



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE
NO.:

BK-23-02929201-0032
Estate No. 32-2929201

DATE: 12 June 2023

NO. ON LIST: 1

TITLE OF PROCEEDING: **IN THE MATTERS OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF PROSYSCO LTD. and 1110615 ONTARIO LTD.**

BEFORE JUSTICE: **Kimmel**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Jessica Wuthmann	Prosysco Ltd. and 1110615 Ontario Ltd.	jwuthmann@reconllp.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Robert Drake	The Proposal Trustee, Albert Gelman Inc.	drake@gsnh.com
Bryan Gelman	Trustee- Albert Gelman Inc	bgelman@albertgelman.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Thomas Masterson	RBC	tmasterson@harrisonpensa.com

ENDORSEMENT OF JUSTICE KIMMEL:

1. Conway J. granted an order on April 24, 2023 administratively consolidating two proceedings in respect of the two Applicants and extending the time for them to file a proposal for forty-five days, up to and including June 14, 2023.
2. The Applicants bring this motion for an order pursuant to section 50.4(9) of the BIA extending the time for filing a proposal for a further 45 days up to and including July 31, 2023 (which is the first business day after the expiry of the 45-day period on Saturday, July 29, 2023).
3. The motion is unopposed and is supported by both the senior secured creditor (RBC) and the Proposal Trustee.
4. The Applicants submit that the s. 50.4(9) factors have been met. They have demonstrated that:
 - a. They are acting in good faith and with due diligence to implement cost saving measures, enact operational changes, and explore refinancing options to preserve the business. Further, cash flow projections demonstrate that they have sufficient cash to continue operating over the proposal extension period.
 - b. The combination of new customer orders and profitability in the most recent management-prepared financial statements supports a going-concern approach to restructuring. An extension of time will facilitate their ability to continue its going-concern approach and make a proposal to their creditors, which will preserve value for the benefit of creditors.
 - c. There is nothing in the record to suggest that any creditor will be materially prejudiced by the extension. The applicants' primary secured creditor, RBC, does not oppose the extension of time to file a proposal.
5. The Proposal Trustee agrees and supports this request. I agree to the extension - the Applicants are acting in good faith and with due diligence, the extension will facilitate the making of a proposal, and there is no reason to believe that any creditor will be materially prejudiced by the extension.
6. The Applicants also seek the court's approval of the activities of the Proposal Trustee and the fees of the Proposal Trustee and its counsel to date. The standard qualification to the approval of the Proposal Trustee's activities in its Second Report dated June 8, 2023 has been included in the draft order.
7. I am satisfied that this is a situation where the Proposal Trustee has had to undertake significant work early on to regularize the Applicants' financial reporting and that it is appropriate for it and its counsel to be paid fees thus far incurred. Seeking the fee approvals on an ongoing basis serves the important objective of transparency in keeping the stakeholders informed of the cost of this process as it progresses. The service list was served with this motion and was notified of the request for fee approvals and there have been no objections. The amounts have been verified in fee affidavits.
8. Further, the Proposal Trustee has confirmed that the Revised Cash Flow Forecasts that go beyond the end of the extended proposal period take into account the payment of these fees and also budget for ongoing fees and expenses. The Proposal Trustee has opined that the Revised Cash Flow Forecasts, that take these fees into account, demonstrate that the Applicants can continue to operate during the forecast period without material prejudice to any of their creditors.

9. Order to go as signed by me today. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in cursive script that reads "Kimmel J." with a period at the end.

KIMMEL J.