



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

August 9, 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 SECOND REPORT OF KSV RESTRUCTURING INC. AS PROPOSAL
TRUSTEE OF
THE SANDERSON-HAROLD COMPANY LIMITED**

August 9, 2022

1.0 Introduction

1. This report (the “Supplemental Report”) supplements the Second Report to Court of the Proposal Trustee dated August 5, 2022 (the “Second Report”).
2. Capitalized terms used but not defined in this Supplemental Report have the meaning provided to them in the Second Report.
3. The purpose of this Supplemental Report is to provide an update concerning the Sale Process, as discussed in the First Report and the Second Report.

1.1 Restrictions

1. This Supplemental Report is subject to the restrictions in the Second 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 Update on Sale Process

1. The Second Report details that the Proposal Trustee, on the Company’s behalf, requested interested parties submit offers for the Company’s business and assets by not later than July 20, 2022, being the Bid Deadline. Although no formal bids were received by that date, several parties continued to express an interest in the opportunity and, as of the Bid Deadline, new parties had expressed an interest in the opportunity.

2. Additionally, as there was no certainty that a going-concern transaction could be completed for the business, the Company retained Colliers to market the Paris Properties for sale.
3. As a result of the Proposal Trustee's efforts to sell the Company's business and assets, and Collier's efforts to sell the Paris Properties, there is now significant interest in the Paris Properties and/or some portion of the Company's business.
4. Based on the present level of interest, the Proposal Trustee recommends that bidders be required to submit binding offers by no later than Wednesday August 17, 2022 at 4 pm (Toronto time). As is customary in an insolvency transaction, the accepted offer, if any, will be subject to Court approval and the Company is not obligated to accept any offer, including the best and highest offer.
5. Of the bids that have been received to-date, the Proposal Trustee, on behalf of the Company, intends to ask the parties who submitted the best offers to submit their highest and best offer by the new bid deadline. Other parties wishing to submit an offer will also be entitled to do so.
6. The Proposal Trustee believes that setting a further bid deadline will: (i) create a level playing field for all interested parties who wish to submit an offer; (ii) provide the opportunity to identify a transaction that preserves a level of employment for Company employees; and (iii) maximize recoveries for the Company's stakeholders.
7. The Proposal Trustee intends to engage with prospective purchasers, including responding to diligence requests, until the new bid deadline so that offers can be submitted on an unconditional basis or with limited conditions that can be addressed in short order. The Company's and the Proposal Trustee's strong preference is to receive unconditional offers.

3.0 Conclusions and Recommendation

1. Based on the foregoing, the Company, with the support of the Proposal Trustee, recommends that the new bid deadline be August 17, 2022 at 4 pm (Toronto time), subject to the terms set out above.

* * *

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**