

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
SATIN FINISH HARDWOOD FLOORING, LIMITED  
OF THE CITY OF TORONTO,  
IN THE PROVINCE OF ONTARIO**

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**MOTION RECORD  
OF THE PROPOSAL TRUSTEE, MNP LTD.  
DATED JANUARY 18, 2019**

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**DATE:** January 18, 2019

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto, ON M5G 1V2

**Michael Rotsztain**  
**LSO #: 17086M**  
Tel: 416-597-7870  
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Lawyers for the Proposal Trustee, MNP Ltd.

**TO: THE SERVICE LIST**

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## INDEX

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# TAB 1

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

Court No. 31-2459849

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
SATIN FINISH HARDWOOD FLOORING, LIMITED  
OF THE CITY OF TORONTO,  
IN THE PROVINCE OF ONTARIO

FIRST REPORT TO THE COURT  
SUBMITTED BY MNP LTD.

JANUARY 18, 2019

I. INTRODUCTION

1. On January 2, 2019, Satin Finish Hardwood Flooring, Limited (“Satin” or “the Company”) filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”), wherein MNP Ltd. (“MNP”) was named as proposal trustee (the “Proposal Trustee”) of the Company. A copy of the NOI is attached hereto and marked as **Exhibit “A”**.
2. Notice of the NOI as prescribed by the BIA was sent on January 4, 2019 to all of Satin’s known creditors with claims greater than \$250. Copies of such notice and attachments are attached hereto and marked **Exhibit “B”**.
3. Information regarding the proceedings has been posted to the Proposal Trustee’s website at <https://mnpdebt.ca/en/corporate/Engagements/satin-finish-flooring-limited>.
4. The primary purpose of these proceedings is to provide stability to Satin’s business while the Proposal Trustee, in consultation with Satin and its key stakeholders, facilitates a

marketing and sale process of Satin's business assets and undertakings, so that Satin can consider formulating and presenting a viable proposal to its creditors.

## **II. RESTRICTIONS**

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Zimmerman Affidavit (defined below), the Company's books and records, discussions with employees and management of the Company and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report, the Proposal Trustee 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 of the Chartered Professional Accountants of Canada.
6. The Proposal Trustee also bases its report on the Company's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of professional Practice No. 99-5 (Trustee's Report on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this report was prepared based on estimates and assumptions provided by the Company' management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

## **III. PURPOSE OF THIS REPORT**

7. The purpose of this Report is to provide the Court with the Proposal Trustee's recommendations that the Court, *inter alia*:

- a. authorize and direct the Proposal Trustee, in consultation with Satin, to carry out a marketing and sale process for all the assets of Satin;
- b. extend the time for filing a proposal to March 18<sup>th</sup>, 2019; and
- c. approve the activities of the Proposal Trustee as set out in this Report.

#### **IV. BACKGROUND INFORMATION**

8. Satin, manufactures and distributes a complete line of solid, engineered, laminate and LVT (luxury vinyl tile) flooring. Satin was established in 1922 and has been manufacturing in Toronto since then. The Company manufactures their vast collection of Solid and Engineered hardwood flooring with 100% North American lumber exclusively.
9. Satin operates out of leased premises in Toronto and currently employs approximately 120 employees, of whom more than 90 are members of the Teamsters, Local Union 847 (the “**Union**”). Since December 7, 2018, the Union employees have been locked out as a result of negotiations respecting the renewal of the collective agreement breaking down. Negotiations are ongoing between the parties with the expectation that employees will return to work shortly. Satin funds a pension plan for the Union employees. The NOI creditors list referred to below includes the amount of \$103,000 as the Union claim in respect of such pension.
10. Satin advises that the key cause of its financial difficulties is attributable to its not investing enough in new production technology, resulting in declining profit margins and the incurring of a large sum of aggregate losses in the millions of dollars in the last few years.
11. Additional information in respect of Satin, including its assets and liabilities, is set out in the affidavit of David A. Zimmerman, sworn on January 17, 2019 (the “**Zimmerman Affidavit**”), filed separately in these proceedings.

#### **V. CREDITORS**

12. Satin's NOI lists creditors with claims (claims greater than \$250) of approximately \$38 million.
13. A search of the Ontario *Personal Property Security Act* registry (the "Registry"), as of November 20, 2018, and Satin's records, includes the following parties as secured creditors of Satin:

Creditor	Estimated Amount Owed at the Filing Date
Canadian Imperial Bank of Commerce (also beneficiary of a registration under section 427 of the federal <i>Bank Act</i> )	\$14,700,000
National Leasing Group	3,126
RCAP Leasing Inc	1,144
Ford Credit Canada Leasing	250
Meridian Onecap Credit Corp	250
Taurus Craco Machinery Inc	250

14. Canadian Imperial Bank of Commerce ("CIBC") is owed approximately \$14,700,000. On December 13, 2018 CIBC issued Demand Letters and Notices of Intention to Enforce Security (the "NITES"). Satin provided CIBC a Waiver and Consent to the NITES. We understand that CIBC, which has a first secured charge against the assets of Satin, is supportive of Satin's NOI. As discussed in the Zimmerman Affidavit, good faith negotiations are underway between the Company and CIBC on a forbearance agreement and it is expected that such an agreement will be entered into shortly. The Proposal Trustee has received a positive independent legal opinion from its counsel, Goldman Sloan Nash & Haber LLP, on the validity, enforceability and registration of the security agreements of CIBC, subject to the usual assumptions and qualifications. A copy of such opinion is attached as **Exhibit "C"**.

## VI. CASH FLOW PROJECTIONS



15. To date, the Company has provided the Proposal Trustee with its full co-operation and unrestricted access to its premises, books and records.
16. In accordance with the provisions of the BIA, the Company filed with the Official Receiver a projected cash flow statement dated January 14, 2019 for the period January 2, 2019 to March 29, 2019, which was reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and the Company (the “**Cash Flow Projections**”). One of the key assumptions made in the cash flow statement is that the lockout of the Union employees will be resolved such that the Union employees will return to work by the first week of February 2019. A copy of the Cash Flow Projections and related reports are attached hereto as **Exhibit “D”**.
17. The Cash Flow Projections reflect that Satin is expected to generate a cash surplus of approximately \$1,989,097 through to the period ending March 29, 2019.
18. Based on the Proposal Trustee’s review of the Cash Flow Projections, there are no material assumptions which seem unreasonable in the Company’s circumstances or are inconsistent with purpose of the projections. The Proposal Trustee’s report on the Cash Flow Projections, as required by Section 50.4(2)(b) of the BIA, is included in Exhibit “D”.
19. Based on the Cash Flow Projections, the Company appears to have sufficient funding through to the end of the requested extension of the NOI.

## **VII. SALE PROCESS**

20. Satin has requested that, with the input and assistance of Satin, the Proposal Trustee conduct a going concern sale process for all or part of the assets of Satin as set out in **Exhibit “E”** attached hereto (the “**Sale Process**”). In summary, the Sale Process contemplates the sale of the assets of Satin on an “as is, where is” basis, subject to Court approval, and would proceed on the following timetable:

- a. Commencing January 23, 2019 – with the input and assistance of Satin, Proposal Trustee to (i) identify and contact prospective purchasers directly and with

“teaser” mail-outs, (ii) distribute confidentiality agreements and the confidential information memorandum prepared with information supplied by the Company and (iii) establish an electronic data room with information and documentation supplied by the Company;

- b. January 25, 2019 or as soon thereafter as practical – Proposal Trustee to place an advertisement for the acquisition opportunity in the National Edition of *the Globe & Mail* and such other trade and industry publications identified as appropriate by the Proposal Trustee, in consultation with representatives of Satin and stakeholders;
- c. March 11, 2019 at 5:00pm (Toronto time) – deadline for offer (the “**Offer Deadline**”);
- d. March 15, 2019 – Company to enter into definitive agreement of purchase and sale agreement with successful offeror(s);
- e. No later than April 5, 2019 –motion for Approval and Vesting order; and
- f. No later than April 19, 2019 –closing.

21. During the Sale Process, the Proposal Trustee will coordinate with Satin to facilitate due diligence requests and site visits. Following the offer deadline, the Proposal Trustee shall, in consultation with Satin, negotiate one or more of any Qualified Offers (as defined in Exhibit “E”) in order to obtain the highest and best offer for the assets.

22. The timetable is supported by CIBC.

23. MNP recommends the Sale Process be approved as it is consistent with insolvency industry practices in such proceedings and in like circumstances, is supported by CIBC and, if successful, could result in greater recoveries than in a liquidation, to the benefit of all stakeholders, including secured and unsecured creditors.

## VIII. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

24. In order to allow the Company sufficient time to carry out a financial restructuring of its business, and work towards filing a proposal to its creditors, the Company seeks a 45 day extension of the time for filing of a proposal to March 18, 2019. In view of the timeline of the proposed Sale Process, it is anticipated that at least one more extension will have to be sought by the Company.

25. The Proposal Trustee is of the opinion that, given the nature of the business, the likelihood of a going concern sale is enhanced while Satin remains in possession and control of, and carries on, their business. In order to carry out the Sale Process an extension is required.

26. In view of the foregoing, the Trustee supports the Company's request for an extension and has also considered:

- a. that the Company is acting in good faith and with due diligence;
- b. that the extension should not adversely affect or prejudice creditors as Satin is projected to have sufficient funds to pay post-filing services and supplies in the amounts contemplated in the Cash Flow Forecast;
- c. that the Sale Process could generate Offers before the end of the requested extension period; and
- d. if Offers are received, it is expected that the Company will then be in a position to consider formulating and presenting a viable proposal to its creditors that could result in greater recoveries than in a liquidation.

**IX. CONCLUSION AND RECOMMENDATION**

27. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 18th day of January 2019.

**MNP Ltd.**

In its capacity as Trustee under  
The Notice of Intention to Make a Proposal of  
Satin Finish Hardwood Flooring, Limited  
Per:



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Alan Shiner, Senior Vice-President

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF SATIN FINISH HARDWOOD FLOORING, LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF  
ONTARIO

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

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FIRST REPORT TO THE COURT

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**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto, ON M5G 1V2

**Michael Rotsztain**    **R. Brendan Bissell**  
**LSO #: 17086M**        **LSO #: 40354V**  
Tel: 416-597-7870    Tel: 416-597-6489  
Fax: 416-597-3370    Fax: 416-597-3370

Lawyers for the Proposal Trustee, MNP Ltd.

**EXHIBIT A**  
**FIRST REPORT OF THE PROPOSAL TRUSTEE**  
**DATED JANUARY 18, 2019**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Toronto  
Court No. 31-2459849  
Estate No. 31-2459849

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

**Satin Finish Hardwood Flooring, Limited**  
Insolvent Person

\*\*\*\*\*

Licensed Insolvency Trustee

Date of the Notice of Intention: January 02, 2019

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

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

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

Date: January 02, 2019, 11:38

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

**EXHIBIT B**  
**FIRST REPORT OF THE PROPOSAL TRUSTEE**  
**DATED JANUARY 18, 2019**



January 4, 2019

To the Creditors of Satin Finish Flooring, Limited (“**Satin Finish**” or the “**Company**”)

Please take notice that on January 2, 2019, Satin Finish filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to s.50.4(1) of the *Bankruptcy and Insolvency Act (Canada)* (“**BIA**”). Please find enclosed the following:

1. The NOI, filed on January 2, 2019;
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims;
3. The consent of the Trustee to act in these matters; and
4. The Certificate of Filing.

**Please note this is not a bankruptcy, but rather protection has been sought under the BIA pending the filing of a reorganizational proposal to creditors.**

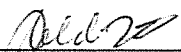
Pursuant to the BIA:

- All proceedings by creditors are stayed (stopped) as of January 2, 2019;
- The Company is required to file a Proposal within 30 days of filing the NOI, subject to an extension from the Court; and
- A meeting of creditors to consider the Proposal is to be held within 21 days of the filing of a Proposal, and notice of the meeting will be sent to all known creditors at least 10 days prior to the date of the meeting.

There is no need for any creditor to file a Proof of Claim at this time. If you have any questions concerning the foregoing or require any additional information please contact us by email at [satinflooring@mnp.ca](mailto:satinflooring@mnp.ca).

Yours truly,

**MNP Ltd.**  
**Trustee Acting in re: the Proposal of**  
**Satin Finish Hardwood Flooring, Limited**  
Per:

  
Sheldon Title, CPA, CA, CIRP, LIT  
Senior Vice President

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


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

In the matter of the proposal of  
Satin Finish Hardwood Flooring, Limited  
of the City of Toronto  
in the Province of Ontario

Take notice that:

1. I, Satin Finish Hardwood Flooring, Limited, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. MNP LTD, of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 31st day of December 2018.

  
\_\_\_\_\_  
Satin Finish Hardwood Flooring, Limited  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

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

- FORM 33 -

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

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
 of the City of Toronto  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
15 Fenmar Investments Limited Attention: David Kutner	c/o Minden Gross 145 King St W, Suite 2200 Toronto ON M5H 4G2		1,703,275.00
Access Solutions Inc.	1200 Derry E, Unit 11 Mississauga ON L5T 0B3		1,420.00
Acme Sawmill	P.O. Box 1438 Holland MI 49422-1438 USA		24,341.27
Action Hydraulics Limited	797 Garyray Drive North York ON M9L 1R2		1,347.38
Action Paperr & Packaging Co. Ltd.	Ajax Maintenance & Shipping Co. Ltd., 100 Comander Blvd. Scarborough ON M1S 3H7		5,473.21
Aj Lemik Manufacturing Inc.	66 Penn Drive Toronto ON M9L 2A9		6,067.88
Akzo Nobel Wood Coatings Ltd.	155 Rose Glen Rd N Port Hope ON L1A 3Z3		150,465.57
Allstream Inc.	Po Box 5300 Stn Main Winnipeg MB R3C 0C1	1008013, 3707377 & 4985214	1,349.54
Allen Overhead Doors Inc	120 Woodstream Blvd., Unit 9 Woodbridge ON L4L 7Z1		584.21
Aon Reed Stenhouse Inc.	Lockbox # 917370, PO Box 4090 Stn A Toronto ON M5W 0E9		12,295.80
Artistic Finishes, Inc.	2224 Terminal Rd. Roseville MN 55113 USA		1,267.87
Baillie Lumber CO	P.O. Box 6, 4002 Legion Drive Hamburg NY 14075-0006 USA		90,431.15
Bell Canada	c/o Special Billing, 5115 Creekbank Rd., E2 - M2 Mississauga ON L4W 5R1		559.35
Best Employment Services	2300 Finch Ave West, Unit 65 Toronto ON M9M 2Y3		6,798.37

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

- FORM 33 -

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

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
 of the City of Toronto  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bild	20 Upjohn Road, Suite 100 North York ON M3B 2V9		1,209.10
Build Direct (US)	2200-401 West Gergia St. Vancouver BC V6B 5A1		2,079.19
Buskirk Lumber	319 Oak Street, Po Box 11 Freeport MI 49325 USA		157,635.50
Cambrian Spring Inc	Yorkdale Mall, Po Box #27609 Toronto ON M6A 3B8		1,475.97
Canadian Bearings Ltd.	CB - Canadian Bearings Ltd., Central Warehouse 1600 Drew Rd Dept: CW Mississauga ON L5S 1S5		600.55
Canadian Imperial Bank of Commerce Attention: Rocco Calarco	161 Bay St. 22nd Floor Toronto ON M5J 2S8		14,700,000.00
Canadian Mill Nettclean Supply Inc.	120 McLevin Ave, Unit 2 Scarborough ON M1B 3E9		4,156.87
Capital Tire	68 Lauchlin Crescent Georgetown ON L7G 5R4		2,525.66
Cascades Containerboard Packaging	P.O. Box 11790, Dept. 23, Succursale Centre-Ville Montreal QC H3C 0C4		9,724.15
Cathild Inc.	975 Boulevard Pierre Roux Est Victoriaville QC G6T 1T8		2,216.19
Cavalier Group of Companies	PO Box 10, 14091 Humber Station Rd. Bolton ON L7E 5T1		6,132.60
CCT Canada Inc.	PO Box 762 Winnipeg MB R3C 2L4		14,695.31
Cintas Canada Limited	1110 Flint Road Toronto ON M3J 2J5		845.00
City Electric Supply	1 Whitmore Road, Units 10-12 Woodbridge ON L4L 8G4		3,617.29

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

- FORM 33 -

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

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
 of the City of Toronto  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
City Of Toronto, Fire Department	2F - 4330 Dufferin St. Toronto ON M3H 5R9		1,396.25
Clayton Sales and Services Ltd.	910 Rowntree Dairy Road, Unit 32 Vaughan ON L4L 5W6		3,524.13
Coffee & Tea Selections	3540 Rutherford Rd., Unit # 68 Woodbridge ON L4H 1L4		884.00
Compressors For Manufacturing Inc.	5035 North Service Road, Unit D18 Burlington ON L7L 5V2		1,150.57
Consolidated Fastrate Inc.	9701 Highway 50 Woodbridge ON L4H 2G4		28,683.43
Crownhill Packaging Ltd.	8905 Goreway Drive Brampton ON L6T 0B7		34,152.77
Curtis International Ltd.	315 Attwell Drive Toronto ON M9W 5C1		1,056.55
Cutler Group	81 Royal Group Crescent, Unit A Vaughan ON L4H 1X9		5,853.40
CWB National Leasing Inc./ (formerly National Leasing Group Inc) Bankruptcy Designate	1525 Buffalo Pl Winnipeg MB R3T 1L9		3,126.93
D & W Forwarders Inc.	81 Orenda Road Brampton ON L6W 1V7		3,400.00
Danzer Lumber North America, Inc.	25813 Network Place Chicago IL 60673-1258 USA		12,713.10
Day & Ross Inc. (USD)	170 Van Kirk Drive Brampton ON L7A 1K9		398.30
Dazco Holdings Inc.	134 Clanton Rd. Toronto ON M3H 2E7		36,160.00
Desjardins Financial Security	P.O. Box 3000 Levis QC G6V 9X8		7,390.74

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

- FORM 33 -

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

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
 of the City of Toronto  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Detweiler's Wood Products	6365 Kensington Rd. Carrollton OH 44615 USA		40,480.62
DPL Paralegal Professional Corp.	114 Seclusion Crescent Brampton ON L6R 1K8		2,373.00
Electrical Safety Authority	400 Sheldon Dr., Unit 1 Cambridge ON N1T 2H9		2,109.01
Elite Door & Industrial Inc.	315 Armstrong Ave #4 Georgetown ON L7G 4X6		5,537.00
Empire Forest Products Ltd. (CDN)	3311 Aberdeen Avenue Burlington ON L7M 3Y3		56,892.35
Empire Forest Products Ltd. (US)	3311 Aberdeen Avenue Burlington ON L7M 3Y3		276,069.58
Falcon Lumber Limited	522 Mount Pleasant Road Toronto ON M4S 2M3		251,110.57
FCFP	160 Adelaide St. S. Unit A London ON N5Z 3L1		14,765.51
Federal Express Canada Corporation	Po Box 4626, Stn A Toronto ON M5W 5B4		730.79
Floover World, S.L. Swiss Branch	Palu Daint - CH - 7537 Mustair Mustair Switzerland	VAT: CHE 427347929	346.05
Ford Credit Canada Limited Bankruptcy Department	PO Box 2400 Edmonton AB T5J 5C7		250.00
Frank Mechanical	4444 Eastgate Pkwy, Unit 12 Mississauga ON L4W 4T6		774.62
Freight In Motion Brokerage Ltd.	28 Kerr Crescent Puslinch ON N0B 2J0		12,125.00
Gebr. Schroeder GmbH & Co. KG	Maschinenfabrik - Beckumer Str. 30, 48231 Warendorf - Germany Germany		4,197.27

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

- FORM 33 -

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

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
 of the City of Toronto  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Genuine Hardwoods, Inc	P.O. Box 7 Howard OH 43028 USA		122,483.15
Gerrity Corrugated Paper Products Ltd.	75 Doney Crescent Concord ON L4K 1P6		22,147.67
Grace Transport Inc.	880 Wright Street Strathroy ON N7G 3H8		2,700.00
Graff Diamond Products Limited	35 Hale Road Brampton ON L6W 3J9		661.05
Greater Vancouver Home Builder's Association	7495-132 Street, Suite 1003 Surrey BC V3W 1J8		1,428.00
Greenlight Traffic and Distribution Inc.	6705 Tomken Road, Unit # 227 Mississauga ON L5T 2J6		7,505.00
H. B. Fuller Canada (US)	PO Box 8471, Station A Toronto ON M5W 3P1		64,381.25
Harwell Electric Supply Co. Ltd	2 Wilkinson Road Brampton ON L6T 4M3		3,357.30
HDS Canada Inc.	100 Galcat Drive Vaughan ON L4L 0B9		1,680.22
Herwynen Saw Mill Ltd.	5953 6th Line Rockwood ON N0B 2K0		107,365.48
Home Trends	Marc Atiyolil Media Inc., Box 7 Blumenort MB R0A 0C0		3,389.99
Honig Industrial Equipment Limited	303 Evans Eve Toronto ON M8Z 1K2		474.49
Huron Forest Products Inc.	PO Box 457, STN Main Alliston ON L9R 1V7		188,771.50
HVAC Home Style Inc.	54 Wikander Way Brampton ON L6V 3X3		1,717.60
Intermec Technologies Canada ULC	P.O. Box 9441, Stn A Toronto ON M5W 4E1		694.45

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

- FORM 33 -

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

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
 of the City of Toronto  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
iQ Business Madia Inc.	302 - 101 Duncan Mill Road Toronto ON M3B 1Z3		1,469.00
ITM Instruments Inc.	20800 Industriel Boulevard Ste-Anne-de-Bellevue QC H9X 0A1		250.30
J&F Trucking Corporation	610 Finley Ave. Ajax ON L1S 2E3		2,400.00
J.B. Mill & Fabricating	2851 Eastbrook Volant Road New Castle PA 16105-6805 USA		347,222.83
J-Line Transport Limited	4751 Christie Drive Beamsville ON L0R 1B5		3,200.00
Kerex, Inc.	1106 South Breezewood Road, P. O. Box 255 Breezewood PA 15533 USA		252,327.08
Kleiberit Adhesives Canada Inc.	45 Sheppard Avenue East, Suite 900 Toronto ON M2N 5W9		115,440.80
Kosher Gourmet	3003 Bathurst Street Toronto ON M6B 3B3		385.83
Kronoflooring Gmbh	Mulbacher Strass 1 Lambertswalde D-0 1561		188,912.00
Laser Networks Inc.	c/o T11197, P.O. Box 11000, Station A Toronto ON M5W 2G5		616.44
Lawson Products Inc.	PO Box 809401 Chicago IL 60680-9401 USA		330.88
Les Plancher Mercier Inc.	330, Rue des Entrepreneurs Montmagny QC G5V 4T1		2,192.20
Livingston International, Inc.	P.O. Box 70 Fort Erie ON L2A 5M6		761.66
Louisa Davie Arbitrations	939 Queen Street West Mississauga ON L5H 4E1		1,158.25
MacDonald Steel Limited	200 Avenue Road Cambridge ON N1R 8H5		89,255.31



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- FORM 33 -

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

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
 of the City of Toronto  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Manufacture Scorpion	561 Rue Edouard Granby QC J2G 3Z5		2,566.68
Marc and Mandy (2015) Inc.	Box 7 ( 20 Centre Ave ) Blumenort MB R0A 0C0		3,389.99
Medallion Corporation	970 Lawrence Ave. W. Suite 304 Toronto ON M6A 3B6		13,000.00
Meridian Onecap Credit Corporation Jennifer Kyle	Suite 1500, 4710 Kingsway Burnaby BC V5H 4M2		250.00
Meteor Telecommunications Inc.	66 Nuggett Ct. Brampton ON L6T 5A9		762.75
Miller Thomson LLP	40 King Street West, Suite 5800 PO Box 1011 Toronto ON M5H 3S1		7,739.95
Mississauga Steel Mart	925 Meyerside Dr Mississauga ON L5T 1R8		5,908.69
MK Hardwoods LLC	17257 Hosmer Road Middlefield OH 44062 USA		35,747.14
Moss Truckload	52 Emeline Crescent Markham ON L3P 4G4		5,952.00
Mr. Grass Landscaping Ltd.	1860 Brock Road Uxbridge ON L9P 1R4		1,591.04
National Carpet Equipment Inc.	6801 Winnetka Avenue North Minneapolis MN 55428 USA		4,758.22
National Wood Flooring Association (US)	111 Chesterfield Industrial Blvd. Chesterfield MO 63005 USA		9,562.78
Nortown Air	20 Densley Avenue Toronto ON M6M 2R1		3,214.85
Office Central	498 Markland Street, Bldg 7 Markham ON L6C 1Z6		2,185.21

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Creditor	Address	Account#	Claim Amount
Ontario Belting & Power Transmission Co., Ltd	371 Hanlan Road Woodbridge ON L4L 3T1		3,014.67
Optimum Employment Solutions Inc.	11 Belfield, Unit B Etobicoke ON M9W 1E8		22,708.25
Overland Freight International	PO Box 2069, Stn Main Winnipeg MB R3C 3R4		13,989.54
Pacific Coast Warehousing Ltd.	130-2351 No. 6 Rd. Richmond BC V6V 1P3		2,460.68
Pacific Hardwood Limited	Reliable Lumber Products, 15 Fenmar Drive Toronto ON M9L 1L4		1,901.23
Paramount Pallet Lp, C/O Th1303	P.O. Box 4290, Postal Station A Toronto ON M5W 0E1		7,897.36
Peter D. Cybulski Sales Inc.	Box 1257, 27 Waterhouse Crescent Bancroft ON K0L 1C0		18,112.77
Picture Perfect Grounds Care Ltd.	88 Sassafras Cricle Vaughan ON L4J 8M9		1,034.15
Precision Elevator Ltd	50 North Wind Place Toronto ON M1S 3R5		635.43
Purolator Inc.	P.O. Box 4800 Stn Main Concord ON L4K 0K1		932.62
Quality Chemical MFG	215 Dolomite Drive Toronto ON M3J 2N1		721.06
RCAP Leasing Inc. Collection Department	300 - 5575 North Service Road Burlington ON L7L 6M1		1,144.69
Robert Half Finance & Accounting	P.O. Box 57349 / C.P. 57349 File T57349C, Station A / Succursale A Toronto ON M5W 5M5		11,695.50
Rogers	P.O. Box 9100 Don Mills ON M3C 3P9	Acct. No. 7 4395 4547	1,427.51

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Creditor	Address	Account#	Claim Amount
Rollersource	65 Simpson Ave Toronto ON M8Z 1E2		4,228.46
Royal Adhesives & Sealants Canada Ltd.	266 Humberline Drive Toronto ON M9W 5X1		39,052.80
Royal Battery Sales Ltd	1 High Meadow Place, Unit 23 Toronto ON M9L 0A3		524.23
Royce Ayr Cutting Tools Inc.	405 Sheldon Dr. Cambridge ON N1T 2B7		16,016.64
Rush Pallet & Crates Ltd.	301 Flint Rd, Unit 2 North York ON M3J 2J2		542.40
Samester Equipment Sales Ltd.	36 Norbett Drive Stouffville ON L4A 2G7		3,899.48
Samuel Strapping Canada	PO Box 57452 Stn A Toronto ON M5W 5M5		1,356.69
Schneider National Inc.	PO Box 57551, Station A Toronto ON M5W 5M5		374.30
SCS Global Services	2000 Powell Street, Suite 600 Emeryville CA 94608 USA		4,781.39
Sea Brim Investment Limited	3625 Dufferin St. Toronto ON M3K 1N4		28,250.00
Seradex Web Services Inc.	3525 Mainway Drive Burlington ON L7M 1A9		7,987.78
Shareholder Loans	c/o Minden Gross, Attention: David Kutner 145 King Street West, Suite 2200 Toronto ON M5H 4G2		18,000,000.00
Sheridan Electric Services Ltd.	966 Pantera Drive, Unit 34 Mississauga ON L4W 2S1		1,193.85
Shimlea Ltd.	6 Elderberry Court Toronto ON M3H 5X4		22,687.50

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Creditor	Address	Account#	Claim Amount
Shred-It International ULC	P.O. Box 15781, Station A Toronto ON M5W 1C1		336.80
Sia Abrasifs J.J.S Inc.	900 Chemin Oliver Levis QC G7A 2N1		4,966.03
Sika Canada Inc.	601 Delmar Avenue Pointe-Claire QC H9R 4A9		62,032.99
Skunkworks Systems Ltd.	7440 Bathurst St. #906 Thornhill ON L4J 7K8		423.75
SOS Emergency Response Technologies	160 Tycos Drive, Unit 126 Toronto ON M6B 1W8		403.81
Standard Life	Group Savings & Retirement, 1245 Sherbrooke St. West, 10th Floor Montreal QC H3G 1G3		32,000.00
Standard Life Assurance Co.	P.O. Box 11484, Succ. Centre-Ville Montreal QC H3C 5M3		750.00
Status Transport	77 Quebec Ave., Unit: 2027 Toronto ON M6P 2T4		1,245.25
Strategic Incentive Solutions Inc.	8257 Petrolia Line Alvinston ON N0N 1A0		6,955.00
Sunbelt Rentals of Canada, Inc.	P.O. Box 99257, Stn Terminal Vancouver BC V6B 0N5		2,363.40
Supreme Saw & Services Ltd.	5218 Everest Drive Mississauga ON L4W 2R4		1,941.16
T & T Industrial Supplies Ltd.	51 Roysun Rd., Unit 10 Woodbridge ON L4L 8P9		710.77
Taurus Craco Machinery Inc.	282 Orenda Road West Brampton ON L6T 4X6		250.00
Taurus Craco Machinery Inc. (US	282 Orenda Road West Brampton ON L6T 4X6		3,192.66

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In the matter of the proposal of  
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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Teamsters L847, H & W Trust	c/o Manion Wilkins & Associates Ltd., 500 - 21 Four Seasons Place Toronto ON M9B 0A5		103,000.00
Teamsters, Local Union 847	c/o Laundry & Linen Drivers, 216 Matheson Blvd Mississauga ON L4Z 1X1		12,000.00
Technical Loadarm Ltd.	P.O. Box 633 Guelph ON N1H 6L3		2,356.05
Terminix Canada	Magical Pest Control, 29 Tandem Rd., Unit 3 Concord ON L4K 3G1		580.80
The International Surface Event	6191 N Stae Hwy 161, Suite 500 Irving TX 75038 USA		11,249.30
The Union Tool Corp.	1144 N. Detroit St. ( St. Rd. 15 N ) 46580, P.O. Box 935 Warsaw IN 46581-0935 USA		7,396.38
Torcan Coatings Inc.	14 Oakland Ave Toronto ON M9M 2H8		1,465.03
Toronto Hydro-Electric Systems Limited Josephine Pernarell / Mary Degroot	500 Commissioners St, 2nd fl Toronto ON M4M 3N7	Acct. No. 9882150000, 4782150000	61,376.17
Triforest Inc.	297 Idema Rd., Unit 1 Markham ON L3R 1B1		505.68
Try Hard	1411 Courtneypark Drive Mississauga ON L5T 2E3		2,565.02
U.C. Coatings Corporation	P.O. Box 1066 Buffalo NY 14215 USA		5,465.84
Ups Canada	P.O. Box 4900, Station A Toronto ON M5W 0A7		1,544.21
Urban Waste Recycling	130 Arrow Road Toronto ON M9M 2M1		7,220.49

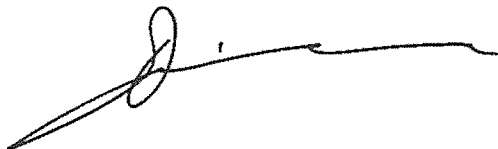
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 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Satin Finish Hardwood Flooring, Limited  
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 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Vaughan Hardwood Floors	PO BOX 99 Gormley, 14 Gormley Industrial Ave., Unit 4 Gormley ON L0H 1G0		3,347.74
Vaughan Industrial Supply	18 Strathearn Avenue, Unit #42 A North Brampton ON L6T 4Y2		7,361.00
Versatrim Inc.	PO Box 6219 Hermitage PA 16148-0923 USA		26,978.48
Waste Connections of Canada Inc.	650 Creditstone Road Concord ON L4K 5C8		1,106.95
Wintersteiger Inc. (US)	4705 Amelia Earhar Drive Salt Lake City UT 84116-2876 USA		4,983.19
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1	Acct. No. 1038575	32,169.68
World Floor Covering Association	855 Abutment Road, Suite # 1 Dalton GA 30721 USA		2,608.03
Xerox Financial Service Canada Ltd	P.O. Box 15374 , Station A Toronto ON M5W 1C1		846.06
Yale Industrial Trucks Inc.	340 Hanlan Road Woodbridge ON L4L 3P6		3,132.36
Zeifmans LLP	201 Bridgeland Avenue Toronto ON M6A 1Y7		5,912.16
<b>Total</b>			<b>37,992,863.77</b>



Satin Finish Hardwood Flooring, Limited  
 Insolvent Person

- Proposal Consent -

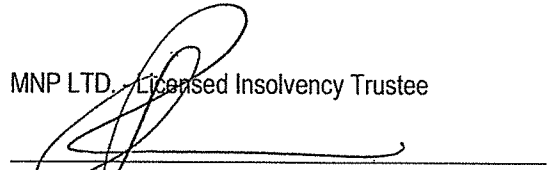
In the matter of the proposal of  
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in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Satin Finish Hardwood Flooring, Limited.

Dated at the City of Toronto in the Province of Ontario, this 28th day of December 2018.

MNP LTD. Licensed Insolvency Trustee



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300-111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242





**EXHIBIT C**  
**FIRST REPORT OF THE PROPOSAL TRUSTEE**  
**DATED JANUARY 18, 2019**

January 14, 2019

MNP Ltd.  
300 – 111 Richmond Street West  
Toronto, Ontario  
M5H 2G4

**Attention: Alan Shiner, Senior Vice-President**

**Re: Review of certain security granted by Satin Finish Hardwood Flooring, Limited (“Satin Finish”) in favour of Canadian Imperial Bank of Commerce (the “Bank”)**

In connection with your appointment as Proposal Trustee in Satin Finish’s proposal proceedings under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada), you have asked us to provide our views in respect of the Security Documents (as defined below).

This opinion is provided to you in your capacity as Proposal Trustee. The opinion is in respect of certain security provided by Satin Finish to the Bank in respect of a credit agreement dated June 29, 2017 between the Bank, as lender, Satin Finish, Erie Flooring and Wood Products (“**Erie**”) and Pacific Hardwood Limited (dba Reliable Lumber Products) (“**Pacific**”), as borrowers, and Batise Investments Limited, Marmelock Investments Limited, Umiak Investments Limited and 15 Fenmar Investments Limited, as guarantors (the “**Credit Agreement**”). The Credit Agreement is with respect to a demand operating credit with a limit of CAD\$15,000,000 and a corporate Visa credit card with a sublimit of CAD\$75,000 within such CAD\$15,000,000 limit. Satin Finish is also indebted to the Bank under an unlimited guarantee dated September 29, 2016 of the debts and liabilities to the Bank of Pacific and Erie.

Our opinion is limited to our review of copies of the following documents entered into by Satin Finish (collectively, the “**Security Documents**”):

- (a) a security agreement dated September 29, 2016 by Satin Finish, as debtor, in favour of the Bank, as secured party (the “**PPSA Security Agreement**”) in which Satin Finish has granted to the Bank a Security Interest (as defined in the *Personal Property Security Act* (Ontario) (the “**PPSA**”)) in all its present and after-acquired undertaking and Personal Property (broadly defined to include all categories of personal property but excluding Consumer Goods) as a general and continuing collateral security for the due payment and performance of all present and future indebtedness and liability of every kind, nature and description of Satin Finish to the Bank. Inventory and receivables are included in the charged collateral, as is the following specific property: (i) raw lumber, work in process and finished goods

consisting of wood and synthetic/laminate flooring products, and (ii) equipment for the manufacturing of wood and synthetic/laminate flooring products;

- (b) a notice of intention dated September 27, 2016 to give security under section 427 of the *Bank Act* (Canada) (the “**BA**”) to the Bank;
- (c) an application for credit and promise to give special security to the Bank under the BA dated September 29, 2016 in respect of a demand operating credit in a maximum principal amount of \$10,000,000 or such other amount as may be agreed to with the Bank;
- (d) a special security agreement dated September 29, 2016 in favour of the Bank in respect of specified property or classes of property described in section 427 of the BA, as security for the payment of all loans and advances that have been made or may be made by the Bank and interest thereon. The collateral charged is: all the existing and future inventory of Satin Finish, including all goods, wares and merchandise manufactured or otherwise produced, purchased, shipped, distributed, or dealt in by Satin Finish or procured for any such manufacture, production or distribution and all goods, wares and merchandise used in or procured for the packing of such goods, wares and merchandise so manufactured, produced or distributed including all other products used in or related to the production, finishing, packaging, shipping, distribution, marketing or sale of the aforementioned products, including the following specific products: raw lumber, work in process and finished goods consisting of wood and synthetic/laminate flooring products; and
- (e) a contract dated September 29, 2016 with the Bank relative to special security under the BA, applicable to all BA security that Satin Finish has given to the Bank (such contract, together with the documents listed in subparagraphs (b), (c) and (d) above collectively, the “**BA Security**”).

In conducting our review and for the purposes of the opinions given herein, we have made the assumptions contained herein and as set out in Schedule “A” attached hereto (collectively, the “**Assumptions**”). Additionally, our opinions herein are subject to the qualifications and limitations contained herein and as set out in Schedule “B” attached hereto (collectively, the “**Qualifications**”). We confirm that the restrictions and limitations on this report, as herein contained, are satisfactory to you.

The undertaking, business, property, assets, interests, and rights of Satin Finish in which the Bank has been granted a security interest pursuant to the terms of the PPSA Security Agreement and with respect to which the Bank has been granted rights and powers pursuant to the terms of the BA Security, respectively, as described above, are collectively referred to herein as the “**Charged Property**”.

You have indicated to us that there is material Charged Property only in the province of Ontario.

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon.

In connection with this opinion, no review has been made of any of the transactions, agreements, indentures or other instruments of Satin Finish for the purposes of identifying matters described in this opinion, other than a review of the Credit Agreement, the Guarantee, the PPSA Security Agreement, the BA Security and a Satin Finish Officer's Certificate dated September 29, 2016. Furthermore, no review of the minute books of Satin Finish has been undertaken by our firm.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

## **OPINIONS**

Subject to the Assumptions, Qualifications and comments we have made herein and in the Schedules attached hereto, and the Discussion contained below, we are of the opinion that:

1. The PPSA Security Agreement constitutes a valid and binding obligation of Satin Finish, enforceable against Satin Finish in accordance with its terms;
2. The PPSA Security Agreement creates in favour of the Bank, a valid security interest in the Charged Property identified therein to which the PPSA applies;
3. The PPSA Security Agreement has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created by such PPSA Security Agreement in the applicable Charged Property to which the PPSA applies. The registration particulars are set out in Schedule "C" attached hereto;
4. The BA Security constitutes a valid and binding obligation of Satin Finish, enforceable against Satin Finish in accordance with its terms;
5. The BA Security creates in favour of the Bank the rights and powers set out in the applicable provisions of Part VIII of the BA in respect of the Charged Property identified in the BA Security to which the BA applies; and
6. The BA Security has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of Canada so that such rights and powers of the Bank are not void as against Satin Finish's creditors and subsequent purchasers or mortgagees in good faith of the Charged Property identified in the BA Security to which the BA applies. The registration particulars are set out in Schedule "C" attached hereto.

**RELIANCE**

All opinions expressed herein are provided to you and are for the sole purpose of the performance of the Proposal Trustee's duties in respect of its appointment, including reporting to the Court and creditors, and including any future appointment in respect of Satin Finish, and may not be relied on by any other person, firm, corporation or entity without the prior written consent of Goldman Sloan Nash & Haber LLP. This opinion is given as of the date hereof and we do not undertake, and hereby expressly disclaim, any obligation to advise you of any change in any matters set forth herein.

**SEARCHES CONDUCTED**

We have conducted, or have caused to be conducted, such public registration searches for filings or registrations made in Ontario, and federally in Canada, in the applicable offices of public record, against Satin Finish as we have deemed appropriate. These searches include corporate profile, PPSA and BA searches, all as more specifically set out in **Schedule "C"** attached hereto. The searches were conducted in respect of the current legal name of Satin Finish, in each case as of the dates set forth in **Schedule "C"**. We note that we have not conducted searches relating to registered judgments or writs of execution, or other searches that may be conducted in the context of a broad security review of all security interests asserted against a debtor.

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time

We trust that the foregoing is satisfactory. Should you have any questions or comments, please do not hesitate to contact us.

Yours truly,

GOLDMAN SLOAN NASH & HABER LLP

*Goldman Sloan Nash & Haber LLP*

**SCHEDULE "A"****ASSUMPTIONS****A. Authenticity and Accuracy**

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

**B. Authority**

We have assumed that:

- (a) Satin Finish was a duly incorporated and validly existing corporation at the time that each of the Security Documents was authorized, executed and delivered, and that Satin Finish has continued to be duly incorporated and validly existing since that time;
- (b) Satin Finish had the requisite corporate power, capacity and authority to enter into and perform its obligations under each of the Security Documents at the time each of the Security Documents was authorized, executed and delivered;
- (c) all necessary corporate action and proceedings were taken by Satin Finish to authorize the execution, delivery and performance of each of the Security Documents. Bank's counsel has provided us with a copy of an Officer's Certificate of the vice-president of Satin Finish dated September 29, 2016 that has a schedule attached purporting to be an undated resolution of the Board of Directors of Satin Finish resolving, in part, that Satin Finish execute, deliver and perform, among other agreements, the Security Documents, and that any director or officer be authorized and directed for and on behalf of Satin Finish to execute and deliver, among other agreements, the Security Documents; and,
- (d) with respect to each party to the Security Documents other than Satin Finish, all necessary corporate actions or proceedings were taken to authorize the execution and delivery of the Security Documents and that all of the Security Documents have been duly and validly executed and delivered on behalf of the party executing or delivering such documentation, by an authorized signing officer or officers of such party, and each such document comprising the Security Documents is enforceable in accordance with its terms.

### **C. Security Documents**

We have assumed that none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter than those identified herein.

### **D. Existence of Debt and Security Matters**

We have assumed that:

- (a) valuable consideration has been given to Satin Finish by the Bank and payment and other obligations remain outstanding by Satin Finish under the agreements identified herein;
- (b) advances of funds have been made by the Bank to Satin Finish and, in respect of the BA Security, such advances of funds were made after the registration of Satin Finish's notice of intention to give security under section 427 of the BA. The Bank should be asked to provide a detailed statement of indebtedness together with evidence of the advances;
- (c) each of the Security Documents was duly executed and delivered by Satin Finish;
- (d) all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;
- (e) attachment of the security interests created by the PPSA Security Agreement has occurred within the meaning of the PPSA;
- (f) Satin Finish has an interest in the Charged Property expressed to be subject to each of the Security Documents; and
- (g) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

### **E. Factual Matters**

We have assumed that no fact exists, or has existed, that would entitle Satin Finish to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

### **F. Entire Agreement**

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of any of the Security Documents, and that

except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to any of the Security Documents.

**G. Choice of law**

We have assumed that the choice of the law of the Province of Ontario as the governing law of the Security Documents will be given effect to in any legal proceedings.



**SCHEDULE "B"**  
**QUALIFICATIONS**

1. **Title:** We express no opinion concerning:
  - (a) title to any property that is purportedly subject to any security interest, rights and powers created by the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and,
  - (b) the effectiveness of each of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.
  
2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of each of the Security Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:
  - (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the PPSA affecting the rights and remedies of creditors generally);
  - (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
  - (c) the power of a court to grant relief from forfeiture;
  - (d) applicable laws regarding limitations of action;
  - (e) the court's powers to stay proceedings and execution of judgments;
  - (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
  - (g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
  - (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

- (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
- (j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and,
- (k) the following limitations:
  - (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
  - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
  - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency.
  - (iv) rights of indemnity may be limited by applicable law;
  - (v) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
  - (vi) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
  - (vii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
  - (viii) no opinion is expressed as to the enforceability of a provision of any of the Security Documents that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such Security Document;
  - (ix) the validity and enforceability of provisions that purport to sever from the Security Documents any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
  - (x) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
  - (xi) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any right to receive notice (including

notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;

- (xii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents;
- (xiii) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents, or by Satin Finish, as applicable, or by any person on their behalf, whether such enforcement involves the operation of the business of Satin Finish or a sale, transfer or disposition of any of its property or assets;
- (xiv) no opinion is expressed as to the enforceability of any provision in any of the Security Documents that purports to constitute a receiver or receiver and manager thereunder as agent of Satin Finish or absolve a receiver or receiver and manager of responsibility for its acts;
- (xv) no opinion is expressed as to the enforceability of any provision in any of the Security Documents that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
- (xvi) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
- (xvii) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
- (xviii) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Security Documents; and,
- (xix) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Searches:** We have only conducted those searches described in Schedule “C” hereto and we have not up-dated such searches. Except as set forth therein, we have not conducted any land titles office or other searches with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court registry or other searches, except as set out in Schedule “C” hereto. We have only searched against the names set out in Schedule “C” hereto.
4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by any of the Security Documents.

5. **Reviewable Transactions:** No opinion is given as to whether any security interest, rights or powers given under any of the Security Documents constitutes a fraudulent preference or other attackable or reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial or federal legislation.
6. **Security Interests and Registrations:** We express no opinion:
- (a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
    - (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, permit or lease (collectively, “**Special Property**”) to the extent that the terms of the Special Property, any applicable law or the nature of the business of Satin Finish prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or registration that has not been made or given;
    - (ii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada (except the BA), including, without limitation, any vessel registered under the *Canada Shipping Act* (Canada), any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;
    - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour of Satin Finish;
    - (iv) any interest in a right to damages in tort or at law;
    - (v) any interest in deposits/deposit accounts;
    - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than such Provinces;
    - (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
    - (viii) property or rights of a nature listed in section 4(1) of the PPSA; or
    - (ix) property that is Consumer Goods or a Security (as each is defined in the PPSA);

- (b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
  - (c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under any of the Security Documents with respect to any property of Satin Finish or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** Any security interests created by the Security Documents in any equipment that is a Motor Vehicle (as defined in the PPSA) situate in the Province of Ontario have not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder. None of the Security Documents have been registered so as to protect and preserve any security interest, mortgage or charge thereof against nor have we searched for any encumbrances created by Satin Finish on any ship, or as against any coal, mineral, placer, mining or petroleum and natural gas lease, license or claim, owned or which may be acquired by Satin Finish. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by any of the Security Documents.

**SCHEDULE "C"****LIST OF SEARCHES COMPLETED****I. CORPORATION SEARCHES**

A corporation profile report (the "Profile Report") dated January 7, 2019 was obtained for Satin Finish from the Ontario Ministry of Government Services. The Profile Report confirmed that Satin Finish is a corporation incorporated in Ontario on June 27, 1922, is an "active" corporation, and the registered office address of the corporation is 15 Fenmar Drive, Toronto, Ontario M9L 1L4.

**II. PPSA SEARCHES**

We have obtained a certified search against Satin Finish from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the relevant Security Documents.

The certificate of search, with a file currency date of January 6, 2019, discloses the following registrations against Satin Finish (not listed are 2 registrations against Satin Finish Hardware Flooring (Ontario) Limited), shown in such registrations to have the same address as Satin Finish):

1.	File Number	745223607
	Registration Number	20181026 1614 4053 1033
	Registration Period	1 year
	Debtor	Satin Finish Hardwood Flooring, Limited
	Secured Party	Taurus Craco Machinery Inc.
	Collateral Classification	Equipment
	Collateral Description	Boss Storm 2-head belt sander serial no. 18050
	Expiry date	Original expiry date: 2019 10 26
	Amendments	None

2.	File Number	740773458
	Registration Number	20180621 1333 4053 0970
	Registration Period	1 year

	Debtor	Satin Finish Hardwood Flooring, Limited
	Secured Party	Taurus Craco Machinery Inc.
	Collateral Classification	Equipment
	Collateral Description	Weinig Powermat 2400 automatic planer and moulder
	Expiry date	Original expiry date: 2019 06 21
	Amendments	None

3.	File Number	734761728
	Registration Number	20171207 1543 6005 8277
	Registration Period	4 years
	Debtor	Satin Finish Hardwood Flooring Limited (comma omitted)
	Secured Party	National Leasing Group Inc.
	Collateral Classification	Equipment, motor vehicle
	Collateral Description	2000 Hyster H100XL lift V.I.N. G005D14533W 2014 Yale GLP050VXNVLE086 for V.I.N C875V01698M
	Expiry date	Original expiry date: 2021 12 07
	Amendments	None

4.	File Number	730862073
	Registration Number	20170814 1935 1531 5465
	Registration Period	4 years
	Debtor	Satin Finish Hardwood Flooring, Limited (comma added in financing change statement)
	Secured Party	Ford Credit Canada Leasing, a division of Canadian Road Leasing Company
	Collateral Classification	Equipment, other, motor vehicle
	Collateral Description	2017 Ford F150 V.I.N. 1FTEW1EP0HFC63792

	Expiry date	Original expiry date: 2021 08 14
	Amendments	20170828 1433 1530 8474 – transfer by Satin Finish Hardwood Flooring Limited to Satin Finish Hardwood Flooring, Limited

5.	File Number	7262294609
	Registration Number	20170405 1037 8077 0632
	Registration Period	4 years
	Debtor	Satin Finish Hardwood Flooring, Limited
	Secured Party	RCAP Leasing Inc.
	Collateral Classification	Equipment, accounts, other
	Collateral Description	All telecommunications equipment leased, as described in various listed documentation, together with all replacement parts, accessories and attachments
	Expiry date	Original expiry date: 2021 04 05
	Amendments	None

6.	File Number	720794322
	Registration Number	20160921 1031 1862 6308
	Registration Period	5 years
	Debtor	Satin Finish Hardwood Flooring, Limited
	Secured Party	Canadian Imperial Bank of Commerce
	Collateral Classification	Inventory, equipment, accounts, other, motor vehicle
	Collateral Description	None
	Expiry date	Original expiry date: 2021 09 21
	Amendments	None



### **III. BANK ACT SEARCH**

We have conducted a search against Satin Finish at the Office of the section 427 Bank Act Registrar of the registry maintained under the BA of BA notices of intention to give security registered in the province of Ontario in order to determine whether registrations or filings have been made in connection with the relevant Security Documents.

A confirmation letter from such Registrar dated January 9, 2019 discloses that (a) on September 27, 2016 a notice of intention to give security to the Bank, with registration number 01308329, was registered against Satin Finish; and (b) such registration expires on December 31, 2021.

**EXHIBIT D**  
**FIRST REPORT OF THE PROPOSAL TRUSTEE**  
**DATED JANUARY 18, 2019**

Satin Finish Hardwood Flooring Limited  
Statement of Projected Cash Flow  
For the period January 2 to March 29, 2019

7 days ending:	13-Jan-19 (Actual)	19-Jan-19 (Forecast)	25-Jan-19 (Forecast)	31-Jan-19 (Forecast)	6-Feb-19 (Forecast)	13-Feb-19 (Forecast)	20-Feb-19 (Forecast)	27-Feb-19 (Forecast)	6-Mar-19 (Forecast)	13-Mar-19 (Forecast)	20-Mar-19 (Forecast)	27-Mar-19 (Forecast)	29-Mar-19 (Forecast)
Opening Cash balance	0	223,199	333,060	384,289	517,727	326,707	523,979	633,347	914,148	999,927	1,328,453	1,588,775	1,903,180
Receipts	250,761	262,047	178,313	178,313	178,313	375,787	375,787	375,787	404,831	447,391	447,391	447,391	447,391
Total Receipts	(1,114)	(134,511)	0	0	(213,424)	(66,743)	(146,594)	(69,210)	(146,594)	(46,740)	(146,594)	(146,594)	(178,594)
Disbursements	0	0	(57,084)	(10,175)	(82,209)	(10,175)	(79,175)	(10,175)	(82,909)	(10,175)	(10,175)	(10,175)	(10,175)
Payroll (incl. taxes)	0	0	0	(10,000)	0	0	(10,000)	0	0	0	(10,000)	0	0
Utilities and Maintenance	0	0	(70,000)	0	0	(70,000)	0	0	(70,000)	0	0	(70,000)	0
Equipment Leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional and Management Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	(24,382)	0	0	(13,000)	0	0	0	0	(13,000)	0	0	0	0
SGA & Costs	(2,061)	0	0	(24,700)	(60,000)	(10,000)	(13,700)	(10,000)	0	(10,000)	(13,700)	(10,000)	(155,755)
Material Purchases and Freight	0	(16,359)	0	0	0	(6,600)	(16,350)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(16,950)
Banking Charges and Interest	0	(3,608)	0	0	0	(35,000)	0	0	0	(35,000)	0	0	0
Total Disbursements	(27,443)	(171,168)	(127,084)	(44,875)	(188,832)	(178,815)	(265,495)	(94,995)	(116,109)	(116,895)	(187,680)	(131,925)	(361,475)
Cash Generated	223,199	333,060	384,289	517,727	326,707	523,979	633,347	914,148	999,927	1,328,453	1,588,775	1,903,180	1,989,097

The Statement of Projected Cash Flow includes the Hypothetical and/or Probable Assumptions attached to this projected cash flow

The statement of projected cash flow is prepared by the debtor in accordance with s.50.42(a) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

MNP Ltd., Trustee acting in re the Proposal  
of Satin Finish Hardwood Flooring Limited

Satin Finish Hardwood Flooring Limited

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

Per: 

Dated: January 14th, 2019

- The Statement of Projected Cash Flow is to be read in conjunction with the following Hypothetical and/or Probable Assumptions:
- Retention of key personnel;
  - Sales projections are based on historical trends and management's expectations;
  - The collection of receivables are estimated based on management's expectations and the collections will be the primary source of short-term liquidity;
  - Management intends to incentivize shorter payment terms for new sales, which should create additional short-term liquidity;
  - Support by secured creditor;
  - Source deductions are current and are remitted through the company's payroll service;
  - No provisions for income taxes have been made;
  - The labour lockout of the Company's unionized employees will be resolved such that the unionized employees will return to work by the first week of February 2019;
  - Future sales can be fulfilled with existing inventory and minimal material purchases; and
  - Pursuant to Section 69(1) of the Bankruptcy and Insolvency Act, all creditor's claims are subject to a stay of proceedings.

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2459849  
Estate No. 31-2459849

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

In the matter of the proposal of  
Satin Finish Hardwood Flooring, Limited  
of the City of Toronto  
in the Province of Ontario

The attached statement of projected cash flow of Satin Finish Hardwood Flooring, Limited, as of the 14th day of January 2019, consisting of Statement of Weekly Projected Cash Flow for the period ending March 29, 2019, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

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

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

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


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

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

Dated at the City of Toronto in the Province of Ontario, this 14th day of January 2019.

MNP LTD. - Licensed Insolvency Trustee

Per:

  
\_\_\_\_\_  
Sheldon Title - Licensed Insolvency Trustee  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2459849  
Estate No. 31-2459849

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

In the matter of the proposal of  
Satin Finish Hardwood Flooring, Limited  
of the City of Toronto  
in the Province of Ontario

Purpose:

1. The Statement of Weekly Projected Cash Flow has been prepared for the period commencing January 2, 2019, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

2. Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the Statement of Projected Cash Flow.

3. Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the Statement of Projected Cash Flow.

Assumptions:

4. The Statement of Weekly Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

- a) Retention of key personnel;
- b) Sales projections are based on historical trends and management's expectations;
- c) The collection of receivables are estimated based on managements expectations and the collections will be the primary source of short-term liquidity;
- d) Management intends to incentivize shorter payment terms for new sales, which should create additional short-term liquidity;
- e) Support by secured creditor;
- f) Source deductions are current and are remitted through the company's payroll service;
- g) No provisions for income taxes have been made;
- h) The labour lockout of the Company's unionized employees will be resolved such that the unionized employees will return to work by the first week of February 2019;
- i) Future sales can be fulfilled with existing inventory and minimal material purchases; and
- j) Pursuant to Section 69(1) of the Bankruptcy and Insolvency Act, all creditor's claims are subject to a stay of proceedings.

Dated at the City of Toronto in the Province of Ontario, this 14th day of January 2019.

MNP LTD. - Licensed Insolvency Trustee  
Per:



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Sheldon Title - Licensed Insolvency Trustee  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2459849  
Estate No. 31-2459849

- FORM 30 -

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

In the matter of the proposal of  
Satin Finish Hardwood Flooring, Limited  
of the City of Toronto  
in the Province of Ontario


The Management of Satin Finish Hardwood Flooring, Limited, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of January 2019, consisting of Statement of Weekly Projected Cash Flow for the period ending March 29, 2019.

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

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

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

Dated at the City of Toronto in the Province of Ontario, this 14th day of January 2019.

  
\_\_\_\_\_  
Satin Finish Hardwood Flooring, Limited  
Debtor

*D. ZIMMERMAN DIRECTOR*  
\_\_\_\_\_  
Name and title of signing officer

\_\_\_\_\_  
Name and title of signing officer

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2459849  
Estate No. 31-2459849

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

In the matter of the proposal of  
Satin Finish Hardwood Flooring, Limited  
of the City of Toronto  
in the Province of Ontario

Purpose:

1. The Statement of Weekly Projected Cash Flow has been prepared for the period commencing January 2, 2019, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

2. Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the Statement of Projected Cash Flow.

3. Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the Statement of Projected Cash Flow.

Assumptions:

4. The Statement of Weekly Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

- a) Retention of key personnel;
- b) Sales projections are based on historical trends and management's expectations;
- c) The collection of receivables are estimated based on managements expectations and the collections will be the primary source of short-term liquidity;
- d) Management intends to incentivize shorter payment terms for new sales, which should create additional short-term liquidity;
- e) Support by secured creditor;
- f) Source deductions are current and are remitted through the company's payroll service;
- g) No provisions for income taxes have been made;
- h) The labour lockout of the Company's unionized employees will be resolved such that the unionized employees will return to work by the first week of February 2019;
- i) Future sales can be fulfilled with existing inventory and minimal material purchases; and
- j) Pursuant to Section 69(1) of the Bankruptcy and Insolvency Act, all creditor's claims are subject to a stay of proceedings.



Dated at the City of Toronto in the Province of Ontario, this 14th day of January 2019.



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Satin Finish Hardwood Flooring, Limited

**EXHIBIT E**  
**FIRST REPORT OF THE PROPOSAL TRUSTEE**  
**DATED JANUARY 18, 2019**

## **Sale Process**

### **Purpose**

1. The purpose of the going concern marketing and sale process for all or part of the assets of Satin Finish Hardwood Flooring, Limited (the "**Sale Process**") is to identify one or more purchasers of the business and/or assets of Satin Finish Hardwood Flooring, Limited. ("**Satin**"). The Sale Process will be conducted by MNP LTD. in its capacity as the Proposal Trustee of Satin (the "**Proposal Trustee**"), with the input and assistance of Satin, in accordance with the terms and timeline set out below.
2. It is contemplated that Satin will seek an order (the "**Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), among other things, approving the Sale Process on or about January 23, 2019. Any sale shall be subject to approval by the Court.
3. Unless otherwise indicated herein any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.

### **Sale Process Procedures**

4. The Proposal Trustee will compile a list of prospective purchasers (together with any other party expressing an interest in the business and/or assets of Satin, the "**Interested Parties**"). The Proposal Trustee will make reasonable efforts to canvass the interest of all Interested Parties.

5. The Sale Process will be conducted by the Proposal Trustee with the input and assistance of Satin and will provide Interested Parties with the opportunity to submit offers to purchase some or all of Satin's business and/or assets on an "as is, where is" basis.
6. The Proposal Trustee shall cause a notice of the Sale Process to be published in the National Edition of the *Globe & Mail* Newspaper and other industry trade journals, as applicable, within five (5) days following the date of the Order.
7. As soon as possible after the issuance of the Order, the Proposal Trustee will distribute to Interested Parties an interest solicitation letter or teaser which will provide an overview of this opportunity and Satin's business and assets. A form of confidentiality agreement ("CA") will be attached to the interest solicitation letter that Interested Parties will be required to sign in order to gain access to confidential information and to commence performing due diligence (each Interested Party who signs a CA being referred to herein as, a "**Prospective Offeror**"). All CA's shall enure to the benefit of any purchaser of or investor in Satin's business and/or assets.
8. The Proposal Trustee will provide to each Prospective Offeror (i) a confidential information memorandum prepared with information supplied by Satin, (ii) access to an electronic data room established by the Proposal Trustee with information and documentation supplied by Satin (which will include certain operational and other information with respect to Satin), and (iii) a proposed form of agreement of purchase and sale with Satin as vendor (the "**APS**"). The Proposal Trustee will also facilitate diligence by Prospective Offerors, including arranging site visits, as

the Proposal Trustee determines to be appropriate. The Proposal Trustee will attend such site visits as it considers appropriate.

9. Notwithstanding paragraph 8 above, the Proposal Trustee shall have the right to deny or limit any Prospective Offeror's access to confidential information. This will include denying or limiting access, if deemed appropriate, to parties who the Proposal Trustee reasonably believes are not likely to be serious offerors.

**Timeline**

10. A chart summarizing material deadlines for the Sale Process is set out below:

	<b>Event</b>	<b>Timing</b>
1	National Edition of the <i>Globe &amp; Mail</i> Newspaper and other industry trade journals as applicable	January 25, 2019 or as soon thereafter as is practical
2	Contact parties that were either previously contacted or identified as Interested Parties	Commencing January 23
3	Distribute Teaser document to those identified as Interested Parties	Commencing January 23
4	Confidentiality Agreement distributed to Interested Parties	Commencing January 23
5	Confidential Information Memorandum and data room access provided to Prospective Offerors after receipt of signed Confidentiality Agreement	Commencing January 24

6	Plant tours and access to management	Commencing January 28 to Deadline
7	Form of APS to be provided to Prospective Offerors	No later than February 15
8	Deadline for submission of bids	March 11 (5:00 PM Toronto time)
9	Acceptance of offer	No later than March 15
10	Court motion to approve Successful Bid	No later than April 5
11	Complete transaction	No later than April 19, 2019

### Submission of Offers

11. The Proposal Trustee shall seek binding offers and accompanying material from Prospective Offerors in accordance with the timeline above that:
- (a) provides and substantiates the identity of each person or entity (including its shareholders) that is sponsoring or participating in the offer and the complete terms of such participation, evidence of corporate authority, and proof of such offeror's financial ability to perform the proposed transaction to the satisfaction of the Proposal Trustee, acting reasonably;
  - (b) are in the form of a binding offer capable of acceptance, irrevocable until April 19, 2019;
  - (c) at the discretion of the Proposal Trustee, are accompanied by a cash deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the

Proposal Trustee), in an amount equal to 10% of the total consideration in the offer and otherwise on terms acceptable to the Proposal Trustee;

- (d) in the case of a proposed purchase of Satin's business and/or assets, is substantially in the form of the APS, with any changes to the offer blacklined against the APS;
- (e) includes: an acknowledgement and representation that the offeror: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business and/or assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in any definitive documents;
- (f) is not conditional upon:
  - (i) the outcome of unperformed due diligence; or
  - (ii) obtaining financing; and
  - (iii) any other conditions to closing, except the usual limited conditions to a transaction in an insolvency proceeding, such as the issuance by the Court of an order approving the transaction.

12. Each offer submitted in accordance with paragraph 11 above shall be a "**Qualified Offer**" and each such offeror a "**Qualified Offeror**".

### **Post-Offer Procedure**

13. If one or more Qualified Offers are received, Satin, in consultation with the Proposal Trustee, may choose to:
  - (a) accept one (or more if for distinct transactions) Qualified Offer(s) (the "**Successful Offer**" and each Qualified Offeror making the Successful Offer(s) being a "**Successful Offeror**") and take such steps as are necessary to finalize and complete an agreement for the Successful Offer(s) with the Successful Offeror(s);  
or
  - (b) continue negotiations with a selected number of offerors (collectively, "**Selected Offerors**") with a view to finalizing one or more agreements with one or more Selected Offerors.
14. Satin shall be under no obligation to accept the highest or best (or any) offer and any selection of the Successful Offer(s) and the Selected Offeror(s) shall be entirely in the discretion of Satin, in consultation with the Proposal Trustee. For greater certainty, Satin, in consultation with the Proposal Trustee, shall be permitted to decline acceptance of all offers.
15. No party shall be allowed any break, termination or similar fee. For greater certainty, Interested Parties and Qualified Offerors shall be responsible for their own fees and costs relating to any transaction.



## Other Terms

16. If a Successful Offeror breaches its obligations under the terms of its offer, its Deposit shall be forfeited to the Proposal Trustee as liquidated damages and not as a penalty.
17. Notwithstanding anything else contain herein, if it becomes evident to the Proposal Trustee that no Qualified Offers will be received or for other valid reason, the Proposal Trustee may terminate the Sale Process.
18. The Proposal Trustee or Satin shall apply to the Court (the "**Approval Motion**") for an order approving the Successful Offer(s), authorizing the Proposal Trustee and Satin to undertake such actions as may be necessary or appropriate to give effect to the Successful Offer(s) and vesting Satin's interests in the applicable assets in the Successful Offeror(s) substantially in accordance with the terms of the Court's model Approval and Vesting Order.
19. The Proposal Trustee or Satin will schedule the Approval Motion on the earliest reasonably possible date following the determination of the Successful Offer, subject to the timeline set out above.
20. At any time during the Sale Process, the Proposal Trustee or Satin may, upon reasonable notice to the service list, apply to the Court for advice and directions with respect to the discharge of the Proposal Trustee's powers and duties hereunder or the conduct of the Sale Process.
21. There shall be no material amendments to this Sale Process, including, for greater certainty the process and procedures set out herein, without further order of the Court.

Notwithstanding the foregoing, the Proposal Trustee shall be permitted to extend the dates in the Sale Process by a total of up to two (2) weeks without further order of the Court.

**TAB 2**

District of Ontario  
Division No. 09-Toronto  
Court File No. 31-2459849  
Estate File No. 31-2459849

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF SATIN FINISH HARDWOOD, LIMITED**

**SERVICE LIST**

	<b>TO:</b>	<b>SERVICE BY EMAIL/DELIVERY</b>
1.	<b>MNP Ltd.</b> 300 – 111 Richmond Street West Toronto, ON M5H 2G4  <b>Alan Shiner</b> Tel: 416-515-3942 Fax: 416-323-5242 Email: Alan.Shiner@mnp.ca  Proposal Trustee	
2.	<b>Goldman Sloan Nash and Haber LLP</b> 1600 – 480 University Avenue Toronto, ON M5G 1V2  <b>Michael Rotsztain</b> Tel: 416-597-7870 Fax: 416-597-3370 Email: rotsztain@gsnh.com  Counsel for Proposal Trustee	

3.	<p><b>Minden Gross</b> 145 King St. West, Suite 2200 Toronto, ON M5H 4G2</p> <p><b>Timothy R. Dunn</b> Tel: 416.369.4335 Fax: 416.864.9223 Email: TDunn@mindengross.com</p> <p><b>Hayley Larkin</b> Tel: 416.369.4324 Fax: 416.864.9223 Email: hlarkin@mindengross.com</p>	
4.	<p><b>Gowling WLG</b> 1600 – 100 King Street West Toronto, ON M5X 1G5</p> <p><b>Patrick Shea</b> Tel: 416-369-7399 Email: patrick.shea@gowlingwlg.com</p> <p><b>Thomas Gertner</b> Tel: 416 369 4618 Email: thomas.gertner@gowlingwlg.com</p> <p>Counsel for Canadian Imperial Bank of Commerce</p>	
5.	<p><b>Canada Revenue Agency</b> c/o Department of Justice Ontario Regional Office The Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto, ON M5X 1K6</p> <p><b>Diane Winters</b> Tel: 416-952-8563 Fax: 416-973-0809 Email: diane.winters@justice.gc.ca</p>	

6.	<p><b>Ministry of Finance</b>  Legal Services Branch  College Park, 777 Bay Street, 11<sup>th</sup> Floor  Toronto, ON M5G 2C8</p> <p><b>Kevin J. O'Hara, Counsel</b>  Tel: 416-327-8436  Fax: 416-325-1460  Email: kevin.ohara@ontario.ca</p>	
7.	<p><b>Teamsters, Local Union 847</b>  216 Matheson Boulevard East  Mississauga, Ontario L4Z 1X1</p> <p><b>Fernanda Santos</b>  Tel: 905-502-8895 ext. 221  Fax: 905-501-9251  Email: fsantos@teamsters847.ca</p> <p>The Union</p>	
8.	<p><b>Triano Law</b>  108-4100 Victoria Avenue  Vineland, Ontario L0R 2C0</p> <p><b>Lisa Triano</b>  Tel: 905-562-3111  Fax: 905-562-7771  Email: ltriano@trianolaw.ca</p> <p>Labour counsel for the Union</p>	
9.		

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

Proceeding commenced at Toronto

**MOTION RECORD  
OF THE PROPOSAL TRUSTEE, MNP LTD.  
DATED JANUARY 18, 2019**

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto, ON M5G 1V2

**Michael Rotsztain    R. Brendan Bissell**  
**LSO #: 17086M        LSO #: 40354V**  
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Lawyers for the Proposal Trustee, MNP Ltd.