

RSM Richter

August 2, 2011

RSM Richter Inc.

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To: The Former Employees of Dylex Limited

Dear Sir/Madam:

**Re: Dylex Limited ("Dylex" or the "Company")
Our File No.: 01-0904**

We are writing to you in connection with the bankruptcy administration of Dylex.

During the course of the bankruptcy administration, the Trustee made numerous dividend distributions to the Company's creditors including former employees. As the Trustee proceeded with the completion of the administration of Dylex's estate, interest accrued on the funds in the bank account that related to dividend distributions to the former employees.

The Trustee attended before the *Ontario* Superior Court of Justice ("Court") on July 11, 2011 and obtained an order authorizing the distribution of the earned interest, net of the Trustee's costs and the Superintendent of Bankruptcy's ("Superintendent") levy applicable to the distribution ("Interest Dividend"), to the former employees of Dylex with admitted claims on a pro rata basis.

Enclosed please find our cheque representing your pro rata share of the Interest Dividend.

Please be advised that the enclosed payment represents income to you for the 2011 taxation year. Notwithstanding that you will not receive a T5 information slip from the Trustee regarding the enclosed payment you are required to include this payment as income on your 2011 Income Tax Return.

Please note the Trustee's bank account upon which the enclosed cheque is drawn will be closed on **February 29, 2012**. Any funds remaining in the bank account at that time, which would represent cheques not cashed, will be forwarded to the Superintendent to be held in their Unclaimed Funds Database which you can access directly at http://www.ic.gc.ca/cgi-bin/sc_mrksv/bnkrpty/ud/ud_srch.pl?lang=eng.

We therefore urge you to cash or deposit the enclosed cheque as soon as possible.

With the enclosed payment, the bankruptcy administration of Dylex is now concluded and the Trustee will be completing the process of obtaining its discharge from the court.

Yours very truly,



**RSM RICHTER INC. IN ITS CAPACITY AS
TRUSTEE OF DYLEX LIMITED**

Encl.

DMTOR-#283003

July 29, 2011

Andrew J. Hatnay
ahatnay@kmlaw.ca

Dear Former Biway/Dylex Employee:

**Re: In the Matter of Dylex Limited
Employment Claims Against Dylex
Our File No. 01/0946**

We are writing further to our letter to all former Dylex employees dated April 10, 2007.

This letter is to be enclosed with a mailing to you from the trustee in bankruptcy of Dylex (the firm of RSM Richter Inc.) dated August 2, 2011. You will note from the trustee's letter that the trustee has recently obtained the approval of the Court to release a further payment to former Dylex employees deriving from interest that accrued on certain funds held in the trustee's bank account that related to dividend payments to former Dylex employees. The distribution is to those employees who would be entitled to a payment of \$10.00 or more from the available funds. The trustee has advised that it is not cost-effective to mail out cheques in the amount of less than \$10.00.

This distribution is the last major step in the administration of Dylex's bankruptcy. We will be contacting a few employees who have individual issues and once those issues are addressed, we will be applying to court for a discharge of our firm as representative counsel to the former employees of Dylex.

We trust this is satisfactory. Should you have any questions with respect to this letter or the letter from Richter, please do not hesitate to contact our firm at Dylex@kmlaw.ca or by telephone at 1-866-860-9364.

Yours truly,

KOSKIE MINSKY LLP



Andrew J. Hatnay
AJH:jc