

**In the Matter of the Receivership of
CAVA SECRETA WINES AND SPIRITS LIMITED
of the City of Saskatoon
In the Province of Saskatchewan**

**Notice and Statement of the Receiver
(Subsection 246(2) of the Act)**

Take notice that:

On the 8th day of May, 2012, PricewaterhouseCoopers Inc. ("PwC") was appointed Interim Receiver pursuant to an Order of the Court of Queen's Bench of Saskatchewan, Judicial District of Saskatoon in respect of the inventory and all the present and future undertakings, property and assets of Cava Secreta Wines and Spirits Limited (the "Company") with the authority to take possession, preserve, protect and maintain control and value the property.

On the 14th day of June, 2012, the above Order was continued and amended and wherein PricewaterhouseCoopers Inc. was appointed Receiver, without security, of all of the assets, undertakings and properties of the Company acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof.

On the respective dates noted above PwC was also appointed Interim Receiver and Receiver of 101142701 Saskatchewan Ltd. ("Related Company"). The 246 (2) Report for the Related Company should be read in conjunction with this report.

The assets of the company, according to the company's books and records as at May 8, 2012*, were as follows:

	<u>Book Value</u>
• Accounts receivable	\$4,867
• Whole goods and soft goods inventory	\$55,971
• Cash in Bank	-\$178,671
• Note Receivable	\$15,000
• Furniture/Equipment	\$103,397
• Computer Hardware/Software	\$10,318
• Leaseholds	\$24,775
• Investment in 101142701 Saskatchewan Ltd.	\$1,012,500

*These figures have not been audited or otherwise verified due to the condition of the Company's books and records.

2. PwC, in its capacity as Interim Receiver, took possession and control of the property described above on the 8th day of May, 2012. Possession and control has continued as Receiver.

Secured Creditors

• Toronto Dominion Bank	\$945,817
• 625708 Saskatchewan Ltd. (o/a Stockmens Assistance Corp)	\$unknown
• Robert Blacklock	\$unknown
• Marjorie Blacklock	\$unknown
• 1186792 Alberta Inc.	\$unknown
• Robert James Johnson	\$unknown
• Nadine Johnson	\$unknown
• Sharon Scott	\$unknown

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|---------------------|-----------|
| • Bradley Birnie | \$unknown |
| • Wayne Brownlee | \$unknown |
| • Karen Sytnick | \$unknown |
| • RCAP Leasing Inc. | \$unknown |

Unsecured Creditors

A list of creditors was obtained from the books and records of the Company, a copy of which was included as Schedule "A" in the 245/246 Report filed May 18, 2012.

Plan of Action

- We took possession of both locations on May 8, 2012
- All occupation rent and relevant utilities for the period we occupied as Interim Receiver and Receiver (May 8 to July 20, 2012) were paid.
- An independent inventory company performed an inventory and asset count at all locations.
- We reviewed the company books and records and provided information to the Court to determine a plan of action in regards to disposition of the assets on May 16, 2012.
- Two independent appraisals were obtained to value the fixed assets and non wine inventory of the Company.
- All outstanding GST returns have now been filed.
- T4s and Records of Employment were sent to all known former employees.
- Letters explaining the *Wage Earner Protection Program Act* ("WEPPA") procedures were sent to all known former employees June 18, 2012 and the Receiver completed the required input to the WEPPA system on June 25, 2012.
- The Receiver made an application for the sale of Wholesale Inventory and the Fixed Assets owned by the Companies to Saskatoon Brewery Ltd. ("SBL") which was approved by the Court of Queen's Bench of Saskatchewan on July 13, 2012. The transaction closed on July 20, 2012.
- The Receiver received 62 Proofs of Claim under the Claims Process. Parties whose claims were approved took possession of their personal property on June 19 and 20, 2012 and all such property has now been removed.
- The appeals of rejected Claimants John Thronberg, Christie Kurtz, and Cameron Rizos are outstanding. The Receiver will ask the Court to set a date to hear these appeals and not seek an order distributing the proceeds of the sale of the Wine Contracts from the Related Company until those appeals have been determined or, if a distribution is sought, will hold back sufficient funds to protect these claimants.
- All available assets of Cava Secreta Wines and Spirits Limited have been sold.
- A Statement of Receipts and Disbursements covering the period from May 8, 2012 to October 10, 2013, is attached as Schedule "A". This statement reflects receipts of \$10,900.97 and disbursements of \$9,970.81 and the balance available to the Receiver is \$930.16.
- A website has been set up which will be updated regularly for the benefit of all interested parties. This website is www.pwc.com/car-cavasecretawines.

- The Receiver-Manager has engaged independent counsel, Mr. Gary Meschishnick of WMCZ Lawyers.

Other Pertinent Matters (Specify)

Contact person for Receiver:	Name:	Susan Shabluk
	Telephone:	403-509-7316
	Facsimile:	403-781-1825

Dated at Calgary, Alberta this 10th day of October 2013.

PricewaterhouseCoopers Inc.
Receiver of
Cava Secreta Wines and Spirits Limited

Per: _____


Clinton L.T. Roberts
Senior Vice President

SCHEDULE A

Cava Secreta Wine and Spirits Limited - In Receivership
Statement of Receipts and Disbursements
for the period May 8, 2012 to October 10, 2013
(unaudited - See Notice to Reader)

Receipts	\$
Accounts Receivable Collections	1,873.47
Advance from 101142701 Saskatchewan	9,000.00
Miscellaneous Refund	27.50
Total Receipts	<u>10,900.97</u>
Disbursements	
Advertising	182.08
Appraisal Fees	877.50
Computer Consultant	608.03
Filing Fees	70.00
GST Paid/Remitted	316.31
Insurance (net of refunds)	314.57
Inventory Costs	1,266.00
Leased Equipment	252.29
PST	30.19
Rent	5,386.00
Security and Locksmith	374.12
Utilities/Telephone (net of refunds)	293.72
Total Disbursements	<u>9,970.81</u>
Balance of Funds in Bank	<u><u>930.16</u></u>

Notice to Reader

We have compiled the accompanying Statement of Receipts and Disbursements for the period May 8, 2012 to October 10, 2013 from the receivership records which we have maintained in our capacity as Receiver of Cava Secreta Wines and Spirits Limited.

We have not engaged external accountants to audit, review or otherwise attempt to verify the accuracy or completeness of the Statement of Receipts and Disbursements.

Readers are cautioned that this statement may not be appropriate for their purposes.

PricewaterhouseCoopers Inc.
Receiver of
Cava Secreta Wines and Spirits Limited