
02/05/18	Danny Nunes	Correspondence regarding finalizing report on priority and distribution motion;	0.70	385.00
02/06/18	Danny Nunes	Correspondence regarding receiver's report for priority and distribution motion; correspondence attaching Accord supplemental affidavit and review same; correspondence regarding examinations of Accord, Strellmax and potentially receiver;	2.60	1,430.00
02/07/18	Danny Nunes	Correspondence regarding finalizing second report; finalize and serve receiver's second report; correspondence to and from K. Forbes regarding same;	1.80	990.00
02/12/18	Danny Nunes	Correspondence to S. Graff regarding priority and distribution motion;	0.20	110.00
02/15/18	Danny Nunes	Review correspondence from J. Heller setting out questions for receiver on priority and distribution motion; correspondence to and from E. Lamek and K. Forbes regarding same;	0.90	495.00
02/16/18	Danny Nunes	Correspondence to and from E. Lamek and K. Forbes regarding response to J. Heller's questions; review correspondence from T. Gertner regarding call to discuss priority and distribution motion;	0.70	385.00
02/20/18	Danny Nunes	Correspondence regarding receiver's answers to J. Heller questions; revise same; correspondence to and from K. Forbes regarding same; send to J. Heller; correspondence to and from E. Lamek regarding same;	1.30	715.00
02/20/18	Edmond Lamek	Emails with Richter and reviewing and commenting on D. Nunes' draft letter to Heller;	0.50	425.00
02/21/18	Danny Nunes	Review correspondence from T. Gertner regarding call to discuss priority and distribution motion;	0.20	110.00
02/22/18	Danny Nunes	Correspondence with K. Forbes regarding call with Strellson AG counsel; attend conference call with L. Nixon and T. Gertner;	0.50	275.00



<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
02/22/18	Edmond Lamek	Conference call re upcoming priorities motion and related emails with Richter;	0.70	595.00
02/23/18	Danny Nunes	Speak to E. Lamek regarding attending examinations of J. Bates and V. Gomon;	0.20	110.00
02/23/18	Edmond Lamek	Emails regarding pending priority motion, etc.;	0.60	510.00
02/26/18	Danny Nunes	Review correspondence from T. Gertner and J. Heller regarding J. Bates and V. Gomon examinations; correspondence to and from E. Lamek regarding same; review correspondence from K. Forbes and S. Graff regarding potential examination of receiver and M. Altow;	1.00	550.00
02/26/18	Edmond Lamek	Emails regarding examinations in respect of Priority and Distribution motion;	0.70	595.00
02/27/18	Danny Nunes	Review correspondence regarding use of Accord controlled funds spreadsheets during J. Bates examination; attend J. Bates examination; review correspondence from T. Gertner regarding same; voicemail and correspondence to K. Forbes regarding;	3.00	1,650.00
02/27/18	Edmond Lamek	Calls with Gertner and email exchange with Forbes re examinations today;	0.50	425.00
02/28/18	Danny Nunes	Attend examination of V. Gomon; discuss same with E. Lamek and K. Forbes;	3.70	2,035.00
Total Taxable Hours and Fees:			29.20	\$ 17,710.00

PROFESSIONAL SERVICES SUMMARY

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Edmond Lamek	850.00	5.50	4,675.00
Danny Nunes	550.00	23.70	13,035.00
Total Fees:			\$ 17,710.00

DISBURSEMENTS

Taxable Disbursements

Description

Binding	10.50
Printing	61.00
Total Taxable Disbursements:	\$ 71.50



Matter: 38517-00001
Invoice: 1771303
Page: 4

BILL SUMMARY

	Our Fees:	\$	17,710.00
	Total Disbursements:	\$	71.50
REG # 110 152 824	Total HST:	\$	2,311.61
	Total Current Invoice Due:	CAD \$	<u>20,093.11</u>

This is our account.

DLA Piper (Canada) LLP

Per:



Edmond Lamek

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)**

**AFFIDAVIT OF EDMOND F.B. LAMEK
(sworn March 7, 2018)**

DLA PIPER (CANADA) LLP
1 First Canadian Place, Suite 6000
100 King Street West
Toronto ON M5X 1E2

Edmond F.B. Lamek (LSUC No. 33195Q)
Tel: 416.365.4444
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Danny M. Nunes (LSUC No. 53802D)
Tel: 416.365.3421
Fax: 416.369.7945
Email: danny.nunes@dlapiper.com

Lawyers for the Receiver

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**SUPPLEMENT TO THE SECOND REPORT OF THE RECEIVER DATED
MARCH 8, 2018**

DLA PIPER (CANADA) LLP
1 First Canadian Place, Suite 6000
100 King Street West
Toronto ON M5X 1E2

Edmond F.B. Lamek (LSUC No. 33195Q)
Tel: 416.365.4444
Fax: 416.369.7945
Email: edmond.lamek@dlapiper.com

Danny M. Nunes (LSUC No. 53802D)
Tel: 416.365.3421
Fax: 416.369.7945
Email: danny.nunes@dlapiper.com

Lawyers for the Receiver

TAB 4

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

THE HONOURABLE MR.) THURSDAY, THE 15th DAY
JUSTICE HAINEY) MARCH, 2018

STRELLSON AG

Applicant

-and-

STRELLMAX LTD.

Respondent

**ORDER
(Priority and Distribution Order)**

THIS MOTION made by Richter Advisory Group Inc., in its capacity as receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Assets**”) of Strellmax Ltd. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, for an Order, *inter alia*, seeking the Court’s advice and directions with respect to: (a) the relative priorities of (i) the secured claims (the “**Secured SAG Claim**”) held by Strellson AG (“**SAG**”), including as assignee of the debt and security of the Toronto-Dominion Bank (“**TD**”) and (ii) the claims (the “**Secured Accord Claim**”) of Accord Financial Ltd. (“**Accord**”), including, without limitation, as assignee of the debt and security of Adamray Investments Ltd. (“**Adamray**”), as against the net proceeds of realization of the Assets (the “**Net Proceeds**”); and (b) authorizing the Receiver to make one or more distributions of the Net Proceeds in accordance with the foregoing determinations, subject to any holdback maintained by the Receiver until the date of the Receiver’s filing of a discharge certificate with the Court (the “**Discharge Certificate**”) (the “**Effective Discharge Date**”) and authorizing the Receiver to make further distributions of any unapplied holdback amounts and any additional proceeds that come

into the Receiver's possession prior to the Effective Discharge Date, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated February 7, 2018 (the "**Second Report**"), the Supplement to the Second Report dated March 8, 2018 (the "**Supplementary Report**"), the affidavit of Jim Bates sworn October 27, 2017 on behalf of Accord, the supplementary affidavit of Jim Bates sworn February 6, 2018, the affidavit of Valeria Gomon sworn December 8, 2017 on behalf of SAG and on hearing the submissions of counsel for the Receiver, Accord, SAG, Adamray and Mark Altow, no one else appearing although duly served as appears from the affidavit of service of ♦ sworn March ♦, 2018, filed:

SERVICE

1. **THIS COURT ORDERS** that the motion is properly returnable today and that the service of the Notice of Motion and Motion Record herein as effected by the Receiver is hereby validated in all respects and this Court hereby dispenses with further service thereof.

DISTRIBUTION OF NET PROCEEDS

2. **[THIS COURT AUTHORIZES AND DIRECTS the Receiver to return the Controlled Funds (as defined in the Second Report), in the amount of \$♦ [NTD: not to exceed \$550,000], to Accord or as Accord may direct, and to pay the balance of the Net Proceeds to SAG on account of the Secured SAG Claim.]**

3. **[THIS COURT AUTHORIZES AND DIRECTS the Receiver to pay the Net Proceeds to SAG on account of the Secured SAG Claim.]**

4. **THIS COURT AUTHORIZES AND DIRECTS** that any distribution to SAG or delivery of Controlled Funds to Accord, may, in the discretion of the Receiver, be deferred until the expiry of the applicable appeal period.

5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to make such additional distributions from time to time to SAG, on account of the Secured SAG Claim, of any unapplied holdback amounts as well as any additional amounts that come into the Receiver's possession prior to the Effective Discharge Date.

6. **THIS COURT ORDERS** that, absent a prior stay of this Order and in accordance with Section 142 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, the Receiver shall incur no liability or obligation as a result of making any payment in reliance upon this Order.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby specifically 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.

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**ORDER
(Priority and Distribution Order)**

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Lawyers for the Receiver

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

THE HONOURABLE MR.) THURSDAY, THE 15th DAY
JUSTICE HAINEY) MARCH, 2018

STRELLSON AG

Applicant

-and-

STRELLMAX LTD.

Respondent

**ORDER
(Receiver's Discharge Order)**

THIS MOTION made by Richter Advisory Group Inc. ("**Richter**"), in its capacity as receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties (collectively, the "**Assets**") of Strellmax Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, for an Order, *inter alia*, (i) approving the Second Report of the Receiver dated February 7, 2018 (the "**Second Report**") and the Supplement to the Second Report dated March 8, 2018 (the "**Supplementary Report**") and the Receiver's conduct and activities described therein, (ii) approving the fees and disbursements of the Receiver and the Receiver's prior counsel, WeirFoulds LLP, and current counsel, DLA Piper (Canada) LLP, and the Receiver's fee estimate for completion of the administration of the estate and, (iii) subject to the Receiver's completion of any remaining activities necessary for the completion of its mandate and upon filing a discharge certificate with the Court (the "**Discharge Certificate**"), discharging the Receiver and releasing Richter from any and all further obligations as Receiver as set out in paragraph 8 of this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report, the Supplementary Report, the affidavit of Jim Bates sworn October 27, 2017 on behalf of Accord Financial Ltd. ("**Accord**"), the supplementary affidavit of Jim Bates sworn February 6, 2018, the affidavit of Valeria Gomon sworn December 8, 2017 on behalf of Strellson AG ("**SAG**") and on hearing the submissions of counsel for the Receiver, Accord, SAG, Adamray Investments Ltd. and Mark Altow, no one else appearing although duly served as appears from the affidavit of service of ♦ sworn March ♦, 2018, filed:

SERVICE

1. **THIS COURT ORDERS** that the motion is properly returnable today and that the service of the Notice of Motion and Motion Record herein as effected by the Receiver is hereby validated in all respects and this Court hereby dispenses with further service thereof.

APPROVAL OF ACTIVITIES AND FEES

2. **THIS COURT ORDERS** that the Second Report and the Supplementary Report and the activities of the Receiver set out therein are hereby approved.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Supplementary Report and the fee affidavits of Paul van Eyk sworn March 6, 2018 and Edmond Lamek sworn March 7, 2018 appended to the Supplementary Report, are hereby approved.

4. **THIS COURT ORDERS** that the estimate of Remaining Costs necessary for completion of the Receiver's administration of the estate and detailed in the Supplementary Report is hereby approved.

APPROVAL OF INTERIM R&D

5. **THIS COURT ORDERS** that the interim statement of receipts and disbursements as detailed in the Second Report and the Supplementary Report, is hereby approved.

VACATING D&O CHARGE

6. **THIS COURT ORDERS** that the D&O Charge, as defined in the Order of the Honourable Madam Justice Conway dated July 7, 2017, is hereby vacated.

RECEIVER'S DISCHARGE

7. **THIS COURT ORDERS** that upon completion of the Remaining Matters set out in the Second Report and upon the Receiver filing the Discharge Certificate, the Receiver shall be discharged as Receiver of the Assets of the Debtor, provided however that notwithstanding its discharge herein, (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Richter in its capacity as Receiver.

8. **THIS COURT ORDERS AND DECLARES** that Richter is hereby released and discharged from any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Richter is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby specifically 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.

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**ORDER
(Receiver's Discharge Order)**

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Lawyers for the Receiver

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**MOTION RECORD
(returnable March 15, 2018)**

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