



August 31, 2023

Court File No. CV-23-00703933-00CL

RSM Canada Limited

Licensed Insolvency Trustee

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**To: The Creditors of
Quality Rugs of Canada
Timeline Floors Inc.
Ontario Flooring Ltd.
Weston Hardwood Design Centre Inc.
Malvern Contract Interiors Limited**

(Collectively referred to herein as the “Applicants”)

Dear Sirs/Mesdames:

TAKE NOTICE that on August 25, 2023, the Applicants sought and obtained an initial order (the “**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Initial Order, RSM Canada Limited was appointed as monitor of the Applicants (the “**Monitor**”). A copy of the Initial Order and additional publicly available materials will be posted on the Monitor’s website at <http://www.rsmcanada.com/quality-sterling-group> (the “**Monitor’s Website**”). These proceedings are referred to in this notice as the “**CCAA Proceedings**”.

During the CCAA Proceedings, the Applicants, with the assistance of the Monitor, expect that they will continue to operate in the normal course as they determine next steps and contemplate a path forward to maximize value for the Applicants and their stakeholders.

Pursuant to the Initial Order, all proceedings against the Applicants, their directors and officers and the Monitor (among others) are stayed and no such proceedings may be commenced or continued without leave of the Court (the “**Stay**”). The Stay also prohibits any contractual parties from ceasing to perform their contracts with the Companies on account of the CCAA filing or there being any outstanding amounts due as of August 4, 2023. In addition, except as provided for in the Initial Order, all amounts owing by the Companies to their creditors for the period prior to August 4, 2023 are stayed and cannot be paid at this time.

If you have any questions in respect of these CCAA Proceedings, please contact the Monitor at:

RSM CANADA LIMITED

Monitor of Quality Rugs of Canada, Timeline Floors Inc., Ontario Flooring Ltd.
Weston Hardwood Design Centre Inc., and Malvern Contract Interiors Limited

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Attention: Arif Dhanani
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Yours truly,

RSM CANADA LIMITED

solely in its capacity as Court-Appointed Monitor of Quality Rugs of Canada, Timeline Floors Inc., Ontario Flooring Ltd., Weston Hardwood Design Centre Inc., Malvern Contract Interiors Limited and not in its personal or corporate capacity

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