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Frequently Asked Questions (FAQ)
Carriage Hills Vacation Owners Association & Carriage Ridge Owners Association
February 17, 2023

BDO Canada Limited (“**BDO**”) was appointed as Receiver over the Carriage Hills Vacation Owners Association (the “**Carriage Hills Resort**”) and the Carriage Ridge Owners Association (the “**Carriage Ridge Resort**”) and together with Carriage Hills Resort, the “**Resorts**”) pursuant to orders made by the Ontario Superior Court of Justice (the “**Court**”) on December 11, 2020, with an effective date of January 6, 2021. The Receiver was appointed over all of the assets, undertakings and properties of the Resorts, together with the lands and premises on which the Resorts operate.

Before the Receiver is permitted to distribute funds to Owners, the Receiver was required to conduct a claims process (the “**Ownership Claims Process**”), which was approved by the Court pursuant to the Orders dated December 17, 2021 (the “**Claims Process Orders**”).

On August 23, 2022, the Court issued orders (the “**Interim Distribution Orders**”) approving an interim distribution (the “**Interim Distribution**”) to Owners as set out in the Receiver’s seventh report to the Court dated August 10, 2022 (the “**Seventh Report**”).

In accordance with the Claims Process Orders and the Interim Distribution Orders, the Receiver engaged Kroll Restructuring Administration LLC (“**Kroll**”) (formerly Prime Clerk LLC), to assist with the administration of the Ownership Claims Process and the Interim Distribution.

To provide Owners with an update regarding the status of the Ownership Claims Process and the Interim Distribution, below is a list of Frequently Asked Questions (“**FAQ**”) prepared by the Receiver. The FAQ are designed to be responsive to questions and concerns recently raised by Owners.

1. The prior FAQ dated September 14, 2022 indicated payment would be made on or about October 12, 2022 but I have not received a payment. Why?

Only admitted claims where the Receiver’s review was complete were paid on or about October 12, 2022. Claims not yet admitted or subject to further review will be paid where appropriate after the claims review is complete. Until such time, a reserve will be held for these claims.

Since the initial Interim Distribution, the Receiver has continued to review claims resulting in a release of certain reserved Interim Distribution amounts in December 2022 and February 2023.

2. Why is the review of my claim not complete?

Claims may be subject to further review for a number of reasons, including because Owners have requested an amendment to their proposed claim, there are inconsistencies with the information in the claim, or their claim conflicts with the claims made by other Owners. In some cases, the Receiver may not be able to reconcile a claim which will have resulted in the Receiver issuing a Notice of Revision or Disallowance of Claim (“**NORD**”). Any claims subject to a NORD will not be accepted until the dispute period for the NORD has elapsed. NORDs are discussed in **FAQ#12**.

3. I have not received an Interim Distribution payment but a co-owner of the same interval (e.g. spouse, family member, friend, etc.) has received a payment. Why?

Claims for the same Equiant Account Number or intervals were not reviewed at the same time and are subject to separate review. Even if information provided with the claims submissions was similar, there may still be a need to gather additional information or documents related to one or more of the claims.



The Interim Distribution Statements issued by the Receiver (discussed in **FAQ#7**) can be used to track which Interim Distribution payments have been made to Owners.

In some cases, the Receiver will be unable to release Interim Distributions to Owners with the same Equiant Account Number if one of the Owners has a disputed claim. This is because the disputed claim may affect the Interim Distribution to the related Owners.

4. How will I know when my claim review is complete and when I will be receiving an Interim Distribution payment?

Owners will receive an email from Kroll containing a web link which allows Owners to select a preferred payment option when the review of their claim is complete. Owners whose claim(s) are subject to further review will not receive an email to select their preferred payment option until the review of their claim is completed.

Interim Distribution payments will be made in batches to avoid additional costs. The Receiver anticipates payment batches will be processed approximately every 2 to 3 months.

5. I didn't receive the preferred payment web link. When will I receive that link?

If you have not yet received a preferred payment web link, it is likely that your claim remains subject to ongoing review. Please check your spam or junk filters to ensure that the email with the link has not been redirected from your inbox.

In the event your payment is scheduled but you do not respond to the preferred payment web link in the required timeframe, your payment method will default to payment by cheque.

6. I have heard that some individuals are receiving a second payment but I have not received my first payment. Why is that?

The Court has only approved a single Interim Distribution as detailed in the Seventh Report. Some Owners may receive multiple payments if they have multiple ownership interests in the Resorts (i.e. multiple intervals). However, each ownership interest is only entitled to the amount of the court-approved Interim Distribution at this time. No Owners have received second payments in respect of the same interval.

7. Will I receive a statement detailing the Interim Distribution and deductions related to my account?

Yes. Owners will be sent a statement detailing the composition of their Interim Distribution payment ("**Statement**") on or around the date the payment is to be made. The Statement will not include the cost associated with the selected preferred payment option.

8. I do not agree with my Interim Distribution payment amount as it is less than the amount I paid for my unit. How do I dispute the payment amount?

The Interim Distribution is based on the monies received (and other realizations) from the sale of the Resort assets divided proportionally based on all Owners' shares in each of the Resorts. The Interim Distribution is in no way tied to the amount paid by any Owner for their interval. The Interim Distribution amounts were approved by the Court. There is no process to contest, dispute or appeal the amounts of the Interim Distribution.



9. I selected an electronic preferred payment method (e.g. Interac, direct deposit, etc.), but I have not received my payment. Why?

All electronic payments have been processed for Owners that selected an electronic payment option. The Receiver has utilized the services of Kroll and their banking partner, Western Alliance Bank and its division Digital Disbursements (the “**Banking Partner**”), to process the Interim Distribution payments.

If you have not received your electronic payment as expected, please contact Digital Disbursements by email at help@digitaldisbursements.com for assistance. Please reference your Payee ID when contacting the Banking Partner to assist with locating your payment.

10. I did not file a claim in the Ownership Claims Process. How do I submit a claim?

All Owners were directed to submit their claims by 5:00 p.m. (Toronto time) on April 11, 2022 (the “**Claims Bar Date**”), which date was subsequently extended by the Court to August 23, 2022 pursuant to the Interim Distribution Orders. The Claims Bar Date has passed. Any Owner (or other claimant) who did not submit their claim by the Claims Bar Date:

- is forever prohibited from making a claim against the Resorts or their proceeds of sale;
- is not entitled to receive a distribution; and
- is not entitled to any further notice in and will not be entitled to participate as a creditor in these Proceedings.

The Receiver has no authority to admit claims after the Claims Bar Date nor extend the Claims Bar Date further to permit acceptance of any unfiled claims. Therefore, unless the Court’s approval is obtained, no additional claims will be entitled to participate in distributions from the Resort including the Interim Distribution.

The admittance of any further claims after the Claims Bar Date requires Court approval. Owners may submit a claim (in the proper form) to the Receiver including an explanation for submitting the claim after the Claims Bar Date. At a future Court hearing concerning distributions from the Resort, the Receiver will seek the Court’s direction regarding how post-Claims Bar Date submissions are to be treated and whether they should be admitted.

11. I realize I did not claim my full ownership interest on my claim. Can I increase my ownership interest on my claim?

No. The Interim Distribution approved by the Court was based on all submissions as at the Claims Bar Date. A modification to a claim to increase an ownership interest will now be treated as a new claim and is subject to the same restrictions detailed in **FAQ #10**.

The Receiver will seek the Court’s direction regarding as to how post-Claims Bar Date submissions will be treated and whether they should be admitted.

12. How will I know if my claim has been disallowed?

The Receiver has issued NORDs for claims which have been assessed as disallowed. The NORDs include explanations as to why a claim has been assessed as revised or disallowed.

13. I have received my Interim Distribution payment. When will the next payment be issued and how much will it be?

The amount and timing of a future payment is not known at this time. The Receiver will require Court approval for future disbursements and will advise all Owners at such time.



14. Why is the Receiver not providing more frequent communications on the Resorts?

The Receiver has reduced its communication frequency with Owners following feedback received throughout the receivership proceedings. Many Owners have communicated they feel overwhelmed and confused by frequent communications, especially where the communications are for general information purposes rather than requiring an action or response. The frequency of Owner communications also increases the costs of the proceeding.

The Receiver has opted to send communications only when a response is required by the recipient or when the clarification of certain technical materials may be of assistance to Owners (such as related to a Court hearing or a material change to process). The Receiver wishes to minimize the risk of Owners missing critical communications or actionable items that could impact their participation in the receivership proceedings.

Owners with personal inquiries may continue to contact the Receiver or relevant party, as detailed later in this FAQ.

15. How do I update my contact information (mailing address or email address)?

All requests to update contact information should be directed to the Kroll call center. The Kroll call centre contact information is included in **FAQ #17**. Please be prepared to provide details of your claim for security verification purposes.

Be aware that there is a transition period for updating your email address in all databases. Owners may continue to receive emails from the Receiver at their old email address until the transition is complete.

16. I need information to file my income tax filings. Who can I contact?

The Receiver will provide a Statement which details the composition of an Owner's Interim Distribution payment. No other information will be provided by the Receiver for tax filing or reporting purposes. Owners should reference their own records to locate information for tax filings.

If you have questions regarding the tax implications of your Interim Distribution, please contact your tax professional. Neither Kroll nor the Receiver can provide Owners with tax advice.

17. There are a number of parties involved. Who do I contact about certain questions?

a) BDO Canada Limited (the "Receiver")

The Receiver is responsible for the overall administration of the receivership estate. This includes calculating the amount of the Interim Distribution, the amounts owing to each Owner, determining which claims are subject to ongoing review (i.e. reserves) and reviewing claim submissions.

The Receiver is a professional accounting firm and does not maintain a call centre. Dedicated email addresses have been created to receive questions from stakeholders. The email addresses are:

For Carriage Hill Resort inquiries: BDOCarriageHills@bdo.ca
For Carriage Ridge Resort inquiries: BDOCarriageRidge@bdo.ca



b) Kroll Restructuring Administration LLC (the “Claims Agent”)

Kroll has been retained by the Receiver to create the online claims portal, respond to inquiries and otherwise assist in the Ownership Claims Process. At the direction of the Receiver, Kroll maintains a call centre to answer inquiries. The Kroll call centre is intended to assist claimants with payment method selection (before the selection deadline) and updating contact information. Kroll can be contacted at the following coordinates.

Toll free in Canada or the United States: (844) 205-4338
Outside Canada or the United States: (312) 345-0605
Email: carriageinfo@ra.kroll.com

When contacting Kroll, please be sure to have your name, Equiant ID, mailing address and/or email address available for security validation purposes.

Note that Kroll will not be able to answer questions about the Interim Distribution calculation methodology nor the timing or amount of any future distributions.

c) Western Alliance Bank (the “Banking Partner”)

The services of Western Alliance Bank and its division Digital Disbursements have been used for payment of the Interim Distribution. Preferred payment selections and any submitted banking information are gathered by the Banking Partner for processing payments. Any requests to change preferred payment methods should be directed to the Banking Partner.

Individuals with questions regarding the payment method of their Interim Distribution may contact Digital Disbursements by email at help@digitaldisbursements.com. Please reference your Payee ID when contacting the Banking Partner to assist with locating your payment.

18. When is the next court hearing?

The next Court hearing has been scheduled for March 31, 2023 at 10:00 am (Toronto time). The YouTube link for viewing the court hearing can be found on the Receiver’s case website <https://www.bdo.ca/en-ca/extranets/carriage/>.

19. Where may I obtain information with regards to the Receivership?

All information related to the Receivership can be found at the following link to the Receiver’s case website <https://www.bdo.ca/en-ca/extranets/carriage/>. In addition, dedicated email addresses have been created to receive questions from stakeholders. The email addresses are:

For Carriage Hill Resort inquiries: BDOCarriageHills@bdo.ca
For Carriage Ridge Resort inquiries: BDOCarriageRidge@bdo.ca