

District of Ontario
Division No. 9
Court No. 31-458010
Estate No. 31-458010

**IN THE MATTER OF THE RECEIVERSHIP OF
CRS ELECTRONICS INC.
OF THE CITY OF WELLAND, IN THE PROVINCE OF ONTARIO**

INTERIM REPORT OF THE RECEIVER
(Pursuant to Subsection 246(2) of the Bankruptcy and Insolvency Act)

On the 13th day of October, 2015, Link & Associates Inc. became the Receiver in respect of the property, assets and undertaking of CRS ELECTRONICS INC. ("CRS"), a publicly traded company listed on the TSX-V.

CRA was a designer and manufacturer of LED lighting products. The Receiver was appointed pursuant to security held by Canadian Western Trust, In Trust for Davinci Private Debt Fund (the "Secured Creditor").

Possession

The Receiver took possession of the assets and CRS business premises in Welland, Ontario on October 16, 2015. The Receiver secured the premises and arranged for continuing occupation of same, and for insurance and utilities. A secondary office premises in Richmond Hill, Ontario, was also retained for a short period of time. Both premises were vacated by December 31, 2015.

Employees

CRS ceased operations on or about October 4, 2015 and laid off or terminated all of its employees at that time. The Receiver attended to its obligations pursuant to the Wage Earner Protection Program ("WEPP") and attended to preparation and delivery of ROE's and T4's for all former employees.

Canada Revenue Agency ("CRA")

The Receiver attended to filing of all required statutory returns, and a payroll trust examination was conducted by CRA. There are no known liabilities to CRA.

Asset Realization

The assets of CRS consisted of cash in bank, accounts receivable (trade and intercompany), inventory, machinery and equipment, and patents and trademarks. The Receiver realized upon the cash in bank and has collected the accounts receivable which were deemed collectible.

The Receiver prepared and distributed an Asset Information Memorandum ("AIM") dated November 3, 2015, which contained detailed asset information for machinery, equipment, inventory and certain intellectual property, and the procedures and terms and conditions for submitting offers. An update to the AIM was prepared and distributed on November 6, 2015.

Pursuant to the offering process contained within the AIM, all machinery, equipment and inventory was sold.

Statement of Receipts & Disbursements

All receipts and disbursements from date of appointment up to and including March 31, 2016 have been accounted for in the attached Interim Statement of Receipts and Disbursements of the Receiver.

Completion of Receivership

The Receiver is currently negotiating for the possible sale of the remaining assets (intellectual property). This process is ongoing. The receivership is expected to be concluded within the next 180 days.

DATED AT Toronto, this 13th day of April, 2016.

LINK & ASSOCIATES INC.

Receiver of CRS Electronics Inc. and not in
its personal or corporate capacity

Per:


Robert G. Link, CRP, LIT