



**Supplement to First Report to Court of
KSV Restructuring Inc. as Proposal
Trustee of The Sanderson-Harold Company
Limited c.o.b. as Paris Kitchens**

June 5, 2022

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Court File No.: 31-2835198

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

COMMERCIAL LIST

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

SUPPLEMENT TO THE FIRST REPORT OF
KSV RESTRUCTURING INC. AS PROPOSAL TRUSTEE OF
THE SANDERSON-HAROLD COMPANY LIMITED

June 5, 2022

1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the First Report of the Proposal Trustee dated June 3, 2022 (the “**First Report**”).
2. Capitalized terms used but not defined in this Supplemental Report have the meaning provided to them in the First Report.
3. The purpose of this Supplemental Report is to recommend that the Court issue an order expanding the scope of the stay of proceedings in these proceedings as it relates to the terms of supply, service and termination of goods and services to the Company during these proceedings on a basis consistent with the provisions of the model Initial Order in a proceeding under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”).

1.1 Restrictions

1. This Supplemental Report is subject to the restrictions in the First Report.

1.2 Proposal Materials

1. Materials filed in these proposal proceedings are available on the Proposal Trustee’s website at: <https://www.ksvadvisory.com/experience/case/paris>.

2.0 Stay of Proceedings

1. As more fully detailed in the First Report, it is the Company's intention to continue to operate during these proceedings while it carries out a sale process¹ for its business and assets and/or attempts to restructure its business with the view to filing a proposal.
2. In order to provide the Company with the greatest opportunity to successfully restructure, the Company needs to operate without disruption during these proceedings. The orderly operation of the business would be facilitated by incorporating into the requested order the broad stay provisions from the model Initial Order issued in a CCAA proceeding as they relate to requiring suppliers and service providers to continue to provide goods and services without disruption, provided they are not required to do so on credit. The stay of proceedings under the Initial Order is significantly broader than the statutory stay of proceedings in the proposal/NOI processes under the BIA.
3. The Company has operated without disruption since the commencement of these NOI proceedings. However, a small number of important vendors, including certain which are single source or for which there are very limited options, have suggested that they may not continue to supply the Company on any basis. Should this transpire, it would significantly impact the Company's ability to continue to supply or require the Company to source services and supplies at higher cost. Sourcing alternative goods and services would also result in delays to the Company's production schedule and deliveries to its customers. Accordingly, the Proposal Trustee believes that expanding the scope of the stay of proceedings is appropriate as the continued operation of the Company will assist it to achieve its objectives in these proceedings.

3.0 Conclusions and Recommendation

1. Based on the foregoing, the Proposal Trustee recommends the Court make an order expanding the scope of the stay of proceedings in these proceedings.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE *IN RE* THE PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
AND NOT IN ITS PERSONAL CAPACITY**

¹ The sale process will also target investors.