

COURT FILE NUMBER Q.B. No. ¹⁸⁸⁴~~740~~ of 2019
COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE SASKATOON

Clerk's Office

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC
1985, C c-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES
AND SERVICE LTD., CONTOUR REALTY INC., and MORRIS INDUSTRIES (USA)
INC.

AFFIDAVIT #1 OF DANIJELA HONG

I, Danijela Hong, Director of Labour Standards and the Wage Earner Protection
Program at Employment and Social Development Canada, of 165 Hotel-de-Ville, Phase
II, Gatineau, Quebec, SWEAR THAT:

1. I am employed as the Director of Labour Standards and the Wage Earner
Protection Program (the "WEPP") at Employment and Social Development
Canada ("ESDC") of the Government of Canada. I have held this position since
about May 2019. Prior to this, I held the position of Manager of Labour Standards
at ESDC. In my current position, I am responsible for the WEPP's operations and
I provide guidance on the operations of the *Wage Earner Protection Program Act*
and Part III of the *Canada Labour Code*.
2. As such, I have personal knowledge of the facts and matters deposed to in this
affidavit, except where they are stated to be based on information and belief,
and, as to those facts and matters, I believe them to be true.
3. ESDC administers the WEPP. The WEPP is a Government of Canada program
that provides payment of eligible wages owing to workers whose employers have
gone bankrupt or become subject to receivership.

4. ESDC has a service standard to make WEPP payments or issue non-payment notifications within 35 calendar days of receiving the information form from the trustee or receiver and the worker's application (the "Service Standard"). ESDC's target is to meet the Service Standard 80% of the time.
5. A copy of an excerpt from the ESDC Departmental Results Report for Fiscal Year 2018-2019 (the "Report") is attached to this affidavit and marked as **Exhibit "A"**. This Report shows the following:
 - (a) In the fiscal year 2016-2017, ESDC met the Service Standard 99% of the time;
 - (b) In the fiscal year 2017-2018, ESDC met the Service Standard 97% of the time; and
 - (c) In the fiscal year 2018-2019, ESDC met the Service Standard 73% of the time.
6. With respect to the fiscal year 2018-2019, the Report states:

Fiscal year fiscal year 2018 to 2019 saw the highest ever number of WEPP recipients since the inception of the program in 2008. Until February 2019, year-to-date results exceeded the target. However, between January and March 2019, the program received the equivalent number of applications typically received annually due to several large bankruptcies/receiverships, including Sears Canada. As a result, approximately 10,000 applications from former Sears Canada workers were processed within the fiscal year, creating a massive spike in demand for application processing, which ultimately impacted the annual WEPP service standard. 73% of initial payments and non-payment notifications were issued within service standard. The program ensured that payments remained as timely as possible, despite the unprecedented volume of applications.

7. In the fiscal year 2019-2020, ESDC met the Service Standard 98% of the time. This data has not yet been published in an ESDC Department Results Report.
8. From April 1, 2020 to the present, ESDC has met its Service Standard 99% of the time.

SWORN BEFORE ME at
Gatineau, Quebec this 30th day
of September, 2020



A Commissioner for Oaths in and
for the Province of Quebec


Danijela Hong

Name: Kathleen gates

Kathleen Gates, a commissioner, etc.,
Number 212577
Province of Québec, for the Government of Canada,
Employment and Social Development Canada,

This is exhibit "A" referred to in the affidavit of
Danijela Hong sworn before me this 30 day
of September, 2020.

Kathleen Gates, a commissioner, etc.,

Number 212577

Province of Québec, for the Government of Canada,
Employment and Social Development Canada,

K. Gates
A Commissioner for Oaths in and for the
Province of Quebec

My Commission Expires: Oct 4 2021

Employment and Social Development Canada

Departmental Results Report

Fiscal year 2018–19

The Honourable Carla Qualtrough
Minister of Employment, Workforce Development and Disability Inclusion

The Honourable Ahmed Hussen
Minister of Families, Children and Social Development

The Honourable Filomena Tassi
Minister of Labour

The Honourable Deb Schulte
Minister of Seniors

Employment and Social Development Canada fiscal year 2018 to 2019 Departmental Results Report

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Employment and Social Development Canada

- the Canada-European Union Comprehensive Economic and Trade Agreement
- the Canada-United States-Mexico Agreement,
- Mercosur, Pacific Alliance, European Free Trade Agreement,
- the Canada-Israel Free Trade Agreement

Labour relations are cooperative

The Federal Mediation and Conciliation Service (FMCS) continued to support positive workplace relations through proactive dispute prevention and relationship development activities with unions and employers. For example, in fiscal year 2018 to 2019, the FMCS offered joint training workshops and helped manage productive discussions between the bargaining parties.

Clients receive high-quality, timely and efficient services that meet their needs

The department continued to advance its commitment to improve services for federally regulated employers and employees through the ongoing development of online portals. These portals are expected to be ready for use in fiscal year 2020 to 2021. The department also continued working with Workers' Compensation Boards to establish new Service Agreements and Information Service Agreements to support efficient workers compensation claim management.

The department is committed to ensuring that its assignments are completed within the timeframe set by the service standards. The work achieved this year for occupational health and safety cases has led to actual results that are higher than expected.

The target set for unjust dismissal complaints was slightly missed due to efforts being focussed on closing older files and attempting to settle complaints within 180 days. The department will continue to improve the results over the coming years as additional inspectors are hired, trained and dedicated to complaints handling.

Results achieved

Departmental Results	Performance Indicators	Target	Date to achieve target	fiscal year 2018 to 2019 Actual Results	2017 to 2018 Actual Results	2016 to 2017 Actual Results
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Employment and Social Development Canada

needs (Working Conditions and Workplace Relations)	Canada's Policy on Service, that are being met					
	Percentage of occupational health and safety cases each fiscal year that are finalized within 120 days (excluding prosecutions, appeals and technical surveys)	70%	March 2021	79%	80%	75%
	Percentage of unjust dismissal complaints that are finalized within 180 days	75%	Ongoing	73%	70%	68%
	Percentage of conciliators assigned under the Canada Labour Code within 15 calendar days of receiving requests that are compliant with Canada Industrial Relations Regulations	96%	March 31, 2019	100%	100%	100%
	Percentage of initial Wage Earner Protection Program payments and non-payment notifications issued within 35 calendar days	80%	March 31, 2019	73% ⁴	97%	99%

¹ Changes to how complaints of harassment and sexual violence in the workplace are handled are expected to come into force by December 2019. These changes are expected to encourage greater reporting of incidents in the workplace, which are currently known to be under-reported. The first full year, 2020 to 2021, will be the new baseline year, and the first opportunity to report on the annual indicator will be March 2021

² 2016 to 2017 was the baseline year for this indicator. As a result, historical results are not available.

³ 2017 to 2018 was the baseline year for this indicator. As a result, historical results are not available.

⁴ Fiscal year fiscal year 2018 to 2019 saw the highest ever number of WEPP recipients since the inception of the program in 2008. Until February 2019, year-to-date results exceeded the target. However, between January and March 2019, the program received the equivalent number of applications typically received annually due to several large bankruptcies/receiverships, including Sears Canada. As a result, approximately 10,000 applications from former Sears Canada workers were processed within the fiscal year, creating a massive spike in demand for application processing, which ultimately impacted the annual WEPP service standard. 73% of initial payments and non-payment notifications were issued within service standard. The program ensured that payments remained as timely as possible, despite the unprecedented volume of applications.

The following table compares actual spending to planned spending for fiscal year 2018 to 2019. Amounts between brackets in the last column "Difference (Actual spending minus Planned spending)" indicate that the department spent less than projected during that fiscal year.