

AVAD CANADA LTD.
32-159236
FINAL REPORT OF RECEIVER AS AT MARCH 8, 2022
Subsection 246(3) of the *Bankruptcy and Insolvency Act*

BACKGROUND

On March 17, 2021, MNP Ltd. was appointed as the Receiver (“Receiver”) of all of the assets, undertakings and properties of AVAD Canada Ltd. (“AVAD Canada” or the “Company”) pursuant to an Order pronounced by the Ontario Superior Court of Justice (the “Court”).

Copies of the relevant documents relating to these proceedings are available on the Receiver’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/avad-canada-ltd-rcvr>.

The Company was the Canadian operating affiliate of the North American business of AVAD, a wholesale distributor of a variety of electronic equipment and accessories. On or about March 17, 2021, substantially all of the business and assets of the United States affiliates were sold (the “US Sale Transaction”). The US Sale Transaction did not include AVAD Canada and resulted in the formation of a new US entity. Upon completion of the US Sale Transaction, the Company’s operations were determined to no longer be viable, and the receivership proceedings were initiated.

A sale process was completed by the Receiver with respect to AVAD Canada’s inventory of electronic equipment and accessories and fixed assets (the “Assets”). On May 27, 2021, the Court approved the sale of the Assets via auction pursuant to an auction agreement with Infinity Asset Solutions Inc. The sale of the Assets was subsequently completed in July 2021.

Pursuant to paragraph 3(r) of the Receivership Order, the Receiver filed an assignment in bankruptcy on behalf of AVAD Canada on May 18, 2021.

Pursuant to an Order granted on May 27, 2021, upon completion of the receivership, any remaining accounts receivable and the net proceeds in the receivership were to be transferred to the bankruptcy proceedings. Collection of the accounts receivable has now been completed and the net proceeds in the receivership have been transferred to the bankrupt estate.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

The Receiver’s Final Statement of Receipts and Disbursements is attached hereto.

NEXT STEPS

On March 9, 2022, the Receiver filed the Discharge Certificate in accordance with the terms of the Order (Approval of Reports and Fees, Distribution and Discharge) confirming that the administration of the Receivership proceedings is complete.

Dated at Calgary, Alberta as at the 9th day of March 2021.

**MNP Ltd., in its capacity as Receiver and Manager of
AVAD Canada Ltd. and not in its personal capacity**



Vanessa Allen, B. Comm, CIRP, LIT
Senior - Vice President

**In the Matter of the Receivership of
AVAD Canada Ltd.
Final Statement of Receipts and Disbursements**

		Notes
Receipts:		
Cash held in financial institutions	\$ 247,814	1
Accounts receivable	221,917	2
Sale of assets	560,114	3
Miscellaneous refunds	18,850	
Total receipts:	1,048,694	
Disbursements:		
Transfer to bankruptcy	604,332	4
Receiver's fees	193,967	5
Rent	104,823	6
Return of trust funds	65,595	7
HST paid	31,258	
Legal fees	18,690	5
Miscellaneous disbursements	12,886	
Consulting services	8,227	
Insurance	5,503	
Utilities	3,414	
Total disbursements:	1,048,694	
Excess of receipts over disbursements:	\$ -	

Prepared as at March 9, 2022

General Notes:

1. On March 17, 2021, MNP Ltd. was appointed as the Receiver (the "Receiver") of all of the assets, undertakings and properties of AVAD Canada Ltd. pursuant to an Order (the "Receivership Order") pronounced by the Ontario Superior Court of Justice (the "Court").

Specific Notes:

1. Represents funds held with Scotiabank and JP Morgan Chase net of an amount distributed to MidCap Funding IV Trust pursuant to their secured claim (the "MidCap Distribution"). The MidCap Distribution was authorized by the Receivership Order.
2. Represents the collection of pre-filing accounts receivable including applicable taxes, as reported during the pre-filing period.
3. Represents the amount paid pursuant to an Auction Agreement with Infinity Asset Solutions Inc. ("Infinity"), which was approved by the Court on May 27, 2021. all corresponding taxes were remitted by Infinity, as set out in the Auction Agreement.
4. Pursuant to an Order granted on May 27, 2021, the net proceeds in the receivership were transferred to the bankruptcy proceedings.
5. Represents professional fees payable to the Receiver and the Receiver's legal counsel to administer the Receivership proceedings.
6. Represents rent paid for two warehouses leased by AVAD Canada, one in Mississauga, Ontario and one in Calgary, Alberta.
7. Represents the return of funds paid in error by Cambridge Global Payment, as approved pursuant to the Order granted on May 27, 2021.