

**THE KING'S BENCH
WINNIPEG CENTRE**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF
POLAR WINDOW OF CANADA LTD., ACCURATE DORWIN (2020) INC.,
GLASS 8 INC., NATIONAL INTERIORS (2021) INC.,
12986647 CANADA LTD. (O/A ALLSCO WINDOWS & DOORS),
12986591 CANADA LTD. (O/A ALWEATHER WINDOWS & DOORS),
POLAR HOLDING LTD., 10064720 MANITOBA LTD., and
12986914 CANADA LTD.**

APPLICANTS

**NINTH REPORT OF THE MONITOR
BDO CANADA LIMITED**

JULY 17, 2024

MONITOR

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INTRODUCTION

1. On February 10, 2023, Polar Window of Canada Ltd. (“**Polar Window**”), Accurate Dorwin (2020) Inc. (“**Accurate Dorwin**”), Glass 8 Inc. (“**Glass 8**”), National Interiors (2021) Inc. (“**National Interiors**”), 12986647 Canada Ltd. (o/a Allsco Windows & Doors) (“**Allsco**”), 12986591 Canada Ltd. (o/a Alweather Windows & Doors) (“**Alweather**”, and collectively the “**Opcos**”), Polar Holding Ltd. (“**Polar Holdco**”), 10064720 Manitoba Ltd. (“**1006**”), and 12986914 Canada Ltd. (“**6914**”, and collectively with the Opcos the “**Companies**” or the “**Applicants**”) filed for and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Deloitte Restructuring Inc. (“**Deloitte**”) was appointed the monitor of the Applicants in the CCAA proceedings and a stay of proceedings was granted in favour of the Applicants to February 20, 2023.
2. At the comeback hearing on February 14, 2023, the Honourable Justice Bock of the Court of King’s Bench in Manitoba (the “**Court**”) granted an amended and restated initial order (the “**ARIO**”), which extended the stay of proceedings to May 5, 2023.
3. On April 5, 2023, the Court granted an order (the “**April 5, 2023 Order**”), which among other things, extended the stay of proceedings to July 28, 2023.
4. On July 21, 2023, the Court granted two (2) orders: (i) an approval and vesting order (the “**AVO**”) approving the sale transaction (the “**Transaction**”) between Deloitte, in its capacity as monitor for and on behalf of the Applicants, as vendor, and Stephen Segal in trust for a corporation or corporations to be formed (the “**Purchaser**”), as purchaser; and (ii) a stay extension, interim distribution, and other relief order (the “**July 21, 2023 Order**”), extending the stay of proceedings to September 12, 2023.
5. On September 12, 2023, the Court granted an order (the “**September 12, 2023 Order**”), which, among other things, approved an amendment to the Asset Purchase Agreement (the “**APA**”) for the Transaction and extended the stay of proceedings to November 3, 2023.
6. On October 27, 2023, the Court granted two (2) orders: (i) an order enhancing the monitor’s powers (the “**Enhanced Powers Order**”) which was to take effect upon the

filing of the Monitor’s Certificate (as defined therein); and (ii) a stay extension and other relief order (the “**October 27, 2023 Order**”) extending the stay of proceedings to December 8, 2023.

7. On December 5, 2023, the Court granted an order (the “**December 5, 2023 Order**”), which, among other things, approved further amendments to the APA and corresponding amendments to the AVO, and extended the stay of proceedings to January 29, 2024.
8. On December 22, 2023, the Court granted an order (the “**December 22, 2023 Order**”), substituting BDO Canada Limited (“**BDO**”) in place of Deloitte as the CCAA monitor (the “**Monitor**”). All references to the Monitor prior to the December 22, 2023 Order refer to Deloitte, and all references to the Monitor after the granting of the December 22, 2023 Order refer to BDO.
9. On January 26, 2024, the Court granted two (2) orders: (i) an order approving the Directors’ and Officers’ Claims Process (the “**D&O Claims Process Order**”); and (ii) a stay extension and other relief order (the “**January 26, 2024 Order**”) which extended the stay of proceedings in respect of the Applicants and the Past and Present Directors and Officers to February 26, 2024 (the “**Applicants’ Stay Period**”), extended the stay of proceedings in respect of the Monitor and the proceeds from the Amended Transaction (as defined below) to April 30, 2024, and authorized the Monitor to carry out the prescribed duties under the *Wage Earner Protection Program Act* (“**WEPPA**”).
10. On February 16, 2024, the Court granted an order (the “**February 16, 2024 Order**”) amending paragraph 3 of the January 26, 2024 Order to meet the criteria required by Service Canada to trigger application of the WEPPA in these proceedings.
11. On April 26, 2024, the Court granted three (3) orders: (i) an order dismissing the Purchaser’s (i.e. 15244986 Canada Inc.) notice of motion directing the Monitor to distribute certain settlement proceeds to the Purchaser (the “**Purchaser Dismissal Order**”); (ii) an order dismissing John P. O’Keefe LLC’s (“**O’Keefe**”) notice of motion declaring that the Purchaser assume Accurate Dorwin’s obligations to O’Keefe; and (iii) a stay extension and other relief order (the “**April 26, 2024 Order**”) which extended the stay of proceedings in respect of the Monitor and the proceeds from the Amended

Transaction to July 5, 2024, and approved the payment of certain professional fees in accordance with the Administration Charge.

12. On June 27, 2024, the Court granted an order (the “**June 27, 2024 Order**”), attached hereto as **Appendix A**, which extended the stay of proceedings in respect of the Monitor and the proceeds from the Amended Transaction to July 18, 2024 (the “**Monitor’s Stay Period**”), approved the payment of certain professional fees in accordance with the Administration Charge, and concluded the Monitor’s WEPPA Administration.
13. Deloitte, in its capacity as Monitor, previously provided the Court with the following reports:
 - (a) the Pre-Filing Report of the Proposed Monitor dated February 7, 2023 in connection with the Applicants’ application for protection under the CCAA;
 - (b) the First Report of the Monitor dated April 3, 2023 in connection with the Applicants’ motion to extend the stay of proceedings and approve the SISP and the SISP Procedures;
 - (c) the Second Report of the Monitor dated July 20, 2023 (the “**Second Report**”) in connection with the Monitor’s motion to approve the Transaction and extend the stay of proceedings;
 - (d) the Confidential Supplement to the Second Report of the Monitor dated July 20, 2023 in connection with the Transaction;
 - (e) the Third Report of the Monitor dated September 8, 2023 (the “**Third Report**”) in connection with the Monitor’s motion to approve the amendments to the APA (the “**First Amending Agreement**”) and extend the stay of proceedings;
 - (f) the Confidential Supplement to the Third Report of the Monitor dated September 8, 2023 in connection with the First Amending Agreement;
 - (g) the Fourth Report of the Monitor dated October 24, 2023 (the “**Fourth Report**”) in connection with the Monitor’s motion to approve further amendments to the APA (the “**Second Amending Agreement**”) and extend the stay of proceedings;

- (h) the Confidential Supplement to the Fourth Report of the Monitor dated October 24, 2023 in connection with the Second Amending Agreement;
 - (i) the Supplement to the Fourth Report dated October 26, 2023 in connection with the Monitor’s motion to extend the stay of proceedings;
 - (j) the Fifth Report of the Monitor dated December 3, 2023 (the “**Fifth Report**”) in connection with the Monitor’s motion to amend the AVO and approve further amendments to the APA (the “**Third and Fourth Amending Agreements**”, and collectively with the First Amending Agreement and the Second Amending Agreement, the “**Amended Transaction**”), and extend the stay of proceedings; and
 - (k) the Confidential Supplement to the Fifth Report of the Monitor dated December 3, 2023 in connection with the Amended Transaction.
14. BDO, in its capacity as Monitor, previously provided the Court with the following reports:
- (a) the Sixth Report of the Monitor dated January 23, 2024 (the “**Sixth Report**”) in connection with the Monitor’s motion seeking approval of the directors’ and officers’ claims process (the “**D&O Claims Process**”), the applicability and administration of the WEPPA, and extending the stay of proceedings;
 - (b) the Seventh Report of the Monitor dated April 22, 2024 (the “**Seventh Report**”) in connection with the Monitor’s motion seeking approval of the Proposed Interim Distributions (as defined in the Seventh Report) and extending the Monitor’s Stay Period; and
 - (c) the Eighth Report of the Monitor dated June 24, 2024 (the “**Eighth Report**”) in connection with the Monitor’s motion seeking approval of the Priority Distributions (as defined in the Eighth Report) and discharging the Monitor.
15. Pursuant to the ARIO, Deloitte, in its capacity as Monitor has made the Court Orders and other information related to the CCAA proceedings available on its website at www.insolvencies.deloitte.ca/en-ca/AccurateGroup. BDO, in its capacity as Monitor has

also made the CCAA materials available on its website at www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/AccurateGroup (the “**Monitor’s Website**”).

PURPOSE

16. This ninth report (the “**Ninth Report**”) is being filed in support of the Monitor’s motion to this Honourable Court on July 18, 2024, seeking an order:
 - (a) abridging the time for service of the Monitor’s notice of motion and all other materials filed in support of the same;
 - (b) approving the Amended Monitor’s Holdback (as defined below) to complete the within motion and to finalize the CCAA proceedings;
 - (c) discharging the DIP Lender’s Charge, the Directors’ Charge, and the KERP Charge;
 - (d) approving the payment of the Amended Priority Distributions, after retention of the Amended Monitor’s Holdback;
 - (e) approving this Ninth Report, inclusive of the reported activities and actions detailed herein;
 - (f) approving the Amended Estimated Monitor’s Fees and the Amended Estimated Legal Fees (both as defined below);
 - (g) discharging the Monitor, terminating the Administration Charge, and releasing the Released Parties (as defined in the Eighth Report) upon the filing of the Monitor’s Discharge Certificate (as defined below); and
 - (h) such further and other relief that the Court considers just and warranted in the circumstances.

17. Capitalized terms not otherwise defined in this Ninth Report are as defined in the affidavits of Stephen Segal sworn on February 6, 2023 and April 3, 2023 (the “**Segal Affidavits**”), the initial Order dated February 10, 2023 (the “**Initial Order**”), the ARIO,

the April 5, 2023 Order, the AVO, the July 21, 2023 Order, the September 12, 2023 Order, the Enhanced Powers Order, the October 27, 2023 Order, the December 5, 2023 Order, the D&O Claims Process Order, the January 26, 2024 Order, the February 16, 2024 Order, the Purchaser Dismissal Order, the O’Keefe Dismissal Order, the April 26, 2024 Order, the June 27, 2024 Order (collectively the “**CCAA Orders**”), and the Monitor’s reports previously filed in these proceedings.

TERMS OF REFERENCE

18. In preparing this Ninth Report, the Monitor has relied upon unaudited interim financial information, the Applicants’ books and records, the Segal Affidavits, and discussions with management (“**Management**”) and The Toronto-Dominion Bank (“**TD Bank**”) and their respective legal advisors.
19. The financial information of the Companies has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this Ninth Report may not disclose all significant matters about the Companies. Additionally, none of the Monitor’s procedures were intended to detect defalcations or other irregularities. If the Monitor were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Monitor’s attention. Accordingly, the Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this Ninth Report.
20. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Ninth Report. Any use that any party makes of this Ninth Report, or any reliance on or decisions to be made based on it is the responsibility of such party.
21. Unless otherwise stated, all monetary amounts contained in this Ninth Report are expressed in Canadian dollars.

TERMINATION OF THE DIRECTORS' CHARGE

22. Paragraphs 22 through 24 of the ARIO state the following (emphasis added):

- (a) Paragraph 22 - *This Court Orders that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and officers of the Applicants **after** the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's and officer's gross negligence or willful misconduct.*
- (b) Paragraph 23 - *This Court Orders that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000.00, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraph 42 and 44 herein.*
- (c) Paragraph 24 – *This Court Orders that, notwithstanding any language in any applicable insurance policy to the contrary, (a) **no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge**, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge **to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified** in accordance with paragraph 22 of this Order.*

23. As detailed in the Eighth Report, on April 19, 2024, AIG Insurance Company of Canada ("**AIG**"), the director's and officers' insurance provider, provided written correspondence to Polar Holdco advising that the AIG insurance policy (the "**AIG Policy**") provided coverage for the Past and Present Directors and Officers, subject to all the terms and conditions of the AIG Policy, in respect of the following:

- (a) employee claims for unpaid wages and vacation pay pursuant to provincial legislation, imposing liability on corporate directors for amounts the corporate

employers failed to pay (collectively, the “**Employee Claims**”); and

- (b) Canada Revenue Agency (“**CRA**”) claims against the directors pursuant to section 227.1 of the *Income Tax Act* (Canada) and section 323 of the *Excise Tax Act* (Canada) (collectively, the “**Statutory Claims**”).

24. As there was some uncertainty as to whether the AIG Policy covered Employment and Social Development Canada’s (“**ESDC**”) subrogated claim under the WEPPA (the “**ESDC Claim**”), and the process for payment of the Statutory Claims and the ESDC Claim raised at the June 27, 2024 hearing, on July 2, 2024, the Monitor’s counsel, McDougall Gauley LLP (“**McDougall Gauley**”) wrote to AIG requesting AIG’s cooperation in determining the following:

- (a) whether the AIG Policy provides coverage for the ESDC Claim; and
- (b) clarity on the process for CRA and ESDC to obtain payment from AIG once the Statutory Claims and the ESDC Claim have been finally determined.

25. On July 15, 2024, AIG responded detailing the following:

- (a) AIG has not seen the seventy-eight (78) WEPPA claims submitted by the Applicants’ former employees; however, to the extent that the WEPPA claims constitute claims for “*failure to pay wages properly due and owing*”, said claims, including their corresponding subrogated claims, are covered under the AIG Policy.
- (b) Upon receipt of CRA’s formal notices of assessment made against the Applicants indicating the final amounts owed, AIG can process payment(s) to CRA directly within thirty (30) days. It is understood that the notices of assessment will indicate:
 - (i) the basis of the amounts owed (payroll source deductions, GST/HST, etc. and/or a reference to the relevant section(s) of the *Income Tax Act* or other relevant legislation); and
 - (ii) the name of the corporate entity initially liable for those amounts. It is also understood that CRA or its representative will provide AIG with the appropriate banking information in a timely manner for AIG to process the payment(s).

- (c) Upon receipt of ESDC’s formal claims made against the Applicants indicating the amounts of unpaid wages paid to the Applicants’ former employees and owed by the Applicants, AIG can process payment(s) to ESDC directly within thirty (30) days. It is understood that each formal claim will indicate: (i) the name of the former employee and the corporate entity the former employee worked for; (ii) the amount paid by ESDC to each of the former employees; and (iii) the date of said payments by ESDC. It is also understood that ESDC or its representative will provide AIG with the appropriate banking information in a timely manner for AIG to process the payment(s).
26. The July 2, 2024 correspondence from McDougall Gauley and the July 15, 2024 correspondence from AIG (collectively the “**Insurance Correspondence**”) are attached hereto as **Appendix B**.
27. After considering the April 19, 2024 correspondence the Applicants received from AIG, and the Insurance Correspondence, the Monitor is of the view that the criteria detailed in paragraph 24 of the ARIO have been satisfied as AIG has confirmed that coverage exists under the AIG Policy, and no indication has been provided that such coverage is insufficient to pay the amounts indemnified. Accordingly, the Monitor is of the view that the Directors’ Charge should be terminated at this time, enabling the Monitor to complete the Amended Priority Distributions.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

28. The Monitor has prepared a Statement of Receipts and Disbursements for the period of February 10, 2023 to July 17, 2024, a copy of which is attached hereto as **Appendix C**. Total receipts were \$5,773,853 and total disbursements were \$5,350,954 resulting in \$422,899 being held in trust by the Monitor (the “**Trust Funds**”).
29. The Monitor is proposing to distribute the Trust Funds in accordance with the priority positions of the interested stakeholders in the CCAA proceedings.

AMENDED PRIORITY DISTRIBUTIONS

30. As detailed in the Eighth Report, the following priority ranking charges have been granted under the ARIO and the July 21, 2023 Order:
- (a) First – Administration Charge to the maximum of \$1.0 million;
 - (b) Second – DIP Lender’s Charge to the maximum of \$2.35 million;
 - (c) Third – Director’s Charge to the maximum of \$0.3 million; and
 - (d) Fourth – KERP Charge to the maximum of \$0.3 million.
31. Based on the independent security review(s) of the TD Security and the SPCF Security (both as defined in the Eighth Report), and considering the Pre-Filing Deemed Trust Claim and the WEPPA Priority Claim (both as defined in the Eighth Report), the Monitor is recommending the following proposed amended priority distributions (the “**Amended Priority Distributions**”) be made from the Trust Funds, which calculations are further detailed in **Appendix D**:
- (a) \$101,547 to CRA on account of the Pre-Filing Deemed Trust Claim;
 - (b) \$24,433 to Service Canada on account of the WEPPA Priority Claim;
 - (c) \$89,602 to TD Bank on account of the TD Security in respect of Accurate Dorwin;
and
 - (d) \$92,317 to be distributed as follows in accordance with the SPCF/TD Bank Agreement (as defined in the Eight Report) in respect of Allsco:
 - (i) \$23,524 to SPCF (as defined in the Eighth Report); and
 - (ii) 68,793 to TD Bank.
32. Furthermore, the Monitor proposes to pay any residual funds from the Amended Monitor’s Holdback to TD Bank in accordance with the TD Security, upon the filing of the Monitor’s Discharge Certificate.

ESTIMATED FEES AND DISBURSEMENTS OF THE MONITOR AND LEGAL COUNSEL

33. Pursuant to paragraph 32 of the ARIО, the Monitor and its legal counsel shall pass their accounts from time to time.
34. The Monitor estimates that its fees and disbursements incurred subsequent to June 27, 2024, to finalize this Ninth Report, to prepare for and attend the July 18, 2024 hearing, to complete the Amended Priority Distributions, and to finalize the Monitor’s discharge will approximate \$70,000 (plus GST) (the “**Amended Estimated Monitor Fees**”).
35. The Monitor’s legal counsel estimates that its fees and disbursements incurred subsequent to June 27, 2024, to prepare for and attend the July 18, 2024 hearing, and to assist with finalizing the Monitor’s discharge will approximate \$45,000 (plus GST) (the “**Amended Estimated Legal Fees**” and together with the Amended Estimated Monitor Fees, the “**Amended Monitor’s Holdback**”).
36. Additionally, on July 8, 2024, it was brought to the attention of the Monitor that the final invoice of MLT Aikins LLP (“**MLT Aikins**”), the Applicants former legal counsel, remained unpaid. The Monitor proposes to pay the final invoice of MLT Aikins in the amount of \$14,976.22, attached hereto as **Appendix E**, from the Amended Monitor’s Holdback, in accordance with the Administration Charge.

RECOMMENDATIONS

37. The Monitor believes that, other than completing the Amended Priority Distributions and concluding certain administrative matters, the Monitor’s mandate pursuant to the ARIО and the other CCAA Orders (the “**Monitor’s Mandate**”) is substantially complete.
38. For the reasons set out above, the Monitor recommends that the Court, should it see fit to do so, grant the requested order:
 - (a) abridging the time for service of the Monitor's notice of motion and all other materials filed in support of the same;
 - (b) approving the Amended Monitor’s Holdback to complete the within motion and to finalize the CCAA proceedings, without the requirement of taxation or formal

- passing of accounts;
- (c) discharging the DIP Lender's Charge, the Directors' Charge, and the KERP Charge;
 - (d) approving payment of the Amended Priority Distributions after retention of the Amended Monitor's Holdback;
 - (e) approving the Ninth Report, inclusive of the reported activities and actions detailed therein, including the Monitor's Statement of Receipts and Disbursements for the period February 10, 2023 to July 17, 2024;
 - (f) approving the Amended Estimated Monitor's Fees and the Amended Estimated Legal Fees without the necessity for further passing of accounts;
 - (g) that upon the Monitor filing with this Honourable Court the Monitor's Discharge Certificate confirming that the Monitor has paid the Amended Priority Distributions, the Administration Charge be terminated and the Released Parties (as defined in the Eighth Report) be discharged from any and all liability, save and except for any liability arising out of gross negligence or willful misconduct, provided that notwithstanding such discharge:
 - (i) the Monitor shall remain Monitor for the performance of such routine administrative tasks as may be required to complete the administration of these proceedings; and
 - (ii) the Monitor shall continue to have the benefit of the provisions of all CCAA Orders made in these proceedings, including all approvals, protections, and stays of proceedings in favor of BDO in its capacity as Monitor; and
 - (h) granting of such further and other relief that the Court considers just and warranted in the circumstances.

All of which is respectfully submitted at Winnipeg, Manitoba, this 17th day of July, 2024.

BDO CANADA LIMITED

In its capacity as Monitor of

Polar Window of Canada Ltd., Accurate Dorwin (2020) Inc.,

Glass 8 Inc., National Interiors (2021) Inc.,

12986647 Canada Ltd. (o/a Allsco Windows & Doors),

12986591 Canada Ltd. (o/a Alweather Windows & Doors),

Polar Holding Ltd., 10064720 Manitoba Ltd., and 12986914 Canada Ltd.

and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix A – June 27, 2024 Order

Court File No. CI 23-01-39360

**THE KING'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
POLAR WINDOW OF CANADA LTD., ACCURATE DORWIN (2020) INC., GLASS 8
INC., NATIONAL INTERIORS (2021) INC., 12986647 CANADA LTD. o/a ALLSCO
WINDOWS & DOORS, 12986591 CANADA LTD. o/a ALWEATHER WINDOWS &
DOORS, POLAR HOLDING LTD., 10064720 MANITOBA LTD. AND 12986914
CANADA LTD.

(the "Applicants")

APPLICATION UNDER: THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C., c. C-36, AS AMENDED

ORDER

(STAY EXTENSION, INTERIM DISTRIBUTION, AND OTHER RELIEF)

DATE OF HEARING: THURSDAY, JUNE 27, 2024 AT 10:00 A.M.

THE HONOURABLE MR. JUSTICE BOCK

**McDougall Gauley LLP
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THE KING'S BENCH
WINNIPEG CENTRE

THE HONOURABLE) the 27th day of June, 2024
)
MR. JUSTICE BOCK)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
POLAR WINDOW OF CANADA LTD., ACCURATE DORWIN (2020) INC., GLASS 8
INC., NATIONAL INTERIORS (2021) INC., 12986647 CANADA LTD. o/a ALLSCO
WINDOWS & DOORS, 12986591 CANADA LTD. o/a ALWEATHER WINDOWS &
DOORS, POLAR HOLDING LTD., 10064720 MANITOBA LTD. AND 12986914
CANADA LTD.

(the "**Applicants**")

APPLICATION UNDER: THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
 R.S.C., c. C-36, AS AMENDED

ORDER
(STAY EXTENSION, INTERIM DISTRIBUTION, AND OTHER RELIEF)

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-
appointed monitor (the "**Monitor**") of Polar Window of Canada Ltd., Accurate Dorwin
(2020) Inc., Glass 8 Inc., National Interiors (2021) Inc., 12986647 Canada Ltd. o/a Allsco
Windows & Doors, 12986591 Canada Ltd. o/a Alweather Windows & Doors, Polar
Holding Ltd., 10064720 Manitoba Ltd. and 12986914 Canada Ltd. (collectively, the
"**Applicants**") for an order (i) abridging the time for service; (ii) extending the Stay Period
(as defined in the Amended and Restated Initial Order of the Honourable Mr. Justice Bock
dated February 14, 2023 (the "**ARIO**")) until July 18, 2024; (iii) authorizing and directing
the Monitor to make certain interim distributions on account of the professional fees and
disbursements of the Monitor and its counsel; (iv) approving the Eighth Report of the
Monitor dated June 24, 2024 (the "**Eighth Report**") and the Monitor's activities, actions,

conduct, and professional fees and disbursements (including the Monitor's legal counsel's professional fees and disbursements) set out therein; and (v) other relief, was heard this day at the Law Courts Building at 408 York Avenue, in the City of Winnipeg, Manitoba.

ON READING the Eighth Report, and on hearing the submissions of counsel for the Monitor, The Toronto-Dominion Bank ("**TD Bank**"), Canada Revenue Agency ("**CRA**"), Employment and Social Development Canada ("**ESDC**"), Chandos Construction, Stephen Segal (in his personal capacity), and Stephen Segal on behalf of the Applicants, no one appearing for any other person on the Service List, although properly served as appears from the affidavit of Shelby Braun affirmed June 25, 2024; all filed:

INTERPRETATION

1. THIS COURT ORDERS that, unless otherwise defined in this Order, capitalized terms appearing in this Order will have the meanings given to them in the ARIO and the Eighth Report.

SERVICE

2. THIS COURT ORDERS that the time for service of the Monitor's notice of motion and supporting materials is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF THE STAY PERIOD

3. THIS COURT ORDERS that the Monitor's Stay Period (as that term is defined in the Seventh Report of the Monitor dated April 22, 2024) is hereby extended from July 5, 2024 to July 18, 2024.

INTERIM DISTRIBUTIONS

4. THIS COURT ORDERS that that the Monitor shall be directed and authorized to make the following distributions from the Trust Funds to reduce the amounts presently owed by the Applicants and secured by the Administration Charge:

- (a) \$24,652 to BDO Canada Limited on account of the Monitor's outstanding fees and disbursements;
- (b) \$39,186 to McDougall Gauley LLP on account of its outstanding fees and disbursements; and
- (c) the further fees and disbursements of the Monitor and its legal counsel for the period of June 14 to June 27, 2024 (without the requirement of passing of accounts).

TERMINATION OF THE WAGE EARNERS' PROTECTION PROGRAM

5. THIS COURT ORDERS that the Monitor's administration of the Wage Earner Protection Program (the "**WEPP**") pursuant to the Order (Stay Extension and Other Relief) of the Honourable Justice Bock dated January 26, 2024 (as amended by the Order (Amendment to the Order (Stay Extension and Other Relief dated January 26, 2024) dated February 16, 2024) (collectively, the "**WEPP Order**") is hereby concluded and the Monitor shall have no further duties, obligations, or responsibilities with respect to the administration of the WEPP pursuant to the WEPP Order, except as may be required in relation to any WEPP claims submitted to Service Canada prior to June 27, 2024.

ADJOURNMENT

6. THIS COURT ORDERS that the relief set out in paragraph 1(c), (d), (e)(ii) – (v), (f), and (i) of the Monitor's notice of motion dated June 25, 2024 (the "**Adjourned Relief**") is hereby adjourned until 10:00 a.m. on July 18, 2024; provided, however, if an agreement can be reached amongst the Monitor, TD Bank, CRA, ESDC, and Sallyport Commercial Finance ULC in respect of the Adjourned Relief prior to July 18, 2024, then the Monitor

is hereby granted leave to submit a consent order for the Court's review and approval to grant the Adjourned Relief and conclude these proceedings, which consent order shall contain the following comeback clause:

THIS COURT ORDERS that any member of the Service List who did not consent to the relief granted in this Order may seek to vary or amend the terms by filing and serving a Notice of Motion and sworn affidavit setting out the basis for the requested variance or amendment (with any relevant documents appended to the affidavit as exhibits, where applicable,) on counsel to the Monitor within five days of service of this Order by the Monitor on the Service List.

APPROVALS

7. THIS COURT ORDERS that the table in paragraph 36 of the Eighth Report is hereby corrected to read as follows:

Canada Revenue Agency GST/HST

Company	Business #	Pre-Filing ⁽¹⁾	Post-Filing ⁽²⁾⁽³⁾	Comments
Polar Window of Canada Limited	104257852	110,159	(39,844)	CRA assessments ongoing for Feb 29, 2024 filing.
Accurate Dorwin (2020) Inc.	748528270	91,496	(15,403)	
Glass 8 Inc.	797635695	93,485	(47,149)	
National Interiors (2021) Inc.	774872345	34,929	(75,032)	
Allsco Windows and Doors	761703149	488,258	17,937	CRA assessments ongoing for Aug 31, 2023 and Dec 31, 2023 filings.
Alweather Windows and Doors	761712546	614,029	554,261	
Total		1,432,355	394,770	

Canada Revenue Agency Payroll Source Deductions

Company	Business #	Pre-Filing ⁽¹⁾			Post-Filing ⁽¹⁾⁽³⁾ Non-Deemed		
		Deemed Trust	Non-Deemed Trust	Total	Deemed Trust	Trust	Total
Polar Window of Canada Limited	104257852	-	108	108	-	-	-
Accurate Dorwin (2020) Inc.	748528270	-	-	-	-	-	-
Glass 8 Inc.	797635695	290,943	181,115	472,058	-	-	-
National Interiors (2021) Inc.	774872345	1,449	182	1,631	2,539	557	3,096
Allsco Windows and Doors	761703149	-	-	-	24,514	3,999	28,513
Alweather Windows and Doors	761712546	48,403	29,225	77,628	67,433	34,824	102,257
Total		340,795	210,630	551,425	94,487	39,379	133,866

Notes:

(1) Based on the affidavit of Marie-Paule Yakibonge dated April 23, 2024.

(2) Based on June 18, 2024 call with CRA (Marie-Paule Yakibonge).

(3) Post-filing GST/HST and source deduction obligations owing to CRA are to be paid under the AIG Policy.

8. THIS COURT ORDERS that the Eighth Report, as corrected by the preceding paragraph of this Order, and the Monitor's activities, actions, and conduct described therein, are hereby approved.

9. THIS COURT ORDERS that the professional fees and disbursements of the Monitor, its legal counsel, McDougall Gauley LLP, as set out in the Eighth Report, are hereby approved.

UNSEALING THE CONFIDENTIAL SUPPLEMENT TO THE SECOND REPORT

10. THIS COURT ORDERS that the Sealing Order granted by paragraph 10 of the Approval and Vesting Order of the Honourable Justice Bock dated July 21, 2023 is hereby lifted. The Confidential Supplement to the Second Report of the Monitor dated July 20, 2023 shall be unsealed and form part of the public record.

MISCELLANEOUS MATTERS

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their agents in carrying out the terms of this Order.

12. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants or the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their agents in carrying out the terms of this Order.

July __, 2024

Ted Bock Digitally signed by Ted Bock
Date: 2024.07.11 09:20:57
-05'00'

BOCK, J.

I, Craig Frith, of the firm of McDougall Gauley LLP, hereby certify that I have received the consents as to form of the following parties:

Stephen Kroeger, Gowling WLG (Canada) LLP, counsel for The Toronto-Dominion Bank
Penny Piper, Department of Justice (Canada), counsel for Canada Revenue Agency
Kim Sheppard, Department of Justice (Canada), counsel Employment and Social Development
Canada
Stephen Segal on behalf of the Applicants

Appendix B – Insurance Correspondence

Warga, Brent

From: Levasseur, Marie-christine <Marie-christine.Levasseur@aig.com>
Sent: July 15, 2024 3:58 PM
To: Gabor, Sam
Cc: Piper, Penny (she; her; hers | elle; la; lui); Sheppard, Kim; Stephen Segal; Warga, Brent; Fritz, John; Frith, Craig
Subject: [EXT] RE: Re: 9095084987CA - Polar Holdings Ltd
Attachments: 2024 07 02 CCT AIG - D&O Claims.pdf

Some people who received this message don't often get email from marie-christine.levasseur@aig.com. [Learn why this is important](#)

Dear all,

Further to Mr. Frith's letter dated July 2, 2024 (attached), I understand that this group is seeking clarity on the three following points.

Coverage available for the Employment and Social Development Canada's ("ESDC") Subrogated Claim

AIG Canada has not seen the 78 WEPP claims submitted by the Insured's former Employees. However, to the extent that the WEPP claims constitute claims for "failure to pay wages properly due and owing", said claims, including their corresponding subrogated claims, are covered under the Policy.

The Process for Resolving CRA Claims

Upon receipt of CRA's formal notices of assessment made against the Individual Insureds, indicating the final amounts owed by the Individual Insureds, AIG can process payment(s) to CRA directly within 30 days. It is understood that the notices of assessment will indicate: a) the basis of the amounts owed (payroll source deductions, GST/HST, etc. and/or a reference to the relevant section(s) Income Tax Act or other relevant legislation); and b) the name of the corporate entity initially liable for those amounts e.g. (Polar Window of Canada LTD., Accurate Dorwing (2020) Inc., etc) It is also understood that CRA or its representative will provide AIG with the appropriate banking information in a timely manner for AIG to process the payment(s). The notices of assessment can be sent directly to my attention, using the email address marie-christine.levasseur@aig.com

The Process for Resolving ESDC Claims

Upon receipt of ESDC's formal claims made against the Individual Insureds, indicating: the amounts of unpaid wages paid to the Insured's former Employees and owed by the Individual Insureds, AIG can process payment(s) to ESDC directly within 30 days. It is understood that each formal claim will indicate: a) the name of the former Employee and the of the corporate entity the former Employee worked for; b) the amount paid by ESDC to each of the former Employee; c) the date of said payments by ESDC. It is also understood that ESDC or its representative will provide AIG with the appropriate banking information in a timely manner for AIG to process the payment(s). The notices of assessments can be sent directly to my attention, using the email address marie-christine.levasseur@aig.com

I trust this is satisfactory. If needed, I can make myself available for a call tomorrow after 3:30 PM EST or on Wednesday after 12PM EST.

Thank you

Marie-Christine Levasseur, B.A., B.C.L., LL.B., MSc.
Assistant Vice President | Vice-presidente adjointe
Financial Lines, Canada | Produits financiers, Canada
Claims Department | Service des sinistres
AIG Insurance Company of Canada

2000, avenue McGill Collège, bureau 920, Montréal, Québec, H3A 3H3 Canada
T +1 514-987-5319 | Sans frais / Toll Free +1 800 387-4481
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marie-christine.levasseur@aig.com | www.aig.ca/choisir-aig | www.aig.ca/WhyAIG



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From: Gabor, Sam <Sam.Gabor@gowlingwlg.com>
Sent: Monday, July 15, 2024 2:17 PM
To: Levasseur, Marie-christine <Marie-christine.Levasseur@aig.com>
Cc: Piper, Penny (she; her; hers | elle; la; lui) <penny.piper@justice.gc.ca>; Sheppard, Kim <Kim.Sheppard@justice.gc.ca>; Stephen Segal <SSegal@g8group.ca>; Brent Warga (CA - Winnipeg) (bwarga@bdo.ca) <bwarga@bdo.ca>; Fritz, John <jfritz@bdo.ca>; Frith, Craig <cfrith@mcdougallgauley.com>
Subject: [EXTERNAL] RE: Re: 9095084987CA - Polar Holdings Ltd

This message is from an external sender; be cautious with links and attachments.

Marie-Christine,

It would be very much appreciated if you can kindly provide a response to the Monitor's counsel, Mr. Frith by end of day today. My client TD Bank will be prejudiced if the CCAA proceeding extends out past Thursday, July 18 as the Monitor and its counsel will continue to incur costs which go against TD Bank's recovery. I understand that the Monitor is awaiting on the insurer to respond to Mr. Frith's prior letter and then the CCAA proceeding will wrap up.

Please let me know if you wish to discuss the matter further.

Thank you,

Sam Gabor

Partner

T +1 403 298 1946

sam.gabor@gowlingwlq.com

My Assistant: Kristy Delure

T +1 403 298 1843

kristy.deiure@gowlingwlq.com



From: Frith, Craig <cfrith@mcdougallgauley.com>

Sent: July 11, 2024 2:17 PM

To: 'Levasseur, Marie-christine' <Marie-christine.Levasseur@aig.com>

Cc: Piper, Penny (she; her; hers | elle; la; lui) <penny.piper@justice.gc.ca>; Sheppard, Kim <Kim.Sheppard@justice.gc.ca>; Gabor, Sam <Sam.Gabor@ca.gowlingwlq.com>; Stephen Segal <SSegal@g8group.ca>; Brent Warga (CA - Winnipeg) (bwarga@bdo.ca) <bwarga@bdo.ca>; Fritz, John <jfritz@bdo.ca>

Subject: RE: Re: 9095084987CA - Polar Holdings Ltd

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Good afternoon,

With the rescheduled hearing one week away, I am following up on the attached.

We look forward to hearing from you as soon as reasonably practicable.

Regards,

Craig Frith*

*LAW CORPORATION

cfrith@mcdougallgauley.com T: 306-665-5432 F: 306-664-4431

McDOUGALL GAULEY LLP BARRISTERS + SOLICITORS

500-616 Main Street, Saskatoon SK S7H 0J6

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From: Frith, Craig
Sent: July 2, 2024 9:20 AM
To: 'Levasseur, Marie-christine' <Marie-christine.Levasseur@aig.com>
Cc: Piper, Penny (she; her; hers | elle; la; lui) <penny.piper@justice.gc.ca>; 'Sheppard, Kim' <Kim.Sheppard@justice.gc.ca>; Gabor, Sam <Sam.Gabor@gowlingwlg.com>; 'Stephen Segal' <SSegal@g8group.ca>; Brent Warga (CA - Winnipeg) (bwarga@bdo.ca) <bwarga@bdo.ca>; Fritz, John <jfritz@bdo.ca>
Subject: Re: 9095084987CA - Polar Holdings Ltd
Importance: High

Good morning,

Please see attached.

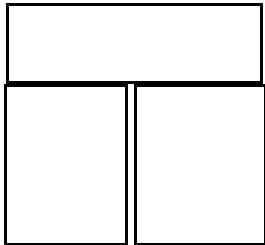
We look forward to hearing from you as soon as reasonably practicable.

Regards,

Craig Frith*

*LAW CORPORATION

cfrith@mcdougallgauley.com T: 306-665-5432 F: 306-664-4431



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July 2, 2024

AIG Insurance Company of Canada
120 Bremner Boulevard
Suite 2200
Toronto, Ontario M5J 0A8
via email: marie-christine.levasseur@aig.com

REFER TO: CRAIG FRITH
DIRECT DIAL: (306) 665-5432
FAX NO.: (306) 652-1323
E-MAIL: cfrith@mcdougallgauley.com
Assistant: Alecia Iwanchuk
Direct dial: (306) 665-5472
Email: aiwanchuk@mcdougallgauley.com
File No.: 539720.15

Re: In the Matter of a Plan of Compromise or Arrangement of Polar Window of Canada Ltd., Accurate Dorwin (2020) Inc., Glass 8 Inc., National Interiors (2021) Inc., 12986647 Canada Ltd. o/a Allsco Windows & Doors, 12986591 Canada Ltd. o/a Alweather Windows & Doors, Polar Holdings Ltd. (the "Insured"), 10064720 Manitoba Ltd., and 12986914 Canada Ltd. (collectively the "Applicants"), Court of King's Bench of Manitoba (the "Court") File No. CI 23-01-39360 (the "Proceedings")

Policy Number: 02 – 375 – 08 – 82 (the "Policy")
Named Entity: Polar Holdings Ltd.

1. Introduction

We are legal counsel to BDO Canada Limited (the "**Monitor**"), the court-appointed monitor in the Proceedings the Applicants commenced pursuant to the *Companies' Creditors Arrangement Act* (Canada) on February 10, 2023. We write further to our letters of April 9 and 21, 2024 and June 11, 2024.¹

You will recall that the Monitor was seeking an order for final distribution and discharge on June 27, 2024. Prior to the motion being heard:

- (a) the Monitor became aware of an additional claim against the Applicants' directors (the "**Directors**"), for which they may be entitled to be indemnified by the Applicants and the Directors' Charge; and
- (b) CRA advised that it still did not have sufficient:
 - (i) clarity on the process for resolving CRA's Statutory Claims against the Applicants' directors; or
 - (ii) comfort that the Insurer would make payment for the same.

¹ Unless otherwise defined in this letter, capitalized terms appearing herein will have the meanings given to them in our previous correspondence.

The Monitor's motion for final distribution and discharge was therefore adjourned until July 18, 2024.

We are writing to you in the meantime to request your immediate assistance to resolve these outstanding issues so that the Monitor can finally bring the Proceedings to a close.

2. Employment and Social Development Canada's ("ESDC") Subrogated Claim

Since February 2024, the Monitor has been working with Service Canada to administer the *Wage Earner Protection Program* ("**WEPP**") in the Proceedings. The *WEPP* is a federal program that provides for payment of eligible wages to workers whose employers are subject to insolvency proceedings. ESDC is the government department responsible for *WEPP*, which it administers through Service Canada.

As of June 27, 2024, 78 of the Applicants' former employees have submitted *WEPP* claims, with 64 of them receiving payments totaling \$208,902.11.² ESDC is in the process of quantifying the remaining 14 claims and an updated total will be provided as soon as it is available.

Section 36(1)(b) of the *Wage Earner Protection Program Act*, SC 2005, c 47, s 1 (the "**WEPP Act**") gives ESDC, on behalf of Her Majesty in right of Canada, a subrogated claim against the Applicants' directors for the amounts it has paid the Applicants' employees pursuant to the *WEPP*:

36 (1) If a payment is made under this Act to an individual in respect of eligible wages, Her Majesty in right of Canada is, to the extent of the amount of the payment, subrogated to any rights the individual may have in respect of the eligible wages against

(a) the bankrupt or insolvent employer; and

(b) if the bankrupt or insolvent employer is a corporation, a director of the corporation.

For our purposes, if the Directors do not have sufficient coverage under the Policy for the ESDC's subrogated claim, then the Directors may seek indemnity from the Directors' Charge, thereby affecting the amounts left over for distribution to the succedent claimants.

Consequently, before the Monitor can recommend a final distribution, the Monitor needs to know whether the Policy provides sufficient coverage for the Directors for ESDC's subrogated claim.

3. The Process for Resolving Claims

The CRA is also currently opposed to the termination of the Directors' Charge and distribution of the funds because it does not have clarity on the process for obtaining payment from the Insurer, or confirmation that, once finalized, its Statutory Claim will be paid. We anticipate that the

² See the enclosed statement received from ESDC's counsel.

ESDC will have similar concerns in the event the Insurer confirms that the Policy provides coverage for its subrogated claim.

The Monitor cannot provide the clarification and comfort these parties require, and therefore needs the Insurer's assistance to resolve these issues. We understood from our June 19, 2024 call that an explanation on the Insurer's process for obtaining payment was to be provided; however, we have yet to hear from you in that regard.

4. Closing

The delay of the Monitor's distribution and discharge motion stands to create additional costs of administration in the Proceedings, and reduce the amounts available for the creditors.

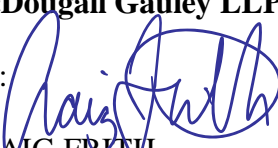
The Monitor hereby requests the Insurer's immediate attention to this letter so that we can devote our collective energies to resolving the outstanding coverage and payment issues so that the Proceedings can finally be brought to a close on July 18, 2024.

Thank you for your consideration. We look forward to hearing from you.

Yours truly,

McDougall Gauley LLP

Per:


CRAIG FRITTH
CPF~aai

cc Penny L. Piper, Department of Justice Canada, Government of Canada
via email: penny.piper@justice.gc.ca

Kim Sheppard, Department of Justice Canada, Government of Canada
via email: kim.sheppard@justice.gc.ca

Sam Gabor, Gowling WLG (Canada) LLP
via email: Sam.Gabor@gowlingwlg.com

Stephen Segal
via email: SSegal@g8group.ca

**Appendix C – Statement of Receipts and Disbursements for the Period February 10,
2023 to July 17, 2024**

**POLAR WINDOW OF CANADA LTD., ACCURATE DORWIN (2020) INC., GLASS 8 INC.,
NATIONAL INTERIORS (2021) INC., 12986647 CANADA LTD. (O/A ALLCO WINDOWS & DOORS),
12986591 CANADA LTD. (O/A ALWEATHER WINDOWS & DOORS), POLAR HOLDING LTD.,
10064720 MANTIOBA LTD., AND 12986914 CANADA LTD.**

STATEMENT OF RECEIPTS AND DISBURSEMENTS

for the period February 10, 2023 to July 17, 2024

	<u>Amount</u>	Notes
Receipts		
Customer deposit	4,685	(1)
Flow Through Funding (Chandos Construction Ltd.)	1,094,577	(2)
Funding of professional fees	150,000	(3)
GST collected on Flow Through Funding	54,729	(2)
Interest	54,777	
Settlement proceeds	33,687	(4)
Transaction proceeds (inclusive Additional Consideration)	4,377,500	(5)
USD conversion	3,898	(6)
Total Receipts	5,773,853	
Disbursements		
Bank fees	45	
DIP Repayment	2,187,243	(7)
GST on Monitor fees and disbursements	33,710	
GST on legal fees and disbursements	37,580	
GST paid to Applicants from Flow Through Funding (Chandos Construction Ltd.)	40,648	(2)
Flow Through Funding payments to vendors (Chandos Construction Ltd.)	1,094,577	(2)
Flow Through Payment - Customer Deposit	3,277	(1)
Legal fees and disbursements	754,606	
Monitor fees and disbursements	674,506	
PST on legal fees and disbursements	47,261	
Transaction closing payments (Additional Consideration)	477,500	(5)
Total Disbursements	5,350,953	
Excess of Receipts over Disbursements - Funds Held in Trust as at July 17, 2024	\$ 422,899	
Proposed Distributions		
Administrative Charge	14,796	
MLT Aikins LLP		
December 31, 2023 (#6428094)	14,796	
Monitor's Holdback	100,204	
CRA - Pre-Filing Source Deductions	101,547	
WEPP Priority (Service Canada)	24,433	
Secured Creditors	181,919	
TD Bank - Accurate Dorwin / Allsco	158,395	
Sallyport Commercial Finance ULC - Allsco	23,524	
Subtotal	422,899	
Excess of Receipts over Disbursements After Proposed Distributions	\$ -	

Notes:

- (1) A customer of Polar Window Canada Ltd. arranged for the completion of a contract, provided that the funds would flow through the Monitor, rather than the Applicants. The net proceeds on the project approximated \$1,408.
- (2) As detailed in the Second Report, certain general contractors agreed to pre-pay the Applicants for certain materials, on the condition that the funds be immediately flowed through to the Applicants' sup-suppliers ("Flow Through Funding"). One general contractor, Chandos Construction, was willing to assist with the Flow Through Funding, but made arrangements with the Monitor and the Applicants to have the Monitor facilitate same.
- (3) With the consent of TD Bank and the KERP recipients, a payment was made under the KERP Charge and was provided to the Monitor to reduce the outstanding professional fees of the Monitor, the Monitor's counsel, and the Applicants' counsel.
- (4) Proceeds form the settlement of litigation involving Glass 8 Inc., a customer, and a sub-supplier.
- (5) Includes the Transaction proceeds and the Additional Consideration, as detailed in the Asset Purchase Agreement.
- (6) USD to CDN conversion on a portion of the Transaction deposit.
- (7) Repayment of the DIP Facility, inclusive of TD Bank's legal fees.

Appendix D – Amended Priority Distributions Schedule

**Accurate Group CCAA Proceedings
Proposed Priority Distributions**

	Notes	Polar Window	Accurate Dorwin	Glass 8	National Interiors	Allsco	Alweather	Total
Allocation of Purchase Price								
	1							
Accounts Receivable		83,850	595,169	773,613	126,360	87,830	17,496	1,684,319
Prepaid expenses and deposits		-	-	-	-	-	-	-
Inventory		-	344,298	164,531	-	699,311	66,338	1,274,478
Equipment		-	172,149	137,110	-	305,948	6,634	621,841
Goodwill		-	86,074	82,266	-	131,121	19,901	319,362
Contracts		-	-	-	-	-	-	-
Total		83,850	1,197,690	1,157,520	126,360	1,224,210	110,370	3,900,000
Funds available for distribution (Per R&D)								
		9,092	129,872	125,517	13,702	132,748	11,968	422,899
Allocation of Court Ordered Priority Charges								
Administrative Charge - Applicants' Counsel	2	(318)	(4,544)	(4,392)	(479)	(4,645)	(419)	(14,796)
Monitor's Holdback		(2,154)	(30,773)	(29,741)	(3,247)	(31,454)	(2,836)	(100,204)
Directors' Charge	3	-	-	-	-	-	-	-
Subtotal		(2,473)	(35,317)	(34,132)	(3,726)	(36,099)	(3,255)	(115,000)
Residual Proceeds After Payment of Court Ordered Priority Charges								
		6,620	94,556	91,384	9,976	96,650	8,714	307,899
Priority Claims (ahead of Secured Creditors)								
CRA - Pre-Filing Source Deductions	4	-	-	(290,943)	(1,449)	-	(48,403)	(340,795)
WEPP Priority (Service Canada)	5	(26,614)	(4,954)	(12,838)	(11,351)	(4,332)	(4,009)	(64,098)
Subtotal		(26,614)	(4,954)	(303,781)	(12,799)	(4,332)	(52,412)	(404,893)
Priority Distributions								
CRA - Pre-Filing Source Deductions		-	-	91,384	1,449	-	8,714	101,547
WEPP Priority (Service Canada)		6,620	4,954	-	8,527	4,332	-	24,433
Secured Creditors - TD Bank	6	-	89,602	-	-	68,793	-	158,395
Secured Creditors - Sallyport Commercial Finance ULC	6	-	-	-	-	23,524	-	23,524
Total		6,620	94,556	91,384	9,976	96,650	8,714	307,899
Residual Proceeds After Payment of Priority Distributions								
		-	-	-	-	-	-	-

Notes:

- Purchaser's allocation as documented in the December 7, 2023 Purchase Price Allocation Agreement.
- Outstanding professional fees of the Applicants' legal counsel to December 31, 2023.
- Based on correspondence the Monitor was provided with from AIG Canada dated April 19, 2024 and July 15, 2024, all claims filed in the D&O Claims Process appear to be covered by the D&O insurance policy, and the D&O Charge will not be called upon.
- Deemed trust priority claim of CRA based on April 23, 2024 affidavit of Marie-Paule Yakibonge.
- Super priority claim of Service Canada based on WEPPA Administration to June 28, 2024.
- Payments to secured creditors based on independent security reviews.

Appendix E – MLT Aikins LLP Invoice

REMITTANCE COPY

Polar Window of Canada Ltd.
672 Kimberly Avenue
Winnipeg, MB R2K 0Y2
Canada
Stephen Segal

Invoice #6428094
December 31, 2023

RE: TD Bank Matters
MLT Aikins File No: 0037903.00035 SJK

Total Current Billing:	13,381.00
Total Tax:	<u>1,595.22</u>
Subtotal:	<u>14,976.22</u>
Total Amount Due CDN:	14,976.22

Amount Remitted: \$ _____

PAYMENT OPTIONS:

Credit Card We accept Visa or Mastercard to a maximum of \$25,000. You can [Pay Online](#) through our secure online portal. Visit our firm website (www.mltaikins.com) and click "Pay Online" in the top menu. Please use 6428094 as your Bill Number and 0037903.00035 as your Client Matter Code.

Electronic Payments:

We offer several options for electronic payments which are listed below. If making an electronic payment, to ensure your payment is properly credited to your account, please complete our [Remittance Information Form](#) at (www.mltaikins.com/remittance/) or email your remittance copy to Accounts Receivable at (receivables@mltaikins.com) after you have submitted your electronic payment.

Bill Payments Payments can be made through online banking at most Canadian financial institutions by selecting MLT Aikins LLP as the Payee. The file number to be entered is 003790300035

INTERAC e-Transfer Send to receivables@mltaikins.com referencing invoice 6428094

Wire Transfer or EFT – Canadian Funds

For Wire/EFT payments, please reference invoice 6428094

Receiving Bank:	Bank of Montreal 201 Portage Ave. Winnipeg, Manitoba R3B 3K6
Bank Code:	001
Transit Number:	00037
Account Number:	1025-999
S.W.I.F.T. BIC CODE:	BOFMCAM2
Direct Payment Routing Number	CC000100037
Beneficiary Customer:	MLT Aikins LLP 30 th Floor - 360 Main St Winnipeg, Manitoba R3C 4G1

Cheque

Please make cheques payable to MLT AIKINS LLP and reference your invoice 6428094. Please enclose the Remittance Copy with your payment, and mail to: MLT Aikins LLP, 30th Floor - 360 Main St. Winnipeg, Manitoba R3C 4G1