



15 October 2009

Wage Earner Protection Program
P.O. Box 5900
Cornwall, Ontario
K6H 6S2

Dear Sirs:

Re: Sertapak Inc. - #35123738 - WEPP Eligibility Question

BDO Dunwoody Limited is the court appointed Receiver of Sertapak Inc. We have a question about eligibility for WEPP coverage for certain former employees of the Company. We request a written response to this fact situation so that we can communicate appropriately with the former employees.

Question:

Do the former employees of Sertapak Inc. who were hired by Sertapak Packaging Corporation have claims that would be accepted by the WEPP program for payment?

Situation:

BDO Dunwoody Limited was appointed Receiver of Sertapak Inc. on 22 August 2009 by order of the court. The file number is 35-123738.

Prior to our appointment as Receiver, on 29 May 2009, as part of a CCAA process, the business and most of the assets were sold, pursuant to a court order, to a third party purchaser, Sertapak Packaging Corporation. Sertapak Packaging Corporation has, to best of our knowledge, continued the business of Sertapak Inc. from the same premises.

On 29 May 2009, prior to the closing of the transaction, Sertapak Inc. terminated all of its employees. Simultaneously, on 29 May 2009, Sertapak Packaging Corporation hired some two thirds of the employees in substantially the same positions that each had previously held though the wages and benefits packages were changed.

To the best of the Receiver's knowledge, all outstanding wages and vacation pay were paid prior to the Receivership.

To the best of our knowledge, only termination and severance is outstanding.



We believe that those Sertapak Inc. employees who were not hired by Sertapak Packaging Corporation can submit claims in the WEPP program for their unpaid termination and severance. We have submitted their names and information to Service Canada and have written to these employees inviting them to submit a Proof of Claim form.

It is our understanding that Sertapak Packaging Corporation is a successor employer under the *Employment Standards Act of Ontario*.

Both Sertapak Inc. and Sertapak Packaging Corporation have their operations in Ontario and all employees are based in Ontario. To the best of our knowledge, the two companies are incorporated under the *Ontario Business Corporations Act*.

As we do not anticipate any funds available for distribution to the unsecured creditors, the Receiver is not issuing a call for claims, is not reviewing and accepting claims and is not valuing the claims.

If you require any further information or clarification of any points, please do not hesitate to contact me at 416-369-3062 or by e-mail at cporter@bdo.ca. We look forward to your response.

Yours very truly,
BDO DUNWOODY LIMITED
in it's capacity as Receiver of Sertapak Inc.,
and not in a personal capacity
Per:

A handwritten signature in blue ink, appearing to read 'C. S. Porter'.

Christopher Porter, MBA, CA•CIRP
Vice-President

/bc