

July 5, 2019

**TO: THE POTENTIAL CLAIMANTS OF PRODTOR INC. (FORMERLY SATIN FINISH HARDWOOD FLOORING, LIMITED)**

Dear Sirs/Madam:

**RE: CLAIMS PROCESS**

On June 17, 2019, MNP Ltd was appointed as the receiver (the “**Receiver**”) of the assets and property of Prodtor Inc. (formerly Satin Finish Hardwood Flooring, Limited) (“**Prodtor**”). The business of Prodtor was sold and is continuing under new corporate ownership.

In connection with the appointment of the Receiver, certain funds were paid to the Receiver for the sole and express purpose of paying eligible claims for wages, salaries, commissions or compensation and pension obligations, as proved or admitted, for services rendered by employees and former employees of Prodtor to and including June 14, 2019 (the “**Employee Trust Fund**”). Prodtor has identified you as being a person with a possible claim against the Employee Trust Fund.

**PLEASE NOTE THAT RECEIPT OF THIS NOTICE DOES NOT MEAN YOU HAVE AN ELIGIBLE CLAIM. ENTITLEMENT IS DETERMINED BY APPLICABLE LAW AND, IN THE CASE OF UNION EMPLOYEES, THE COLLECTIVE BARGAINING AGREEMENT IN EFFECT DURING THE ABOVE-REFERENCED TIME PERIOD.**

By Order of the Ontario Superior Court of Justice made June 17, 2019 (the “**Appointment Order**”), a claims bar process for the Employee Trust Fund has been established as set out in the Appointment Order and the Receiver has been authorized to call for and receive Claims as set forth below and as described in greater detail in the attached Notice to Potential Claimants Against Employee Trust Fund (the “**Claims Process**”).

The Notice to Potential Claimants Against Employee Trust Fund, this letter, together with the attached checklist, provide general instructions for completing a Proof of Claim form in connection with the Claims Process. A copy of a blank Proof of Claim form is attached to this letter.

All notices and enquiries with respect to the Claims Process should be addressed to the Receiver by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed at:

MNP LTD.  
Court-Appointed Receiver of Prodtor Inc. (formerly Satin Finish  
Hardwood Flooring, Limited)  
111 Richmond Street West, Suite 300  
Toronto, ON M5H 2G4 Canada

Attention: Angela Liu  
Telephone: (647) 775-1777  
Facsimile: (416) 323-5242  
E-mail: prodtorinc@mnp.ca

#### **A. FOR CREDITORS SUBMITTING A PROOF OF CLAIM**

If you believe that you have a Claim against the Employee Trust Fund, you must file a Proof of Claim with the Receiver in accordance with the instructions in the Proofs of Claim, checklist and Notice to Potential Claimants Against Employee Trust Fund. Please refer to the enclosed checklist to ensure that your Proof of Claim is completed properly. The Proof of Claim must be received by the Receiver **by 5:00 p.m. (Toronto Time) on August 2, 2019, the Claims Bar Date**. It is your responsibility to ensure that the Receiver receives your Proof of Claim by the above-noted time and date.

**IF YOU DO NOT FILE A PROOF OF CLAIM IN RESPECT OF ANY SUCH CLAIMS BY THE CLAIMS BAR DATE, YOUR CLAIMS AGAINST THE EMPLOYEE TRUST FUND SHALL BE FOREVER EXTINGUISHED AND BARRED.**

#### **B. ADDITIONAL PROOF OF CLAIM FORMS**

Additional Proof of Claim forms and other related information, including the Appointment Order establishing the Claims Process, can be obtained from the Receiver's website at: <https://mnpdebt.ca/en/corporate/Engagements/satin-finish-receivership>.

The Claims Process affects your entitlement to share in the Employee Trust Fund and you should consider consulting legal counsel, the Ontario Ministry of Labour (Employment Standards Branch), or if applicable, your Union representative, as soon as possible to assist you regarding the Claims Process.

Should you have any questions or concerns, please call.

**MNP LTD., solely in its capacity as  
Court-appointed Receiver of Prodtor Inc.  
(formerly Satin Finish Hardwood Flooring, Limited)**

Per:



Sheldon Title

**In the matter of the Receivership of Prodtor Inc.  
(formerly Satin Finish Hardwood Flooring, Limited)  
of the City of Toronto  
in the Province of Ontario**

**NOTICE TO POTENTIAL CLAIMANTS AGAINST EMPLOYEE TRUST FUND**

**TAKE NOTICE** that, pursuant to an Order of the Ontario Superior Court of Justice (the “**Court**”) made on June 17, 2019 (the “**Appointment Order**”), MNP Ltd was appointed as the receiver (the “**Receiver**”) of the assets and property of Prodtor Inc. (formerly Satin Finish Hardwood Flooring, Limited) (the “**Debtor**”) for the sole purpose of, in part, administering the Employee Trust Fund. In connection with the appointment of the Receiver, funds in the amount of \$337,087.43 were paid to the Receiver (such funds, together with any future contributions collectively, the “**Employee Trust Fund**”) to be held in trust separate and apart from other funds held by the Receiver, for the sole and express purpose of paying (a) the claims, as proved or admitted, described in sections 81.4(1) and 81.6(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and (b) the wages, salaries, commissions or compensation, as proved or admitted, for services rendered by employees and former employees of the Debtor after January 2, 2019 and to and including June 14, 2019 and disbursements of travelling salespersons properly incurred by them in and about the Debtor’s business during such period (such claims and amounts described in the foregoing clauses (a) and (b) collectively, the “**Claims**”).

Pursuant to the Appointment Order, (a) the funds contributed to the Employee Trust Fund were paid on a “without prejudice” basis, (b) any funds in the Employee Trust Fund not required to pay Claims are held for the benefit of the Persons contributing the funds (in one case subject to the interest of the Person’s secured creditors) (collectively, the “**Contributing Parties**”) and (c) nothing in the Appointment Order or the appointment of a receiver shall prejudice the rights of holders of Claims to assert that the priority pursuant to section 60(1.3)(a) of the BIA for Claims described in clause (b) above continues to apply against the Employee Trust Fund.

**PLEASE NOTE THAT RECEIPT OF THIS NOTICE DOES NOT MEAN YOU HAVE AN ELIGIBLE CLAIM. ENTITLEMENT IS DETERMINED BY APPLICABLE LAW AND, IN THE CASE OF UNION EMPLOYEES, THE COLLECTIVE BARGAINING AGREEMENT IN EFFECT DURING THE ABOVE-REFERENCED TIME PERIOD.**

A claims bar process for the Employee Trust Fund has been established in the Appointment Order and the Receiver has been authorized to call for and receive Claims as set forth therein and summarized below. Terms not otherwise defined herein shall have the meaning given to them in the Appointment Order. A copy of the Appointment Order can be accessed from the Receiver’s website, located at: <https://mnpdebt.ca/en/corporate/Engagements/satin-finish-receivership>.

The Receiver advises that all Persons asserting Claims to the Employee Trust Fund must prove their Claims pursuant to the procedures established under the Appointment Order and as provided in the BIA in order to share in any distribution of funds from the Employee Trust Fund.

To facilitate the filing of Claims, we attach hereto a blank copy of the prescribed claim form (the “**Claim Form**”). To be accepted by the Receiver, the Claim Form **MUST** be fully completed and executed, in accordance with the Claim Form instructions and the applicable provisions of the BIA, by the Claimant or an authorized signing officer, or other Persons with authority under section 126(2) of the BIA, then **DELIVERED** to the Receiver, together with **ALL** necessary supporting documentation attached, by personal delivery, courier, registered mail, facsimile or email, using the co-ordinates provided below, so as to be received by the Receiver

**NO LATER THAN 5:00 p.m. (Toronto time) on August 2, 2019** (the “**Claims Bar Date**”). Any and all holders of Claims who do not deliver a properly completed and executed Claim Form with the necessary supporting documentation to the Receiver so as to be received by the Receiver no later than the Claims Bar Date shall not be entitled to share in any distribution of the Employee Trust Fund, and their Claims shall be barred and extinguished forever as against the Employee Trust Fund.

After examining the properly completed and executed Claims Forms received no later than the Claims Bar Date, and any additional evidence required by it, the Receiver may admit or disallow Claims, in each case in whole or in part. Any disallowances by the Receiver shall be provided to the Persons filing the applicable Claims Forms in the manner provided by section 135(3) of the BIA, and any appeals from any such allowances shall be governed by section 135(4) of the BIA. The Appointment Order directs the Receiver to consult with the Contributing Parties (and in one case the secured creditors thereof) in connection with its consideration of and determination of all Claims filed, provided that the Receiver itself shall make the final determination of the treatment of all Claims filed, subject to review by the Court pursuant to the provisions of the Appointment Order or under the applicable provisions of the BIA.

Claim Forms can also be found at the Receiver’s website noted above or by contacting the Receiver at the address noted below. All inquiries with respect to this claim bar process, should be directed to:

MNP LTD.  
Court-Appointed Receiver of Prodtor Inc. (formerly Satin Finish  
Hardwood Flooring, Limited)  
111 Richmond Street West, Suite 300  
Toronto, ON M5H 2G4 Canada  
Attention: Angela Liu  
Telephone: (647) 775-1777  
Facsimile: (416) 323-5242  
E-mail: prodtorinc@mnp.ca

The Claims procedure referred to in the Appointment Order and this Notice is separate from the claims procedure applicable in the matter of the bankruptcy of Prodtor Inc. (formerly Satin Finish Hardwood Flooring, Limited) (in which MNP Ltd. is trustee of the bankrupt estate). A proof of claim filed in the bankrupt estate is not a valid Claims Form against the Employee Trust Fund and will not be considered by the Receiver in its determination of valid Claims against the Employee Trust Fund.

**DATED AT TORONTO** this 5th day of July, 2019

**MNP LTD.**  
Court-Appointed Receiver of Prodtor Inc. (formerly Satin Finish Hardwood  
Flooring, Limited), and not in its personal capacity

Per:



Sheldon Title

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-458733  
Estate No.

FORM 31  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)  
(Appointment Order dated June 17, 2019)

In the matter of the receivership of Prodtor Inc. (formerly known as  
Satin Finish Hardwood Flooring, Limited) (the "debtor")  
of the City of Toronto  
in the Province of Ontario

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

\_\_\_\_\_

\_\_\_\_\_

In the matter of the receivership of Prodtor Inc. (formerly known as Satin Finish Hardwood Flooring, Limited) of the City of Toronto in the Province of Ontario and the claim of \_\_\_\_\_, creditor.

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

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of receivership, namely the 17th day of June 2019, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. (Check and complete appropriate category – only amounts specified in section 3, with the necessary supporting material, and asserted as claims under sections 4E and 4F, will be considered as Claims against the Employee Trust Fund.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_

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

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

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

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

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

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

C. SECURED CLAIM OF \$ \_\_\_\_\_

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

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

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



E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,

That I hereby make a claim under subsection 81.4(8) of the Act and/or under the Appointment Order in the amount of \$ \_\_\_\_\_,

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_,

G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)  
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)*

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner. I have never been an officer or director of the debtor

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

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

Phone Number: \_\_\_\_\_  
Fax Number : \_\_\_\_\_  
E-mail Address : \_\_\_\_\_

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

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

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

## CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

### General

- ◆ The signature of a witness is required;
- ◆ The claim must be signed personally by the individual completing this declaration;
- ◆ Give the complete address where all notices or correspondence is to be forwarded
- ◆ The amount of the statement of account must correspond to the amount indicated on the proof of claim.
- ◆ It is permissible to file a proof of claim by fax or by email.

### Paragraph 1

- ◆ Creditor must state full and complete legal name of company or firm;
- ◆ If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

### Paragraph 3

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

### Paragraph 4

- ◆ Subparagraph 4.A must be completed by an unsecured creditor and must indicate if priority is claimed pursuant to Section 136.
- ◆ Subparagraph 4.B must be completed by a landlord only in a Proposal, for any claim related to disclaimer of lease. The amount of the claim is to be calculated according to the terms of the proposal. Provide details of calculation.
- ◆ Subparagraph 4.C must be completed by a secured creditor. A certified true copy of the security instrument as registered must be provided.
- ◆ Subparagraph 4.D must be completed a farmer, fisherman or aquaculturist creditor. A copy of the sales agreement and delivery documents must be provided.
- ◆ Subparagraph 4.E applies if you are a wage earner (ie, a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a bankrupt (subsection 81.3) or by a "person" that is subject to a receivership (subsection 81.4) for services rendered during the six months immediately before the date of bankruptcy or receivership).
- ◆ Subparagraph 4.F applies to claims by employees for unpaid amounts regarding pension plans. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- ◆ Subparagraph 4.G is to be completed only in a Proposal, and only if the proposal provides for the compromise of claims against Directors. Provide full details including calculations.
- ◆ Subparagraph 4.H applies if you are a "customer" of a bankrupt securities firm (as contemplated by Section 262 of the Bankruptcy and Insolvency Act).

**Paragraph 5**

- ◆ All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, by striking out "AM" or "IS" or "AM NOT" or "IS NOT".

**Paragraph 6**

- ◆ All claimants must attach a detailed list of all payments or credits received or granted, as follows:
  - a) Within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
  - b) Within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.