

IN THE MATTER OF THE RECEIVERSHIP OF

**3550184 Canada Ltd o/a Home Fashion Market and Stan West Interiors**  
of the City of Cambridge, in the Province of Ontario

**INTERIM STATEMENT OF RECEIVER**

Section 246(2) of the BIA

For the period ended August 31, 2007

On the 12<sup>th</sup> day of June 2007, BDO Dunwoody Limited ("BDO") was appointed Receiver in respect of the property of 3550184 Canada Ltd. o/a Home Fashion Market and Stan West Interiors ("Home Fashion") by West Furniture Co. Inc.

1. The company ceased operations on April 27, 2007. BDO Dunwoody Limited took possession of the assets on April 27, 2007 as Trustee in Bankruptcy.

2. Declared assets at April 27, 2007 included:

Inventory	\$ 1,820,000
Vehicles	\$ 422,000
Office equipment	\$ 50,000

3. An Interim Statement of Receipts and Disbursements is attached.

4. All inventory has been realized. Vehicles and other assets confirmed to be encumbered have been released to the secured creditors.

5. Assets to be realized or concluded – office and warehouse equipment – intellectual assets – fixtures in two retail locations.

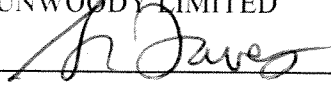
6. The secured creditor claim amounts are to be concluded prior to any distribution to creditors.

7. HSBC has filed a property claim to inventory and/or proceeds. Customers were provided with financing loans upon placing an order for furniture. HSBC funded Home Fashion Market. It appears that funds were advanced prior to the delivery of furniture. The Trustee in Bankruptcy disallowed the Section 81 property claim. The appeal of the disallowance is to be heard on September 25, 2007. The secured creditors and/or legal counsel will address the issue. Trustee's counsel has confirmed that there is no status of the bankrupt estate since there are no proceeds for the general body of creditors.

8. There is no other significant information regarding the property, assets or the Receivership not disclosed within. The estimated date of completion and distribution is uncertain considering the HSBC matter.

Dated at Kitchener, this 5th day of September 2007.

BDO DUNWOODY LIMITED

  
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Susan E. Taves, CA-CIRP  
Senior Vice President

SET/mh

Estate No. 35-123180

IN THE MATTER OF THE RECEIVERSHIP OF

3550184 CANADA LTD. O/A HOME FASHION MARKET PLACE and STAN WEST INTERIORS  
OF THE CITY OF CAMBRIDGE, IN THE PROVINCE OF ONTARIO.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

Interim - August 31, 2007

Receipts

Sale of inventory	\$821,028.52
Cash on hand	38,388.86
Sale of furniture	8,200.39
Utility Reimbursement	2,095.84
Accounts receivable	500.82
Interest	238.29
Rental income	<u>-1,348.96</u>

Total Receipts \$869,103.76

Disbursements

Fees Paid to Official Receiver	150.00
Creditor Meeting Costs	
Notice to creditors	2,067.80
Creditors Meeting	1,156.57
Postage	928.40
Local paper	867.22
Stocktaking and possession	
Occupation rent	202,222.57
Insurance	4,404.90
Change locks	959.68
Security	590.75
Miscellaneous	
G.S.T. paid	14,019.27
Utilities Expense	7,466.36
Bank charges	15.00
Receiver's Costs	
Payment of Services/Labour	1,150.00
Receiver's fees	126,117.63
GST on Receiver's fees	7,567.06
Legal	<u>21,089.50</u>
Total Disbursements	<u>390,772.71</u>

Amount Available for Distribution \$478,331.05

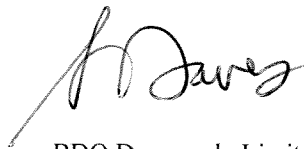
Notes

1. Date of Receivership June 12, 2007. Date of Bankruptcy April 27, 2007.
2. Occupation costs - Represents occupation rent for the Receivership period from April 27, 2007. One month rent for the warehouse is outstanding for approximately \$7,500.
3. Sale of Inventory - The above amount represents the value for all inventory in the retail and warehouse locations sold to a third party. There were two sale transaction dates being June 27 and July 20, 2007.
4. Sale of Furniture - Represents balance due from customers for property claims filed, item identified and released from the warehouse and retail locations. The unclaimed/remaining items were included in the sale per note 3 above.
5. Remaining assets - There is equipment and furnishings to be realized for the estate. Some intellectual property may also be realizable.
6. Creditor distribution - No amount is anticipated to be available for preferred or unsecured creditors. The secured creditor claims are being quantified - The proof of claim filed amounts are as follows:

CRA - s/d property claim	239,440 - as at July 18
Broyhill	196,669 - as at May 24
PST	113,360 - as at July 17
Danbury	5,595 - as at May 28
West Furniture Co Inc.	100,000 - as at May 9
West Furniture Co Inc.	329,805 - as at May 9

The Broyhill claim will be payable only to the extent of asset realization value by the Receiver. This is estimated to be less than \$30,000 and is being concluded.

The West Furniture claim of \$329,805 is being reviewed for validity of the secured position. The first \$100,000 has been accepted as a valid charge.



BDO Dunwoody Limited

August 31, 2007