

August 14, 2020

To the Creditors of New Western Plumbing & Lighting Supplies Ltd.

Dear Sirs/Mesdames:

**RE: NEW WESTERN PLUMBING & LIGHTING SUPPLIES LTD. – IN RECEIVERSHIP**

As you may be aware, New Western Plumbing & Lighting Supplies Ltd. (“**New Western**”, the “**Company**”) ceased its operations in the Summer of 2013. In or about March 2014, a foreclosure action was commenced by the Business Development Bank of Canada (“**BDC**”) and Crowe MacKay & Company Ltd. (“**Crowe**”) was appointed as Receiver (“**Receiver**”) of New Western by BDC. At the time of the appointment, Crowe was not able to locate the accounting books and found limited records on the premises. On or about June 16, 2014, BDC was paid in full as a result of the sale of the building and inventory which New Western owned.

Just less than \$500,000 of funds were realized in excess after paying the amounts owed to BDC. Accordingly, the Receiver sought an Order of the Supreme Court of British Columbia (“**Court**”) appointing itself as Receiver, which was granted on July 21, 2014. Over the ensuing five-year period, the Receiver mainly dealt with two claims which exceeded the funds which were realized and which had to be resolved before any funds could be distributed to the unsecured creditors.

The first claim was a claim asserted by Malkit Rahelu, a shareholder of New Western. He claimed a trust interest in the proceeds which would rank in priority to any creditor claims. This claim was dismissed by the Court on March 16, 2018.

The other claim was in respect to a builder’s lien filed on December 20, 2013 by Harjit Sidhu. He claimed the sum of \$230,000 in respect to improvements to the building New Western owned. After numerous examinations and Court applications, this matter was eventually settled in December 2019.

After the above actions were dealt with, paying CRA’s deemed trust claim, and the Receiver and its counsels’ fees up to June 9, 2020, there is \$267,931 in the Receiver’s possession. Attached is a Statement of Receipts and Disbursements for your information. These funds are available for distribution to proven creditors subject to any Receiver’s fees and costs, including legal fees and costs, incurred subsequent to June 9, 2020 in administering the claims process and obtaining the Receiver’s discharge.

One of the problems in dealing with this matter has been the lack of adequate accounting books and records. As noted above, there were practically none on hand when the Receiver was first appointed by BDC. The directors of the Company provided lists of creditors; however, many lacked either complete names or addresses. We have attached a list of creditors assembled by the Receiver based on the lists provided by the directors. If you know of a person who is rightfully a creditor of New Western, but did not receive a claims package please advise that creditor to contact the Receiver.

Following the settlement of the lien claim in December 2019, the Receiver decided that a claims process should be completed in order to establish creditor claims. While this was underway, the pandemic occurred and accordingly, everything was put on hold. However, on July 17, 2020, the Receiver obtained the attached Claims Process Order ("**Order**"). This Instruction Letter represents the "Claims Package" consisting of a copy of the Order (without schedules) a list of creditors and a form of Proof Of Claim which is similar to a proof of claim under the *Bankruptcy & Insolvency Act*.

Your name appeared on the list of creditors is provided by the Company's directors. If you do have a claim against the Company which qualifies in accordance with the Order attached, you should prepare a Proof Of Claim attached hereto, accompanied by supporting documentation and provide it to the Receiver by ordinary or electronic mail, courier, facsimile or personal delivery on or before the claims bar date. The claims bar date is sixty days after the date of this letter, defined in the Notice to Creditors attached hereto, October 14, 2020. Please note any creditor who does not file a Proof Of Claim on or before the claims bar date shall be forever barred from advancing any claim against the Company and shall not be entitled to participate in any distribution to creditors.

If you have any questions, you may reach the undersigned at (604) 697-4511 or [michelle.wang@crowemackay.ca](mailto:michelle.wang@crowemackay.ca).

Yours very truly,

**CROWE MACKAY & COMPANY LTD.**

Receiver of New Western Plumbing & Lighting Supplies Ltd.

per:



Michelle Wang, CA, CPA

Encl.