

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**In the Matter of the Notice of Intention to Make a Proposal of
Prosysco Ltd. of the city of Mississauga
in the Province of Ontario**

**And in the Matter of the Notice of Intention to Make a Proposal of
1110615 Ontario Ltd. of the city of Mississauga
in the Province of Ontario**

**SECOND REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated June 8, 2023)

I. INTRODUCTION

1. This second report ("**Second Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Proposal Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Prosysco Ltd ("**Prosysco**") and 1110615 Ontario Ltd. ("**111Co.**", and together with Prosysco, the "**Companies**") on April 1, 2023 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** are copies of the NOI and Certificates of Appointment issued by the Office of the Superintendent of Bankruptcy for each of the Companies.
2. On April 24, 2023 on a motion made by the Companies the Honourable Justice Conway granted an order (the "**April 24 Order**") approving, among other things, an administrative consolidation of the Companies proposal proceedings and an extension of the stay of proceedings afforded under the NOI to June 14, 2023 (the "**First Stay Extension**"). A copy of the April 24 Order and related Endorsement is attached hereto as **Appendix "B"**.
3. The Trustee prepared a report in respect of the April 24, 2023 motion dated April 19, 2023 (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices.
4. The Companies are making a motion to the Court, to be heard jointly, returnable June 12, 2023 (the "**June 12 Motion**") seeking various relief. This Second Report has been prepared largely in response to and in support of the Companies' June 12 Motion.
5. On its June 12 Motion, the Companies are seeking, amongst other things, an Order:

- a. further extending the time for each of the Companies to file a proposal to July 31, 2023 (the **"Second Stay Extension"**); and,
 - b. approving the activities and fees of the Proposal Trustee and its counsel.
6. The Companies' have filed with their June 12 Motion the affidavit of Terrence Scott sworn June 6, 2023 (the **"Scott Affidavit"**), in support of the relief being sought. The Proposal Trustee has reviewed the Scott Affidavit and has no reason to doubt or otherwise challenge the facts attested to therein.
7. For the reasons explained herein, the Proposal Trustee supports the relief sought by the Companies at their June 12 Motion.

II. PURPOSE OF THIS REPORT

8. The purpose of this Second Report is to:
- a. provide the Court with relevant information pertaining to the Companies which is not otherwise described in the Scott Affidavit;
 - b. provide information to the Court regarding the actions and activities of both the Proposal Trustee and the Companies subsequent to the date of the First Report; and,
 - c. provide the Court with the Proposal Trustee's recommendations in respect of the relief sought by the Companies.

III. SCOPE AND TERMS OF REFERENCE

9. In preparing this Second Report, the Proposal Trustee has relied upon certain unaudited financial information, the Companies' books and records, discussions with management and discussions with the Companies' legal counsel, Reconstruct LLP.
10. While the Proposal Trustee has reviewed various documents provided by management and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (**"GAAP"**) or International Financial Reporting Standards (**"IFRS"**) or otherwise. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.
11. This Second Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Proposal Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

12. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

13. Details regarding the reasons for the NOI filing for both Companies as well as general background information pertaining to both of the Companies, including details about the Companies secured and unsecured creditors, is included in the First Report.

V. ACTIVITIES OF THE COMPANIES

14. Since the date the First Report, the Companies have undertaken, among other things, the following activities:
- a. continue to have informal discussions with various secured and unsecured creditors in respect of the restructuring proceedings;
 - b. continue to attend meetings with the Proposal Trustee to discuss the Companies' objectives and options in respect of these restructuring proceedings;
 - c. prepared and sent to its landlord, HOOPP Realty Inc. ("**HOOPP**") on April 24, 2023, pursuant to section 65.2(1) of the BIA, Form 45 - Notice to Lessor to Disclaim or Resiliate a Lease by Commercial Tenant advising HOOPP that Prosysco will be disclaiming its commercial lease in respect of the 8 Prologis Blvd., Mississauga, Ontario, Suites 103 and 400 property effective May 31, 2023 (the "**Commercial Lease Disclaimer**"). A copy of the Commercial Lease Disclaimer is attached to the Scott Affidavit at Exhibit "E".
 - d. prepared and sent to several of Prosysco's lessors of equipment, furniture and vehicles on May 17, 2023 pursuant to section 65.11 of the BIA, Form 44.1 Notice By Debtor to Disclaim or Resiliate Agreement advising those lessors that their respective agreements were being disclaimed effective thirty (30) days from the date of the notice (the "**Lease Disclaimers**"). Copies of the Lease Disclaimer are attached to the Scott Affidavit at Exhibits "F", "G", "H" and "I".
 - e. on June 5, 2023 Prosysco rescinded the lease disclaimer which is issued to RBC pursuant to section 65.11 in respect of certain furniture and equipment;
 - f. provided the Proposal Trustee, on an ongoing basis, with financial and other information in order to allow the Proposal Trustee to monitor its cash receipts and disbursements.
15. The Companies are requesting an extension of time to file their proposals so that they may, among other things, have additional time to stabilize their business operations and to develop a proposal to their creditors. The Companies are also continuing to canvas the market to find either an investor or longer-term financing in order to payout the RBC indebtedness in full, retire unpaid source deductions and, generally, to

recapitalize the business. As further discussed below, the Proposal Trustee supports the Companies' request for the Second Stay Extension.

VI. ACTIVITIES OF THE PROPOSAL TRUSTEE

16. Since the date of the First Report the Proposal Trustee has undertaken, among other things, the following activities:

- a. corresponded with RBC's legal counsel to provide updated information in respect of these restructuring proceedings and other matters as requested by RBC's legal counsel;
- b. assisted the Companies with the preparation of the Revised Cash Flow Forecasts (defined below);
- c. assisted Prosysco with the preparation and sending of the Commercial Lease Disclaimer and Lease Disclaimers;
- d. retained Canam-Appraise Inc. to prepare an appraisal report containing the forced liquidation value Prosysco's machinery and equipment which it completed and provided to the Proposal Trustee on June 6, 2023;
- e. monitored on a regular basis the Companies' cash receipts and disbursements and compared same to the original weekly cash flow projections prepared by the Companies' for material variances;
- f. continued to communicate extensively with management of the Companies, the Companies' internal accountant and the Companies' legal counsel to discuss, among other things, the following:
 - i. the business, financial affairs and future prospects of the Companies;
 - ii. the options available to the Companies in relation to the NOI proceedings; and,
 - iii. long-term financing options for the Companies';
- g. communicated with several creditors and other stakeholders who contacted the Proposal Trustee directly regarding the status of these restructuring proceedings; and,
- h. maintained a Case Webpage with electronic copies of the Court materials related to these restructuring proceedings, located at www.albertgelman.com/corporate-solutions/other-engagements/#d.

VII. REVISED CASH FLOW FORECASTS

17. On June 7, 2023 the Companies each filed with the Proposal Trustee a revised statement of projected cash flows prepared on a weekly basis for the period of June 4 to August 19, 2023 ("**Revised Cash**

Flow Forecasts"), along with management's report on the reasonableness of the Cash Flow Forecast, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix "D"** are copies of the Revised Cash Flow Forecasts along with management's and the Proposal Trustee's report thereon.

18. In the Proposal Trustee's opinion, the Revised Cash Flow Forecasts demonstrate that the Companies can continue to operate during the forecast period without material prejudice to any of the Companies' creditors. The accuracy of the Revised Cash Flow Forecasts are subject to the assumptions contained within the forecast and set out in the forecast notes.

VIII. REQUEST FOR EXTENSION

19. The Companies are seeking the Second Stay Extension pursuant to subsection 50.4(9) of the BIA.

20. The Proposal Trustee supports the Second Stay Extension as it is of the opinion that:

- a. the Companies have acted, and are acting, in good faith and with due diligence;
- b. the Companies would likely be able to make a viable Proposal if the extension being applied for were granted; and,
- c. no creditor would be materially prejudiced if the extension being applied for were granted.

21. The Proposal Trustee is also of the opinion that a Proposal developed by each of the Companies is more beneficial to all stakeholders than an immediate forced shut down of the Companies and a liquidation of the Companies' assets. This is so because a Proposal: (a) would likely provide for a significantly greater return to the Companies' unsecured creditors; (b) would result in continued employment for Prosysco's approximately 62 employees; and, (c) would result in a more orderly and efficient process to distribute funds to the Companies' secured and unsecured creditors.

IX. ACCOUNTS OF THE PROPOSAL TRUSTEE AND ITS COUNSEL

22. Attached hereto as **Appendix "E"** is the affidavit of Bryan Gelman regarding the Proposal Trustee's fees to June 5, 2023 accompanied by the supporting time dockets (the "**Proposal Trustee Fee Affidavit**").

23. The Proposal Trustee is of the opinion that its fees, as set out in the Proposal Trustee Fee Affidavit, are fair and reasonable, justified in the circumstances, and accurately reflect the work done by the Proposal Trustee in connection with these NOI proceedings.

24. Attached hereto as **Appendix "F"** is the Affidavit of Mario Forte regarding the fees and disbursements of Goldman Sloan Nash and Haber LLP ("**GSNH**"), counsel to the Proposal Trustee, to April 24, 2023 accompanied by the supporting time dockets (the "**Legal Counsel Fee Affidavit**").

25. It is the Proposal Trustee's opinion that the fees and disbursements of GSNH, as set out in the Legal Counsel Fee Affidavit are fair and reasonable, justified in the circumstances, and accurately reflect the work

done on behalf of the Proposal Trustee (as instructed and authorized by the Proposal Trustee) by GSNH in connection with these NOI proceedings.

26. The Proposal Trustee therefore requests and recommends the approval the fees and disbursements set out in both the Proposal Trustee Fee Affidavit and the Legal Counsel Fee Affidavit (collectively, the "**Fee Affidavits**").


X. PROPOSAL TRUSTEE'S RECOMMENDATION

27. For the reasons explained herein, the Proposal Trustee respectfully recommends that this Honourable Court make an Order or Orders approving:

- a. the actions and activities of the Proposal Trustee as described in this Second Report;
- b. the Second Stay Extension; and,
- c. the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Fee Affidavits.

All of which is respectfully submitted this 8th day of June 2023

**ALBERT GELMAN INC., solely in its
capacity as Trustee of re the Notice of
Intention to Make a Proposal of
Prosysco Ltd. and 1110615 Ontario Ltd.
and not its Personal or any other Capacity**

Per:  Digitally signed
by Bryan
Gelman

Bryan Gelman, CIRP, LT

**Appendices to the Second Report of
Albert Gelman Inc., in its capacity as Proposal Trustee**

Appendix A – 1	Certificate of Appointment re Prosysco Ltd.
Appendix A – 2	Notice of Intention re Prosysco Ltd.
Appendix A – 3	Certificate of Appointment - 1110615 Ontario Ltd.
Appendix A – 4	Notice of Intention re 1110615 Ontario Ltd.
Appendix B	Order and Endorsement of Justice Conway dated April 24, 2023
Appendix C	First Report of the Trustee dated April 12, 2023 (without Appendices)
Appendix D-1	Revised Cash Flow Forecast – Prosysco Ltd.
Appendix D-2	Form 29 – Prosysco Ltd.
Appendix D-3	Form 30 – Prosysco Ltd.
Appendix D-4	Revised Cash Flow Forecast – 1110615 Ontario Ltd.
Appendix D-5	Form 29 – 1110615 Ontario Ltd.
Appendix D-6	Form 30 – 1110615 Ontario Ltd.
Appendix E	Fee Affidavit of Proposal Trustee
Appendix F	Fee Affidavit of Goldman Sloan Nash & Haber LLP

APPENDIX “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Mississauga
Court No. 32-2929201
Estate No. 32-2929201

In the Matter of the Notice of Intention to make a proposal of:

Prosysco Ltd.

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 01, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 03, 2023, 12:37

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

District of: Ontario
Division No. 09 - Mississauga
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

Take notice that:

1. I, Prosysco Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 60 Shaftesbury Avenue, Toronto, ON, M4T 1A3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 1st day of April 2023.



Prosysco Ltd.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929201
Estate No. 32-2929201

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Abell Pest Control Inc	246 Attwell Drive Etobicoke ON M9W 5B4		523.20
ACI Central Inc	PO Box 53 Charlottetown PE C1A 7K1		1,094.14
Acklands Grainger Inc.	P.O. Box 2970 Winnipeg MB R3C 4B5		2,176.97
Advanced Motion & Controls LTD	26 Saunders Road Barrie ON L4N 9A8		5,308.15
Air Liquide	1700 Steeles Ave. E Bramalea ON L6T 1A6		3,480.02
Alantra Leasing	P.O. Box 4375, 98 Cogle Road Sussex NB E4E 5L5		4,156.10
Alfa Laval Inc. Zahra Akbari	c/o TH1301, P.O. Box 4290, Postal Station A Toronto ON M5W 0E1	59479.57 usd	80,063.37
Alpha Controls & Instrumentation	361 Steelcase Rd W, Suite 6 Markham ON L3R 3V8		3,227.96
Ampco Pumps Co., Inc.	2045 West Mill Rd Glendale WI 53209		32,273.45
ATCO Structures & Logistics Ltd.	65 Reive Blvd, PO Box 1089 Cookstown ON L0L1L0		1,118.70
AVCO (Alloy Valves and Control)	3210 S. Susan Steet Santa Ana CA 92704		51,794.87
Aztec Electrical Supply Inc.	25 North Rivermede Rd. #4-10 Concord ON L4K 5V4		5,195.00
BELTSERVICE CANADA COMPANY	C/O T10205CP.O. BOX 4918, STN A Toronto ON M5W 0C9		563.60
Benefits by Design Inc	Suite 500-2755 Lougheed Hwy Port Coquitlam BC V3B 5Y9		13,314.67
BERCON RENTALS	503 Carling view drive Etobicoke ON M8W5H2		5,911.03

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In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Brand Blvd	261 Martindale Road, Unit 5 St Catherines ON L2W 1A1		2,432.77
Burkert Fluid Control Systems	11425 Mt. Holly-Huntersville Road Huntersville NC 28078		444,427.65
BURT PROCESS EQUIPMENT	100 Overlook Drive Hamden CT 16514		2,074.62
Business Systems Inc.	5800 Coopers Ave. Mississauga ON L5T 2J3		1,295.69
C.F.F. Stainless Steels	1840 Burlington Street, East Hamilton ON L8H 3L4		91,080.22
Cedar Springs	45 Villarboit Cres, # 2 Concord ON L4K 4R2		465.40
Chandler Industrial Supplies	1051 Brevik Place Mississauga ON L4W 3R7		10,193.23
Cintas	23 Torlake Crescent Toronto ON M8Z 1B5		7,329.00
COMMERCIAL AIR COMPRESSOR LTD.	95 Konrad Crescent Markham ON L3R 8T8		15,088.33
Concept Storage Solutions	1470 Creditstone Rd Vaughan ON L4K5W2		1,331.05
CONREX STEEL	50 Taber Road Etobicoke ON M9W 3A8		4,203.60
Contro Valve Equipment inc.	3375 North Service Road Units B4-B6 Burlington ON L7N 3G2		11,276.27
Core Industrial Gases Inc	395 Frankcom Street Ajax ON L1S 1R4		8,162.86
CRA - non-tax Programs London Tax Services Office Processing Systems Section - Bankruptcy	PO Box 2517, 451 Talbot St. 11th Fl London ON N6A 4G9	120951181RP0001	1,430,548.00

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In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Crown Industrial Roofing	227 Queens Plate Drive, Unit 3 Toronto, ON M9W 6Z7		9,525.90
CSA Group Testing & Certification Inc.	178 Rexdale Blvd. Toronto ON M9W 1R3		6,000.30
CSI Equipment & Service	2700 N Partnership Blvd Springfield MO 65803		95,682.21
Dafco Filtration Group	1300 Aerowood Drive Mississauga ON L4W 1B7		1,509.59
Dampney Company, Inc.	85 Paris Street Everett MA 12149		1,141.59
De Lage Landen Financial Services Canada Inc.	3450 Superior Court Unit 1 Oakville ON L6L 0C4	Printer & Forklift leases	251.00
Delta T Heat Exchangers Inc.	206-1674 Hyde Park Road London ON N6H 5L7		18,338.21
Donaldson Company, Inc.	PO Box 207356 Dallas TX 75320-7356		14,010.18
Employee Termination Pay		estimate	60,000.00
Enbridge Gas Distribution Inc.	P.O. Box 644 Scarborough ON M1K 5H1		7,322.98
Enersource	P.O. Box 3080 Station "A" Mississauga ON L5A 3V6		3,078.96
Eri-son Instrumentation Services Corp.	32 Dawnridge Trail Brampton ON L6Z 2A1		565.00
EVOQUA Water Technologies Ltd.	P.O. Box 15738 STN A Toronto ON M5W 1C1		1,356.25
Fabco Plastics Wholesale	2175-A Teston Rd MAPLE ON L6A1T3		14,527.16
Fastening House Inc.	160 Bass Pro Mills Dr. Vaughan ON L4K 0A7		3,155.30
Federal Express Canada Ltd	P.O. Box 4626 Toronto Station A Toronto ON M5W 5B4		306.61

PC

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929201
Estate No. 32-2929201

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
GENERATIONS CLEANING INC.	1129 Wentworth St-B3 OSHAWA ON L1J 8P7		3,019.22
GFL Environmental Inc.	39 Fenmar Drive North York ON M9L 1M1		627.78
Gould Stainless Products Ltd.	1141, 6027 – 79 Avenue SE Calgary AB T2C 5P1		656.36
GTI Global Freight Systems (2014) Inc.	5020 Rue Fairway LACHINE QC H8T 1B8		4,255.00
GTI Roll Transportation Services Inc.	5020 Rue Fairway Lachine QC H8T 1B8		6,113.30
Hansler Smith Limited	P.O. BOX 310 Brockville ON K6V 5V5		2,006.96
Impro	5265 General Road Mississauga ON L4W 2K4		3,145.85
Intempco Controls Ltd	880 Selkirk Avenue Pointe-Claire QC H9R 3S3		463.30
John Brooks Company Limited	2625 Meadowpine blvd. Mississauga ON L5N 7K5		59,274.29
KINEQUIP INC.	333 Wyecroft Rd. Unit 8 Oakville ON L6K 2H2		28,770.39
Line Process Controls Inc.	50 Venture Drive, Unit 8 Scarborough ON M1B 3L6		8,233.52
Livingston International	P.O. Box 5640 Terminal A Toronto ON M5W 1P1		32,978.99
LZR FIT Pressure Vessel Heads	1119A Bridge Street Tomahawk WI 54487		44,880.58
Max Precision Turning Inc.	349 Bowes Rd, Unit 24 Concord ON L4K 1J3		932.25
McMaster-Carr	P.O. Box 7690 Chicago IL 60680-7690		3,053.92

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Prosysco Ltd.
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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Metaline, Premium Metal Fabrication	3605 Weston Rd Toronto ON M9L 1V7		610.20
Minister of Finance (PEI)	31 Gordon Drive Charlottetown PE C1A 6B8		667.00
MISTRAS Services Inc.	C/O Lockbox 915890P.O. Box 4090 STN A Toronto ON M5W 0E0		2,067.34
MOBILE MINI STORAGE SOLUTIONS	73 BROWNS LINE TORONTO ON M8W 3S2		1,434.83
New Electric Enterprises Inc.	3185 Dundas St west Oakville ON L6M4J4		5,299.70
Noble Corporation	7171 Jane Street Concord ON L4K 1A7		7,455.64
Ontario Hose Specialties Inc.	7245 Pacific Circle Mississauga ON L5T 1V1		1,198.36
ONYX FIRE PROTECTION SERVICES INC.	400 Matheson Blvd West Mississauga ON L5R 0H1		2,066.42
Original Power Tool Co. Ltd.	7508 Bath Rd. Mississauga ON L4T 1L2		823.81
Pinacle	455 Ambassador Drive Mississauga ON L5T 2J3		10,396.80
PORTA-PLUS PORTABLES	210 SUMMERFIELD DRIVE GUELPH ON N1L1L3		1,073.50
PowerOn Computer Systems	35 West Pearce St. Unit 36 Richmond Hill ON L4B 3A9		1,959.43
Province Electric Supply	425-6 Superior Blvd Mississauga ON L5T 2W5		10,549.04
Purolator Inc.	P.O. Box 1100Etobicoke Postal Stn A Etobicoke ON M9C 5K2		251.80
Qualtech Distribution	7795 Raoul-Lassonde St-Hyacinthe QC J2R 1E4		36,804.10

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Creditor	Address	Account#	Claim Amount
Ram Imaging Products Inc.	1040 Martin Grove Rd. Unit 6 Etobicoke ON M9W 4W4		937.50
RBC Royal Bank	c/o Harrison Penza LLB, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2		2,000,000.00
Rolark Stainless Steel Inc.	71 Conair Parkway Woodbridge ON L4H 0S4		22,093.70
Rubber Fab	c/o Garlock Hygienic Technologies LLC PO Box 74008414 Chicago IL 60674-8414		262.17
Rudy's Machine Ltd	2901 Greenfield Rd Ayr ON N0B 1E0		5,123.59
SAMSON Controls Inc.	1-105 Riviera Drive Markham ON L3R 5J7		29,848.54
Shareholders and related party loans		Estimate for NOI purposes	2,500,000.00
Spirax Sarco Canada	383 Applewood Cres Concord ON L4K 4J3		22,698.33
Stanley Manufacturing Company	230 Bartley Dr. Toronto ON M4A 1G3		1,182.10
Staples Business Advantage	c/o T04446CPO Box 4446, STN A Toronto ON M5W 4A2		4,864.52
Steel & O'Brien Manufacturing, Inc	Department 2250 PO Box 986500 Boston MA 02298-6500		299.29
Stonhard	95 Sunray Street Whitby ON L1N 9C9		14,520.50
Sunbelt Rentals of Canada	535 Welham Road Barrie ON L4N 8Z6		14,649.32
Syntiro Dynamics, LLC.	P.O. Box 1154 Wall NJ 07719		1,604.35

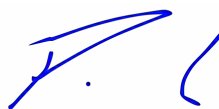


District of: Ontario
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Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
T.A. Networks Inc.	6750 Davand Drive #9 Mississauga ON L5T 2L8		4,576.71
Technical Standards & Safety Authority	14th Floor, Center Tower3300 Bloor Street West Toronto ON M8X 2X4		16,755.66
Teff-Line Ltd.	4415 North Service Rd Burlington ON L7L 4X7		7,740.50
THE PRINT HOUSE	6155 Tomken Road Unit 5 MISSISSAUGA ON L5T1X3		385.77
Triovest Realty Advisors Inc.	40 University Avenue, Suite 1200 Toronto, ON M5J 1T1	Landlord-8 Prologis blvd 103-400	165,466.76
United Rentals of Canada, Inc.	C/O T52638P.O. BOX 4526, POSTAL STATION A Toronto ON M5W 5Z9		2,744.10
Valutech	10-3761 Victoria Park Avenue Toronto ON M1W 3S3		7,211.66
voestalpine Bohler Welding Group	1745 Meyerside Dr. Units 1-3 Mississauga ON L5T 1C6		2,880.20
Wachs Canada Inc.	a Division of ITW Canada Inc.PO Box 57539 STN A Toronto ON M5W 5M5		7,037.38
Watson Marlow	383 Applewood Crescent Concord ON L4K 4J3		62,026.03
Weston Valve & Fitting Ltd.	6471 Edwards Boulevard Mississauga ON L5T 2V2		56,846.66
Yula Corp. Heat Exchanger Specialists	330 Bryant Ave Bronx NY 10474-7113		61,900.00
Total			7,771,606.18



Prosysco Ltd.
Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario

Division No. 09 - Mississauga

Court No. 32-2929202, 32-2929201

Estate No. 32-2929202, 32-2929201

In the Matter of the Notice of Intention to make a proposal of:

1110615 Ontario Ltd.

Prosysco Ltd.

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 01, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 03, 2023, 12:40

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902



District of: Ontario
Division No. 09 - Mississauga
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Take notice that:

1. I, 1110615 Ontario Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 60 Shaftesbury Avenue, Toronto, ON, M4T 1A3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 1st day of April 2023.



1110615 Ontario Ltd.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
Division No. 09 - Mississauga
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Prosystco Ltd.			128,000.00
Royal Bank	c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2		828,000.00
Total			956,000.00



1110615 Ontario Ltd.
Insolvent Person

APPENDIX “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	MONDAY, THE 24 TH
)	
JUSTICE CONWAY)	DAY OF APRIL, 2023

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF PROSYSCO LTD. OF THE CITY OF TORONTO IN THE
PROVINCE OF ONTARIO**

**ORDER
(Re: Administrative Consolidation and Related Relief)**

THIS MOTION made by Prosysco Ltd. (the “**Company**”) for an order, *inter alia*, extending the time to file a proposal for a period of 45 days and administratively consolidating the two NOI Proceedings (as defined below) was heard this day at 330 University Avenue, Toronto, Ontario by video conference.

ON READING the Affidavit of Terrence Scott sworn April 18, 2023, and the First Report of Albert Gelman Inc. in its capacity as proposal trustee (the “**Proposal Trustee**”), and on hearing the submissions of respective counsel for the Company, the Proposal Trustee, the Royal Bank of Canada and such other counsel as were present as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Jessica Wuthmann sworn April 19, 2023, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

PROCEDURAL CONSOLIDATION

2. **THIS COURT ORDERS** that, without prejudice to the right of any party to seek or oppose substantive consolidation,

(a) the present proceeding; and

(b) the matter of the notice of intention to make a proposal of 1110615 Ontario Ltd. Bankruptcy Court File No. BK-23-02929202-0032 and Estate No. 32-2929202,

(collectively, the “**NOI Proceedings**”)

shall be procedurally consolidated and the Proposal Trustee shall be authorized and directed to administer the NOI Proceedings on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as trustee under the *Bankruptcy and Insolvency Act* (the “**BIA**”), including, without limitation, the following:

(a) sending notices to the creditors of Prosysco Ltd. and 1110615 Ontario Ltd. (collectively, the “**NOI Entities**”) pursuant to one consolidated notice;

(b) calling and conducting any meetings of creditors of the NOI Entities pursuant to one combined advertisement and one meeting;

- (c) issuing consolidated reports in respect of the estates of the NOI Entities;
- (d) preparing, filing, advertising and distributing any and all filings and/or notices relating to the administration of the estates of the NOI Entities on a consolidated basis; and
- (e) bringing motions to this Honourable Court on a consolidated basis.

3. **THIS COURT ORDERS** that the NOI Proceedings shall be assigned the single Bankruptcy Court File No. BK-23-02929201-0032 and Estate File Number 32-2929201 (the “**Consolidated Court File**”) and the following title of proceeding:

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF PROSYSCO LIMITED OF THE CITY OF TORONTO IN THE
PROVINCE OF ONTARIO**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD.**

4. **THIS COURT ORDERS** that a copy of this Order shall be filed by the NOI Entities in the court file for each of the NOI Proceedings but that any other document required to be filed in any of the NOI Proceedings shall hereafter only be required to be filed in the Consolidated Court File.

5. **THIS COURT ORDERS** that for avoidance of doubt, any motion, application or action, including the herein motion, in respect of the NOI Entities or any of them shall be brought and filed in the Consolidated Court File and if so brought and filed it shall be deemed brought and filed

in each of the NOI Proceedings, as appropriate, without prejudice to any rules of civil procedure or otherwise that are applicable.

6. **THIS COURT ORDERS** that the procedural consolidation of the NOI Proceedings shall not:

- (a) affect the separate legal status and structures of any of the NOI Entities;
- (b) cause any of the NOI Entities to be liable for any claim for which it otherwise is not liable; or
- (c) affect the Proposal Trustee's or a creditor's right to seek to disallow any claim, including on the basis that such claim is a duplicative claim.

EXTENSION OF TIME TO FILE A PROPOSAL

7. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the NOI Entities to file a proposal with the Official Receiver be and is hereby extended up to and including June 14, 2023 (the "**Stay Period**").

CONTINUATION OF SERVICES

8. **THIS COURT ORDERS** that during the Stay Period, all persons having oral or written agreements with the NOI Entities or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the NOI Entities, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by the NOI Entities in accordance with normal payment

practices of the NOI Entities or other practices as may be agreed upon by the supplier or service provider and each of the NOI Entities and the Proposal Trustee, or as may be ordered by this Court.

9. **THIS COURT ORDERS** that the First Report of the Proposal Trustee, and the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

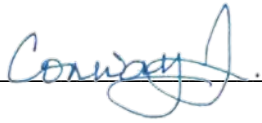
GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the NOI Entities, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the NOI Entities and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the NOI Entities and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that any interested party (including the NOI Entities and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

12. **THIS COURT ORDERS** that notwithstanding Rule 59.05, this Order is effective from 12:01 a.m. on the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an

appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

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

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF PROSYSCO LTD. OF THE CITY OF TORONTO IN
THE PROVINCE OF ONTARIO**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

RECONSTRUCT LLP
Royal Bank Plaza, South Tower
200 Bay Street
Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

R. Brendan Bissell LSO No. 40354V
bbissell@reconllp.com
Tel: 416.613.0066

Jessica Wuthmann LSO No. 72442W
jwuthmann@reconllp.com
Tel: 416.613.8288

**Lawyers for Prosysco Ltd and 1110615
Ontario Ltd.**



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: BK-23-02929201-0032
BK-23-02929202-0032

DATE: April 24, 2023

NO. ON LIST: 5 & 6

TITLE OF PROCEEDING: PROSYSCO LTD. et al
BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Jessica Wuthmann	Applicants	jwuthmann@reconllp.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Mario Forte	Albert Gelman Inc.	forte@gsnh.com
Ianina Raguimov	Albert Gelman Inc.	iraguimov@albertgelman.com
Thomas Masterson	RBC	tmasterson@harrisonpensa.com

ENDORSEMENT OF JUSTICE CONWAY:

- [1] The Applicants bring this motion for an order administratively consolidating the NOI proceedings commenced by them and extending the time for filing a proposal to June 14, 2023.
- [2] The motion is unopposed and is supported by both the senior secured creditor (RBC) and the Proposal Trustee. I agree that the administrative consolidation makes sense under the circumstances given the substantial overlap between the NOI proceedings. I also 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 no creditor will be materially prejudiced by the extension. The Proposal Trustee says that the Applicants have sufficient cash to continue operating during the extended period.
- [3] Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

APPENDIX “C”

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

In the Matter of the Notice of Intention to Make a Proposal of
Prosysco Ltd. of the city of Mississauga
in the Province of Ontario

And in the Matter of the Notice of Intention to Make a Proposal of
1110615 Ontario Ltd. of the city of Mississauga
in the Province of Ontario

FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE

(Dated April 19, 2023)

I. INTRODUCTION

1. This first report ("First Report") is filed by Albert Gelman Inc. ("AGI") in its capacity as proposal trustee (the "Proposal Trustee") in connection with a Notice of Intention to Make a Proposal ("NOI") filed by Prosysco Ltd ("Prosysco") and 1110615 Ontario Ltd. ("111Co.", and together with Prosysco, the "Companies") on April 1, 2023 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). Attached hereto at **Appendix "A"** are copies of the NOI and Certificates of Appointment issued by the Office of the Superintendent of Bankruptcy for each of the Companies.

2. The Companies are making a motion to the Court, to be heard jointly, returnable April 24, 2023 (the "April 24 Motion") **seeking various relief. This First Report** has been prepared largely in response to and in **support of the Companies' April 24 Motion.**

3. On its April 24 Motion, the Companies are seeking, amongst other things, an Order:

- a. **administratively consolidating the Companies' proposal** proceedings under one title of proceeding; and,
- b. extending the time for each of the Companies to file a proposal to June 14, 2023 **(the "Stay Extension");**

4. **The Companies' have filed with their** April 24 Motion the affidavit of Terrence Scott sworn April 18, 2023 **(the "Scott Affidavit"), in support of the relief being sought. The** Proposal Trustee has reviewed the Scott Affidavit and has no reason to doubt or otherwise challenge the facts attested to therein.

5. For the reasons explained herein, the Proposal Trustee supports the relief sought by the Companies at their April 24 Motion.

II. PURPOSE OF THIS REPORT

6. The purpose of this First Report is to:

- a. provide the Court with relevant information pertaining to the Companies which is not otherwise described in the Scott Affidavit;
- b. provide information to the Court regarding the actions and activities of both the Proposal Trustee **and the Companies subsequent to the filing of the NOI's**; and,
- c. provide the Court with the Proposal Trustee's **recommendations in respect of the** relief sought by the Companies.

III. SCOPE AND TERMS OF REFERENCE

7. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited financial information, the Companies' books and records, discussions with management, discussions with representatives of Norton McMullen LLP, the Companies' external accountant, and discussions with the Companies' legal counsel, Reconstruct LLP.

8. While the Proposal Trustee has reviewed various documents provided by management and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("GAAP") or International Financial Reporting Standards ("IFRS") or otherwise. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

9. **This First Report has been prepared for the use of this Court and the Companies' stakeholders** as general information relating to the Companies and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Proposal Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

10. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

Reason for NOI Filing

11. RBC is the senior secured lender to Prosysco. RBC had provided Prosysco with revolving credit facilities which had outstanding balances of approximately \$2.33 million and US\$250,000 as of March 22,

2023. RBC had also provided Prosysco with various term facilities and a credit card facility which on March 22, 2023 had balances outstanding of approximately \$380,000 and \$53,000, respectively. Therefore, the total indebtedness of Prosysco to RBC was approximately \$2.76 million and US\$250,000 as of March 22, 2023 plus accrued and accruing interest (**the “RBC Debt”**). The RBC Debt is secured by, among other things, a general security agreement **dated June 16, 2016 (the “Prosysco Security”)**.

12. 111Co. provided a limited guarantee of the RBC Debt to a maximum of \$820,000. The limited guarantee is secured by, among other things, a general security agreement **dated June 16, 2016 (the “111Co. Security”)**. RBC declared Prosysco in default on its loan obligation to RBC in or around March 22, 2023. As a result of the default RBC issued its Notice of Intention to Enforce a **Security (the “NITES”)** in accordance with section 244 of the BIA to both Prosysco and 111Co., which are attached as Exhibit “C” to the Scott Affidavit. The 10-day period set out in the NITES was set to expire on April 2, 2023. In order to stay RBC from enforcement action both of the Companies filed a NOI on April 1, 2023.

13. Further background information with respect to each of the Companies is set out below.

Prosysco Ltd.

14. Paul Chimko was the sole officer and director of the Prosysco. Attached to the Scott Affidavit as **Exhibit “D” is a copy of** the corporate profile search for Prosysco. Paul Chimko passed away suddenly on April 6, 2023. On April 10, 2023 Alan Chimko was elected the sole director of Prosysco pursuant to a resolution of the shareholders. On April 10, 2023 Terrence Scott was appointed as President and Secretary of Prosysco pursuant to a resolution of the director.

15. Prosysco is a supplier of highly specialized engineered process solutions and is certified and equipped to manufacture process equipment, process vessels and high purity piping systems in-house. Its clients principally include, among others, companies in the biotech, pharmaceutical, food, beverage and dairy industries. Prosysco employs approximately 62 employees. **Prosysco’s** employees are not unionized. Prosysco leases its head office which is located at 8 Prologis Boulevard in Mississauga, Ontario. Prosysco leases manufacturing facilities located at 360 and 380 Ambassador Drive in Mississauga, Ontario. **Prosysco’s** gross revenues during its fiscal years ended February 28, 2020 and 2021 were approximately \$14.2 million and \$11.5 million, respectively. **Prosysco’s 2022 financial statements have not yet been prepared by its** external accountant, the reasons for which are included in the Scott Affidavit.

16. Further background information about Prosysco is contained in the Scott Affidavit. The Scott Affidavit also includes details about the causes of the **Prosysco’s** financial difficulties.

17. The material assets of Prosysco include its accounts receivable, work-in-process inventory, finished goods inventory, machinery and equipment and vehicles. Certain details about these assets are included in **the Scott Affidavit. The Proposal Trustee will provide further details to the Court regarding Prosysco’s material** assets at a later date.

1110615 Ontario Ltd.

18. Alan Chimko is the sole director of 111Co. Attached **to the Scott Affidavit as Exhibit "E"** is a copy of the corporate profile search for 111Co.

19. 111Co. is a holding company and is not engaged in active business. **111Co's only material asset** are set out below.

- a. common shares in Prosysco. 111Co. is the majority shareholder of Prosysco. The other minority shareholders are Adam Kurtz and Dmitry Puzhitsky, both of whom are management level employees of Prosysco;
- b. loans due from Prosysco and North Quest Vision (formerly 2090985 Ontario Inc.), a company related to 111Co.

20. According to the draft version of **111Co.'s fiscal year ended February 28, 2022** financial statements, which are in draft but which the Proposal Trustee has been advised will be issued in final form in due course, indicates that this company has no material liabilities, other than its indebtedness to RBC in respect of its **guarantee of Prosysco's indebtedness**.

21. Further background information about 111Co. is contained in the Scott Affidavit.

V. SECURED CREDITORS

Prosysco Ltd.

22. A search of the public registry for the PPSA indicates that the following creditors have registered financing/change statements against Prosysco:

Registration Date	Creditor	Collateral Classification
May 30, 2013	Royal Bank of Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle
November 23, 2017	Royal Bank of Canada	Inventory, Equipment, Accounts, Other
September 19, 2018	Echelon Insurance	Inventory, Equipment, Accounts, Other, Motor Vehicle
March 5, 2019	Royal Bank of Canada	Consumer Goods, Other, Motor Vehicle
March 5, 2019	Royal Bank of Canada	Consumer Goods, Other, Motor Vehicle
April 2, 2019	Royal Bank of Canada	Equipment, Other
October 22, 2019	De Lage Landen Financial Services Canada Inc.	Equipment, Accounts, Other, Motor Vehicle
November 19, 2019	Royal Bank of Canada	Equipment, Other
October 30, 2020	Royal Bank of Canada	Consumer Goods, Other, Motor Vehicle
November 2, 2020	Ford Credit Canada Company	Equipment, Other
November 19, 2020	Royal Bank of Canada	Consumer Goods, Other, Motor Vehicle
December 7, 2020	Toyota Credit Canada Inc.	Consumer Goods, Equipment, Other, Motor Vehicle
February 4, 2021	The Bank of Nova Scotia	Equipment, Other, Motor Vehicle
March 16, 2021	Honda Canada Finance Inc.	Consumer Goods, Equipment, Motor Vehicle
May 25, 2021	Royal Bank of Canada	Equipment, Other
June 15, 2021	Toyota Credit Canada Inc.	Consumer Goods, Equipment, Other, Motor Vehicle
June 16, 2021	Royal Bank of Canada	Equipment, Other, Motor Vehicle
June 29, 2021	Vault Credit Corporation	Equipment, Other
July 5, 2021	BMW Canada Inc.	Consumer Goods, Equipment, Other, Motor Vehicle
July 22, 2021	Vault Credit Corporation	Equipment, Other
September 23, 2021	Vault Credit Corporation	Equipment, Other
October 1, 2021	Meridian Onecap Credit Corp.	Equipment, Other
October 13, 2021	Vault Credit Corporation	Inventory, Equipment, Accounts, Other
October 17, 2021	Meridian Onecap Credit Corp.	Equipment, Other
October 27, 2021	Meridian Onecap Credit Corp.	Equipment, Other
January 27, 2022	CWB National Leasing Inc.	Equipment
June 20, 2022	Bercon Rentals Inc.	Inventory, Equipment, Accounts, Other, Motor Vehicle
July 8, 2022	Royal Bank of Canada	Equipment, Other
October 13, 2022	Bercon Rentals Inc.	Inventory, Equipment, Accounts, Other, Motor Vehicle
October 27, 2022	Her Majesty in right of Ontario represented by the Minister of Finance	Inventory, Equipment, Accounts, Other, Motor Vehicle
November 11, 2022	ATCO Structures & Logistics Ltd.	Other

23. A copy of the PPSA search with a file currency date of March 28, 2023 is attached hereto as **Appendix “B”**.

Royal Bank of Canada

24. As was noted above, RBC is **Prosysco’s** senior secured creditor. RBC provided Prosysco with several term loans, both a CDN dollar and US dollar revolving line of credit and credit card facilities. The Proposal Trustee has been advised by RBC that the amount owing to RBC was approximately \$2.76 million and US\$250,000 as of March 22, 2023 plus accrued and accruing interest (defined above as the RBC Debt). Prosysco provided a general security agreement in favour of RBC as security for the RBC Debt. 111Co. provided a general security agreement securing its limited guarantee of the RBC Debt in favour of RBC. Together the **Prosysco Security and the 111Co. Security are together referred to as the “RBC Security.”**

25. The Proposal Trustee has engaged Goldman Sloan Nash and Haber LLP (“GSNH”) to provide independent legal opinions in respect of the validity and enforceability of the RBC Security (the “RBC Security Opinions”). GSNH has provided a favourable opinion on the RBC Security. Copies of the RBC

Security Opinions are attached hereto as **Appendix “C”**. RBC has the earliest registered financing statements against both Prosysco and 111Co.

Other Secured Creditors

26. As set out in the chart above, there are several creditors, other than RBC, who have registered financing statements. These registrations have not been investigated by the Proposal Trustee as of the date of this First Report. The Proposal Trustee will provide further details to Court at a later date with respect to each of these registrations.

Deemed Trust – CRA

Prosysco is indebted to the CRA in respect of unpaid source deductions in the total amount of approximately \$1.63 million.

1110615 Ontario Ltd.

27. Pursuant to a PPSA search conducted by the Proposal Trustee on March 29, 2023 (with a file currency date of March 28, 2023), the following creditors have registered financing statements against 111Co.:

Registration Date	Creditor	Collateral Classification
June 14, 2016	Royal Bank of Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle
September 19, 2018	Echelon Insurance	Other

28. A copy of the PPSA search is attached hereto as **Appendix “D”**.

Royal Bank of Canada

29. Details of the 111Co. Security are referred to above and included in the RBC Security Opinions. RBC has the earliest registrations reflected in the PPSA search results.

Echelon Insurance

30. The Proposal Trustee as not investigated the registration of Echelon Insurance of the date of this First Report. The Proposal Trustee will provide further details to Court at a later date with respect to this registration.

VI. UNSECURED CREDITORS

Prosysco Ltd.

31. Prosysco listed approximately \$1.8 million of **arm’s length unsecured claims in its NOI**.

32. **As set out in the Scott Affidavit, management intends to disclaim Prosysco’s commercial head office leases.** This landlord will have an unsecured claim in accordance with section 65.2(4) of the BIA. The landlord’s claim has not been estimated at this time.

33. Prosysco listed \$2.5 million as an estimate of the amounts owing to shareholders and other non-**arm's length unsecured creditors**. Prosysco is in the process of updated its accounting records and, once completed, the amounts owing to non-**arm's length creditors will be known**. The Trustee will provide the Court with a further update at a later date.

1110615 Ontario Ltd.

34. **The only unsecured creditor listed on 111Co's NOI was Prosysco in the amount of \$128,000.**

35. The Proposal Trustee provided notice of the NOI proceedings to the CRA. The CRA has not yet contacted the Proposal Trustee as of the date of this First Report.

VII. ACTIVITIES OF THE COMPANIES

36. Since the date of the filing of the NOI, the Companies have undertaken, among other things, the following activities:

- a. advised various stakeholders, including management, relevant employees, and important suppliers of these restructuring proceedings;
- b. met with various prospective lenders to discuss obtaining longer term financing to payout RBC and the CRA in respect of its unpaid source deductions;
- c. had informal discussions with various secured and unsecured creditors in respect of the restructuring proceedings;
- d. attended meetings with the Proposal Trustee to discuss its objectives and options in respect of these restructuring proceedings;
- e. prepared its Cash Flow Forecasts (defined below) with the assistance of the Proposal Trustee; and
- f. provided the Proposal Trustee, on an ongoing basis, with financial and other information in order to allow the Proposal Trustee to monitor its cash receipts and disbursements.

37. The Companies are requesting an extension of time to file their proposals so that they may, among other things, have additional time to stabilize their business operations and to develop a proposal to their creditors. The Companies are also continuing to canvas the market to find additional longer-term financing in order to payout the RBC Debt in full, retire unpaid source deductions and, generally, to recapitalize the business. As further discussed below, the Proposal Trustee **supports the Companies' request for the Stay Extension**.

VIII. ACTIVITIES OF THE PROPOSAL TRUSTEE

38. Since the date of the filing of the NOI the Proposal Trustee has undertaken, among other things, the following activities:

- a. on April 6, 2023 the Proposal Trustee mailed to every known creditor a copy of the NOI as required under subsection 50.4(6) of the BIA. A copy of the affidavits of mailing are collectively attached hereto as Appendix “E”;
- b. assisted the Companies in their efforts to obtain longer-term financing by contacting several lenders with expertise and experience in working with companies engaged in active restructuring proceedings;
- c. corresponded with RBC’s **legal counsel**;
- d. engaged GSNH as its independent legal counsel;
- e. engaged GSNH to provide an independent legal opinion with respect to the validity and enforceability of the security of RBC over the Companies;
- f. assisted the Companies with the preparation of the Cash Flow Forecast (defined below);
- g. **implemented procedures with the Companies’ management and employees in order to allow** the Proposal Trustee to consistently monitor the receipts and disbursements of the Companies and compare same to the Cash Flow Forecast for variances;
- h. communicated extensively with management of the Companies **and the Companies’ legal counsel** to discuss, among other things, the following:
 - i. the business, financial affairs and future prospects of the Companies;
 - ii. the options available to the Companies in relation to the NOI proceedings; and,
 - iii. requirements for short- and long-term financing.
- i. communicated with several creditors and other stakeholders who contacted the Proposal Trustee directly regarding the status of these restructuring proceedings; and,
- j. established a Case Webpage to post Court materials related to these restructuring proceedings, located at www.albertgelman.com/corporate-solutions/other-engagements/

IX. CASH FLOW FORECASTS

39. On April 10, 2023 the Companies each filed with the Proposal Trustee a statement of projected cash flows prepared on a weekly basis for the period of April 9 to July 1, 2023 (“Cash Flow Forecasts”), **along with management’s report on the reasonableness of the Cash Flow Forecast, in accordance with subsection 50.4(2) of the BIA.** The Cash Flow Forecasts of Prosyco and 111Co. are attached to the Scott Affidavit as **Exhibits “J” and “K”, respectively.**

40. In the Proposal Trustee’s **opinion, the Cash Flow Forecasts** demonstrate that the Companies can continue to operate during the **forecast period without material prejudice to any of the Companies’ creditors.**

The accuracy of the Cash Flow Forecasts are subject to the assumptions contained within the forecast and set out in the forecast notes.

X. REQUEST FOR EXTENSION

41. The Companies are seeking the Stay Extension pursuant to subsection 50.4(9) of the BIA.

42. The Proposal Trustee supports the Stay Extension as it is of the opinion that:

- a. the Companies have acted, and are acting, in good faith and with due diligence;
- b. the Companies would likely be able to make a viable Proposal if the extension being applied for were granted; and,
- c. no creditor would be materially prejudiced if the extension being applied for were granted.

43. The Proposal Trustee is also of the opinion that a Proposal developed by each of the Companies is more beneficial to all stakeholders than an immediate forced shut down of the Companies and a liquidation **of the Companies' assets**. This is so because a Proposal: (a) would likely provide for a significantly greater return to the Companies' unsecured creditors; (b) **would result in continued employment for Prosysco's** approximately 62 employees; and, (c) would result in a more orderly and efficient process to distribute funds to the **Companies'** secured and unsecured creditors.

XI. PROPOSAL TRUSTEE'S RECOMMENDATION

44. For the reasons explained herein, the Proposal Trustee respectfully recommends that this Honourable Court make an Order or Orders approving:

- a. the **administrative consolidation of the Companies' proposal proceedings under one title of proceeding**;
- b. the Stay Extension; and,
- c. the actions and activities of the Proposal Trustee as described in this First Report.

All of which is respectfully submitted this 19th day of April 2023

ALBERT GELMAN INC., solely in its
capacity as Trustee of *re* the Notice of
Intention to Make a Proposal of
Prosysco Ltd. and 1110615 Ontario Ltd.
and not its Personal or any other Capacity

Per:

Bryan Gelman, *CIRP, LIT*

APPENDIX “D”

TAB 1

PROSYSCO LTD.
REVISED STATEMENT OF PROJECTED CASH FLOWS
FOR THE 11 WEEK PERIOD ENDED AUGUST 19, 2023

Forecast - Weekly											
Week starting	4-Jun-23	11-Jun-23	18-Jun-23	25-Jun-23	2-Jul-23	9-Jul-23	16-Jul-23	23-Jul-23	30-Jul-23	6-Aug-23	13-Aug-23
Week ending	10-Jun-23	17-Jun-23	24-Jun-23	1-Jul-23	8-Jul-23	15-Jul-23	22-Jul-23	29-Jul-23	5-Aug-23	12-Aug-23	19-Aug-23
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Cash balance - beginning of period	794,388	814,771	1,362,540	1,495,390	1,893,934	1,933,986	1,666,775	1,518,066	1,440,347	1,399,875	1,706,162
Cash receipts (includes HST)											
Collection of accounts receivable	229,207	842,788	386,977	853,793	248,000	24,185	78,884	221,215	426,874	527,316	314,896
Total cash receipts (including HST)	229,207	842,788	386,977	853,793	248,000	24,185	78,884	221,215	426,874	527,316	314,896
Disbursements (all applicable expenses include HST)											
Direct labour (incl. EHT, WSIB, DAS, etc.) (Payroll)	87,230	161,093	92,138	151,629	78,605	157,470	83,202	158,248	157,470	83,202	158,248
Materials purchases payments	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Equipment rental		4,200		4,200		4,200		4,200		4,200	
Equipment Lease and Finance Payments	1,244	13,827	12,090	1,886	1,244	13,827	12,090	1,886	1,244	13,827	12,090
Inspections	1,200			1,200	1,200			1,200	1,200		1,200
Freight	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Customs and duties	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Employee benefits			13,000					13,000			13,000
Shop supplies	5,400			5,400			5,400			5,400	
Auto expense	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Bank charges and interest		15,000				15,000				15,000	
Insurance				11,000				11,000			
Rent expense	-	-	-	80,533					80,533		
Utilities			10,000					10,000			
Telephone and communication		1,500				1,500					
Travel - Hotel and accomodations/per diems	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Office and general	150	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300
Restructuring Fee	27,500	-	27,500	-	27,500	-	27,500	-	27,500	-	27,500
HST remittances / (refund)	-	-	-	100,000					100,000		
Total disbursements (including HST)	208,824	295,020	254,128	455,248	207,949	291,397	227,592	298,934	467,346	221,029	311,438
Net Cash-flow from operations	20,383	547,769	132,850	398,545	40,052	(267,211)	(148,709)	(77,719)	(40,472)	306,286	3,458
Cash balance - end of period	814,771	1,362,540	1,495,390	1,893,934	1,933,986	1,666,775	1,518,066	1,440,347	1,399,875	1,706,162	1,709,619

NOTICE TO READER:

This revised statement of projected cash-flow dated June 7, 2023 of the Company is prepared in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report On Cash-Flow Statement and the Report On Cash-Flow Statement By The Person Making The Proposal.

Prosystco Ltd.


Per: Terrence Scott

June 7, 2023

Albert Gelman Inc., solely in its capacity as Trustee in re the Notice of Intention to Make a Proposal of Prosystco Ltd. and not in its personal or any other capacity

Per: Bryan Gelman

June 7, 2023

TAB 2

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929201
Estate No. 32-2929201

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

The attached statement of projected cash flow of Prosysco Ltd., as of the 7th day of June 2023, consisting of a revised cash flow projection for the 11-week period from June 4 to August 19, 2023, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



1

Bryan Gelman - Licensed Insolvency Trustee
60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929201
Estate No. 32-2929201

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the revised projection is to comply with the requirements set out in Section 50.4(2) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

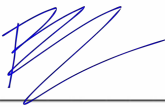
Probable Assumptions

1. Prosysco (the "Company") will continue to operate during these restructuring proceedings.
2. The opening cash balance represents the cash balance in the company's Royal Bank of Canada ("RBC") operating accounts (CDN and USD) as of June 4, 2023. The Company will be operating without the use of its RBC credit facility during these restructuring proceedings.
3. Receipts have been estimated based on: (a) collection of accounts owing as of the date of the revised cash flow projection; and, (b) anticipated receipts from future sales/contacts.
4. Materials purchases payments, director labour expense and employee benefits expense have been estimated based on existing and anticipated future contracts.
5. It is anticipated that suppliers will be paid on a COD or near COD basis. Certain suppliers may require deposits before continuing to supply as security for future supply of goods/services.
6. Existing vendors, or suitable alternates, will continue to supply the Company with goods and services in a timely fashion necessary for the Company to maintain operations and meet customer obligations.
7. All expenses have been recorded in the week they are forecast to be incurred.
8. Office and management salaries expense includes the wages paid to salaried employees and management. This expense is included in the "Direct labour" expense item.
9. Restructuring costs consist of payments to the Debtor's legal counsel and to the Proposal Trustee to fund their respective ongoing fees and disbursements during these restructuring proceedings. It also includes the costs to fund the restructuring proceedings of 1110615 Ontario Ltd., the Company's parent company. 1110615 Ontario Ltd. also filed a notice of intention to make a proposal on April 1, 2023.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Bryan Gelman - Licensed Insolvency Trustee

60 Shaftesbury Avenue

Toronto ON M4T 1A3

Phone: (416) 504-1650 Fax: (416) 504-1655

TAB 3

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929201
Estate No. 32-2929201

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

The management of Prosysco Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 7th day of June 2023, consisting of a revised cash flow projection for the 11-week period from June 4 to August 19, 2023.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.



Prosysco Ltd.
Debtor

Terrence Scott

Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929201
Estate No. 32-2929201

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Prosysco Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the revised projection is to comply with the requirements set out in Section 50.4(2) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

Probable Assumptions

1. Prosysco (the "Company") will continue to operate during these restructuring proceedings.
2. The opening cash balance represents the cash balance in the company's Royal Bank of Canada ("RBC") operating accounts (CDN and USD) as of June 4, 2023. The Company will be operating without the use of its RBC credit facility during these restructuring proceedings.
3. Receipts have been estimated based on: (a) collection of accounts owing as of the date of the revised cash flow projection; and, (b) anticipated receipts from future sales/contacts.
4. Materials purchases payments, director labour expense and employee benefits expense have been estimated based on existing and anticipated future contracts.
5. It is anticipated that suppliers will be paid on a COD or near COD basis. Certain suppliers may require deposits before continuing to supply as security for future supply of goods/services.
6. Existing vendors, or suitable alternates, will continue to supply the Company with goods and services in a timely fashion necessary for the Company to maintain operations and meet customer obligations.
7. All expenses have been recorded in the week they are forecast to be incurred.
8. Office and management salaries expense includes the wages paid to salaried employees and management. This expense is included in the "Direct labour" expense item.
9. Restructuring costs consist of payments to the Debtor's legal counsel and to the Proposal Trustee to fund their respective ongoing fees and disbursements during these restructuring proceedings. It also includes the costs to fund the restructuring proceedings of 1110615 Ontario Ltd., the Company's parent company. 1110615 Ontario Ltd. also filed a notice of intention to make a proposal on April 1, 2023.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.



Prosysco Ltd.

TAB 4

1110615 ONTARIO LTD.
REVISED STATEMENT OF PROJECTED CASH FLOWS
FOR THE 11 WEEK PERIOD ENDED AUGUST 19, 2023

		Forecast - Weekly											
Week starting		4-Jun-23	11-Jun-23	18-Jun-23	25-Jun-23	2-Jul-23	9-Jul-23	16-Jul-23	23-Jul-23	30-Jul-23	6-Aug-23	13-Aug-23	
Week ending		10-Jun-23	17-Jun-23	24-Jun-23	1-Jul-23	8-Jul-23	15-Jul-23	22-Jul-23	29-Jul-23	5-Aug-23	12-Aug-23	19-Aug-23	
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	
Cash balance - beginning of period	\$	217	197	197	197	191	191	171	171	165	165	145	A
Cash receipts (includes HST)													
Receipts		-	-	-	-	-	-	-	-	-	-	-	
Total cash receipts (including HST)	\$	-	-	-	-	-	-	-	-	-	-	-	B
Disbursements (all applicable expenses include HST)													
Interest and bank charges		20			6		20		6		20		
Restructuring Fee		-	-	-	-	-	-	-	-	-	-	-	
Total disbursements (including HST)	\$	20	-	-	6	-	20	-	6	-	20	-	C
Net Cash-flow from operations	\$	(20)	-	-	(6)	-	(20)	-	(6)	-	(20)	-	D = B - C
Cash balance - end of period	\$	197	197	197	191	191	171	171	165	165	145	145	A + D

NOTICE TO READER:

This revised statement of projected cash-flow dated June 7, 2023 of the Company is prepared in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report On Cash-Flow Statement and the Report On Cash-Flow Statement By The Person Making The Proposal.

Albert Gelman Inc., solely in its capacity as Trustee in re the Notice of
Intention to Make a Proposal of 1110615 Ontario Ltd. and not in its personal or
any other capacity

1110615 Ontario Ltd.

Per: Terrence Scott

June 7, 2023

Per: Bryan Gelman

June 7, 2023

TAB 5

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

The attached statement of projected cash flow of 1110615 Ontario Ltd., as of the 7th day of June 2023, consisting of a revised cash flow projection for the 11-week period from June 4 to August 19, 2023, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Bryan Gelman - Licensed Insolvency Trustee
60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the revised projection is to comply with the requirements set out in Section 50.4(2) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

Probable Assumptions

1. 1110615 Ontario Ltd. (the "Company") is a holding company which is not engaged in active business operations.
2. The restructuring costs of the Company are being funded by the Company's subsidiary, Prosysco Ltd., a company which also filed a Notice of Intention to Make a Proposal on April 1, 2023.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Bryan Gelman - Licensed Insolvency Trustee
60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

TAB 6

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

The management of 1110615 Ontario Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 7th day of June 2023, consisting of a revised cash flow projection for the 11-week period from June 4 to August 19, 2023.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.



1110615 Ontario Ltd.
Debtor

Terrence Scott

Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the revised projection is to comply with the requirements set out in Section 50.4(2) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

Probable Assumptions

1. 1110615 Ontario Ltd. (the "Company") is a holding company which is not engaged in active business operations.
2. The restructuring costs of the Company are being funded by the Company's subsidiary, Prosysco Ltd., a company which also filed a Notice of Intention to Make a Proposal on April 1, 2023.

Dated at the City of Toronto in the Province of Ontario, this 7th day of June 2023.



1110615 Ontario Ltd.

APPENDIX “E”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

In the Matter of the Notice of Intention to Make a Proposal of
Prosysco Ltd. of the city of Mississauga
in the Province of Ontario

And in the Matter of the Notice of Intention to Make a Proposal of
1110615 Ontario Ltd. of the city of Mississauga
in the Province of Ontario

PROPOSAL TRUSTEE'S AFFIDAVIT OF FEES

I, Bryan Gelman, of the City of Toronto, make oath and say as follows:

1. **I am a Licenced Insolvency Trustee and principal of Albert Gelman Inc. ("Proposal Trustee"), Trustee of** the Notice of Intention to Make a Proposal filed by both of Prosysco Ltd. ("Prosysco") and 1110615 Ontario Ltd. ("111Co.") and as such have knowledge of the facts herein deposed to.
2. The Proposal Trustee has prepared invoices in connection with its fees as follows:
 - a. an account issued to Prosysco dated May 8, 2023 for the period to April 30, 2023 of \$73,357.50, plus HST thereon;
 - b. an account issued to 111Co. dated May 8, 2023 for the period to April 30, 2023 of \$6,778.50 plus HST thereon; and,
 - c. an account issued to Prosysco dated June 5, 2023 for the period May 1 to June 5, 2023 of \$25,341.50 plus HST thereon.
3. **A summary of the Proposal Trustee's time by staff member is as follows:**

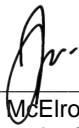
Staff member	Position	Hours worked	Hourly rate	Total
			(\$)	(\$)
Bryan Gelman, CIRP, LIT	Principal	56.4	565.00	31,866.00
Joe Albert, CPA, CA, DIFA, CIRP, LIT	Principal	0.1	630.00	63.00
Tom McElroy, CPA, CA, CBV, CIRP, LIT	Senior Manager	45.7	495.00	22,621.50
Suzette Warner, CFE, CPA, CGA, FCCA	Associate	3.5	395.00	1,382.50
Ianina Raguimov, CIRP, LIT	Associate	121.8	395.00	48,111.00
Ashely Robinson	Estate Administrator	4.7	305.00	1,433.50
		232.2	454.25	105,477.50

4. The **Proposal Trustee's total fees are \$105,477.50**, its total hours spent is 232.2 and, therefore, its average hourly rate is calculated to be \$454.25.
5. **The Proposal Trustee's accounts, including detailed time dockets, are attached hereto as Exhibit "A"**.
6. This Affidavit is made in support of a motion to approve the accounts of Albert Gelman Inc. and for no improper purpose.

Sworn remotely by Bryan Gelman at Toronto, Ontario
before me at Toronto, Ontario in accordance with
O. Reg. 431/20, Administering Oath or Declaration
Remotely, the 7th day of June 2023

}
}
}
}

Bryan Gelman



Thomas John McElroy, a Commissioner, etc.,
Province of Ontario, for Albert Gelman Inc.
Expires February 14, 2025

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3

Attention: Mr. Terry Scott

Invoice

Invoice Date: May 8, 2023

Invoice No: 6366

Billing Through: Apr 30, 2023

File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-03-29	BGELMAN	Initial call with Paul Chimko;	0.50	\$565.00	\$282.50
2023-03-29	IRAGUIMOV	Initial call with debtor, Bryan and Suzette; researched financial problems and various solutions available to the company	1.00	\$395.00	\$395.00
2023-03-30	BGELMAN	Review of all financial information provided by Debtor; calls (multiple) with Brendan Bissell re update; Travel to and attend meeting at Debtor's office for management meeting; continued review of financial information provided by Debtor; call with VP Finance (Terry) re parent company and emails re same; meeting with Ianina R. (AGI) re file input and instructions for next steps;	7.20	\$565.00	\$4,068.00
2023-03-30	IRAGUIMOV	Visited debtor on site; meeting with the management team; financial data analysis; reviewed financial statements; data entry in Ascend; additional communication with debtor through email	10.50	\$395.00	\$4,147.50
2023-03-30	SWARNER	Formatting of excel template for creditors upload	0.50	\$395.00	\$197.50
2023-03-31	BGELMAN	Attend conference call with Management; Follow up debrief with Brendan Bissell re next steps; Review of NOI documents and instructions to Ianina re changes; multiple calls with Brendan Bissell; review of draft NOI sign up docs; conference call with Brendan Bissell and Paul Chimco re NOI sign up;	3.30	\$565.00	\$1,864.50
2023-03-31	IRAGUIMOV	Reviewed financial statements; meeting with debtors and lawyer; prepared file in Ascend	7.00	\$395.00	\$2,765.00
2023-04-01	BGELMAN	Attend management meeting and prepare for and attend sign up meeting of NOI;	2.50	\$565.00	\$1,412.50
2023-04-01	IRAGUIMOV	Reviewed financial documents; attended meeting with management; prepared signing documents	3.40	\$395.00	\$1,343.00
2023-04-03	BGELMAN	Call to David Kennedy at RBC re update; update Paul Chimko re next steps with several phone calls; contact multiple prospective lenders to discuss short and long term financing; Emails to Debtor and team re finance meeting and agenda;	1.60	\$565.00	\$904.00
2023-04-03	SWARNER	Attended call with AGI team, Debtor representatives and legal counsel to discuss cash flow and next steps	1.00	\$395.00	\$395.00
2023-04-03	IRAGUIMOV	Reviewed AP and AR, reviewed CF model	1.10	\$395.00	\$434.50
2023-04-04	TMCELROY	Conference call with management and Debtor legal counsel re various matters; Call with Terry to discuss cash flow and payments to be returned;	1.10	\$495.00	\$544.50
2023-04-04	SWARNER	representatives and legal counsel to discuss cash flow and next steps	1.00	\$395.00	\$395.00

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3

Attention: Mr. Terry Scott

Invoice

Invoice Date: May 8, 2023

Invoice No: 6366

Billing Through: Apr 30, 2023

File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-04-04	BGELMAN	Attend call with management and finance VP re cash flow and next steps; Attend conference call with Brendan Bissell and Tim Hogan; Update call with Terry Scott; emails introductions to three prospective lenders for short/long term capital;	1.90	\$565.00	\$1,073.50
2023-04-04	IRAGUIMOV	Attended meeting with Bryan and the management to discuss updates re AR, AP, banking; attended a call with Bryan, Tim Hogan and Brendan to discuss next steps	1.40	\$395.00	\$553.00
2023-04-05	SWARNER	Reviewed and commented on creditors package	0.40	\$395.00	\$158.00
2023-04-05	IRAGUIMOV	Prepared and assembled Notice to creditors of NOI filing package; call with Dmitry re list of creditors update; updated creditors, prepared new Creditor's package re NOI filing	2.80	\$395.00	\$1,106.00
2023-04-05	BGELMAN	Call with prospective lender (4) and introduction email; calls with Brendan Bissell re extension application; call with Paul Simpson; Review of preliminary cash flow forecast prepared by management;	1.50	\$565.00	\$847.50
2023-04-05	TMCELROY	Email to T. Scott; Review and format NOI cash flow projection;	1.70	\$495.00	\$841.50
2023-04-06	TMCELROY	Discuss cash flow forecast prepared by management with B. Gelman; Meeting with Terry and B. Gelman to discuss and review NOI cash flow forecast; Emails to Terry re cash flow projection;	2.70	\$495.00	\$1,336.50
2023-04-06	AROBINSON	Mailed out Notice to Creditors package	2.50	\$305.00	\$762.50
2023-04-06	IRAGUIMOV	Meeting with Bryan re replanning, conversed with creditors re filing, explained the process, attended cash flow review meeting	3.70	\$395.00	\$1,461.50
2023-04-07	BGELMAN	Attend meeting with management (Terry, Dmitri and Adam) at head office; attend teams call with management, Tom McElroy and Ianina re development of cash flow and review of same; review and approval of creditors package for NOI;	5.70	\$565.00	\$3,220.50
2023-04-07	IRAGUIMOV	Reviewed TB and creditors, reviewed CF statement, sent out notices of NOI filing to creditors/shareholders	1.70	\$395.00	\$671.50
2023-04-09	BGELMAN	Review of updated cash flow forecast prepared by management; emails re same; Review of emails and financial statements prepared by Mark Potter at Norton McMullen;	1.20	\$565.00	\$678.00
2023-04-09	TMCELROY	Review and finalize NOI cash flow forecast for both companies; Prepare forms 29 and 30; Prepare cash flow rep letters; Discuss cash flow projection with B. Gelman;	3.40	\$495.00	\$1,683.00

Invoice

Prosysco Ltd.
360 Ambassador Dr,
Mississauga, ON L5T 2J3

Attention: Mr. Terry Scott

Invoice Date: May 8, 2023

Invoice No: 6366

Billing Through: Apr 30, 2023

File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-04-09	IRAGUIMOV	Cash flow review, conversed with debtor through emails and phone	1.20	\$395.00	\$474.00
2023-04-10	TMCELROY	Email to/from management re cash flow projection; E-filed NOI cash flow forecasts for both companies; Videoconference with Debtor and Firepower re potential DIP financing;	1.30	\$495.00	\$643.50
2023-04-10	AROBINSON	Sent corporate officer NOI cash flow through syngrafi	0.20	\$305.00	\$61.00
2023-04-10	IRAGUIMOV	Conversed with creditors re NOI filing, explained the process, discussed next steps, sent out Notices re NOI filing	2.80	\$395.00	\$1,106.00
2023-04-10	BGELMAN	Final review of cash flow and notes, revisions to same; sign same; Call with Terry Scott re	1.10	\$565.00	\$621.50
2023-04-11	AROBINSON	Creditors questions re NOI filing	0.30	\$305.00	\$91.50
2023-04-11	BGELMAN	Email to David K. at RBC re cash flow statement; emails to Terry re same; email to potential lender re opportunity; attend teams call with Tom and lanina re review of checklist; attend call with Brendan Bissell , Jessica from his office and Mario Forte; Attend teams call with Terry Scott, Tom and lanina re to do list;	2.80	\$565.00	\$1,582.00
2023-04-11	TMCELROY	Meeting with I. Rugimov and B. Gelman to discuss delegation of tasks and next steps re restructuring proceedings; Videoconference with B. Gelman, I. Rugimov and Terry to discuss response to D. Kennedy and other matters; Draft email to D. Kennedy (RBC);	1.70	\$495.00	\$841.50
2023-04-11	IRAGUIMOV	Conversed with creditors re NOI filing, explained the process, discussed next steps, sent out Notice re NOI filing; team meeting re next steps in the engagement; meeting with Tom and Terry re CF and contracts disclaimers; email to debtor re agreement/lease/contract disclaimers	2.80	\$395.00	\$1,106.00
2023-04-12	BGELMAN	Attend meeting with Terry Scott and Mark Potter review of financial statements for Prosysco, 111 corp and parent company 209; Call from Prospective purchaser; Review and respond to email from counsel for Debtor re cash flow forecast; attend management meeting, including debtors counsel to discuss agenda;	1.70	\$565.00	\$960.50
2023-04-12	TMCELROY	Video conference with M. Potter (external accountant), T. Scott, B. Gelman and I. Raguimov; Email to D. Kennedy (RBC); Videoconference with management, counsel to Debtor, Terry, B. Gelman and R. Raguimov;	1.80	\$495.00	\$891.00

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3

Attention: Mr. Terry Scott

Invoice

Invoice Date: May 8, 2023

Invoice No: 6366

Billing Through: Apr 30, 2023

File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

2023-04-12	IRAGUIMOV	Meeting with Mark, Tom, Terry and Bryan re CRA audit; meeting with Prosysco mgmt team and legal team re future steps and planning the engagement; drafted updated resolution of directors; reviewed creditors listing; communicated with creditors re filing by phone and email	4.60	\$395.00	\$1,817.00
2023-04-13	BGELMAN	Attend scheduling hearing; Review of revised cash flow model and security position analysis, revision to model and email back to Terry re same; Review of emails from Dmitry and respond to same re treatment of creditors in NOI and RBC; call from Terry re customer issue; call to Brendan re source deductions;	2.00	\$565.00	\$1,130.00
2023-04-13	TMCELROY	Instruction to I. Rugimov re weekly cash flow monitoring procedures; Prepare form of director resolution re authorization for president to sign NOI/Proposal documents; Prepare form of commercial lease disclaimer; Draft Proposal Trustee's first report to Court;	2.20	\$495.00	\$1,089.00
2023-04-13	IRAGUIMOV	Responded to voicemail and emails from creditors; communicated and responded to questions from debtors, communicated with legal team, researched and provided requested information to debtor's legal team	3.40	\$395.00	\$1,343.00
2023-04-14	TMCELROY	Continue drafting Trustee's First Report to Court;	7.50	\$495.00	\$3,712.50
2023-04-14	IRAGUIMOV	Reviewed financial statements, reviewed CF monitoring guidelines, sent an email re CF monitoring requirements, communicated with creditors through phone calls and emails	1.60	\$395.00	\$632.00
2023-04-15	TMCELROY	Email to management re revised director resolution;	0.20	\$495.00	\$99.00
2023-04-15	IRAGUIMOV	Reviewed financial data, reviewed list of creditors, communication with supplier, communication with debtor, communication with debtor's legal team	1.10	\$395.00	\$434.50
2023-04-16	IRAGUIMOV	Reviewed purchase orders and communication from debtor, supplier and legal team; communicated with debtor, supplier and legal team	0.60	\$395.00	\$237.00
2023-04-17	BGELMAN	Call to Terry re related party loans and supplier issue; Attend teams call to review checklist and delegation of tasks; Review of trial balance report from Debtor; Review of revised weekly cash flow and RBC security position; Call with Terry Scott re same; Review of 2021 balance sheet and income statement;	1.70	\$565.00	\$960.50
2023-04-17	TMCELROY	File status review meeting with B. Gelman and I. Rugimov; Emails to/from Terry re various matters; Email to Mark Potter (external accountant); Email to M. Forte (counsel); Discuss matters related to agreement terminations with I. Rugimov;	0.70	\$495.00	\$346.50

Invoice

Prosysco Ltd.
360 Ambassador Dr,
Mississauga, ON L5T 2J3

Attention: Mr. Terry Scott

Invoice Date: May 8, 2023

Invoice No: 6366

Billing Through: Apr 30, 2023

File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-04-17	IRAGUIMOV	Meetings with creditors re NOI filing, discussed and explained the process, explained pre and post NOI invoicing; meeting with prospective buyer, explained NOI filing reasoning and going concern; communication with legal team; communication with supplier's lawyer; communication with debtor's lawyer; communication with debtor re lease disclaimer, employees, contract	3.80	\$395.00	\$1,501.00
2023-04-18	TMCELROY	Continue drafting First Report; Discuss first report with B. Gelman; Call with Debtor counsel re motion record; Email to Dmitry re commercial lease disclaimer; Instructions to I. Rugimov re weekly cash flow monitoring; Review of draft form of Court order prepared by Debtor counsel; Review of draft form of affidavit of Terrence Scott; Review of Debtor motion record;	5.70	\$495.00	\$2,821.50
2023-04-18	IRAGUIMOV	Meeting with Tom re CF monitoring, started CF data monitoring; communicated with creditors re NOI filing, explained the process, discussed the consequences	1.80	\$395.00	\$711.00
2023-04-18	BGELMAN	Review of monitoring data sent to Ianina by email; calls Ianina re monitoring procedures and instructions re same; Review of PPSA summary; review and comments to first draft of report to Court; Review and approval of draft order for extension and consolidation;	2.50	\$565.00	\$1,412.50
2023-04-19	BGELMAN	Further review of the Trustee's first report to Court and appendices, sign off on sme; Review of opinions on RBC security provided by Mario Forte; Review of emails pertaining to lease disclaimers; Call with Tim Hogan re update; Prepare case website;	3.40	\$565.00	\$1,921.00
2023-04-19	TMCELROY	Review security opinion re RBC prepare by counsel; Finalize First Report; Assemble appendices; Review of lease agreements re 8 Prologis and prepare notice of disclaimer;	2.10	\$495.00	\$1,039.50
2023-04-19	IRAGUIMOV	Reviewed bank statements, reviewed accounting entries, reviewed CF statement provided, conversation with controller re CF; prepared CF monitoring for week of April 10-April 14	6.10	\$395.00	\$2,409.50
2023-04-20	AROBINSON	Filed First Report	0.10	\$305.00	\$30.50
2023-04-20	TMCELROY	Email to Dmitry; Instructions to A. Robinson re revised director resolution; Further revisions to form of director resolution; Update Case Website; Finalize commercial lease disclaimer; Email to Debtor counsel re same;	0.90	\$495.00	\$445.50
2023-04-20	AROBINSON	Sent corporate office revised directors resolution form	0.10	\$305.00	\$30.50

Prosysco Ltd.
360 Ambassador Dr,
Mississauga, ON L5T 2J3

Attention: Mr. Terry Scott

Invoice

Invoice Date: May 8, 2023

Invoice No: 6366

Billing Through: Apr 30, 2023

File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

2023-04-20	IRAGUIMOV	Conversation with creditors, explained NOI filing and consequences, phone call with landlord, email communication with landlord, scheduled a meeting with landlord, communication with debtor re CF and RBC statements	1.30	\$395.00	\$513.50
2023-04-20	BGELMAN	Call from Terry Scott re Vault loan;	0.20	\$565.00	\$113.00
2023-04-21	TMCELROY	Travel to/form Debtor premises for meeting with Terry and tour of facility;	3.00	\$495.00	\$1,485.00
2023-04-21	SWARNER	Call from Ron Lalonde of BFC Technologies re interest in working with the company	0.20	\$395.00	\$79.00
2023-04-21	IRAGUIMOV	Conversing with debtors through email, discussed restructuring fees	0.30	\$395.00	\$118.50
2023-04-24	TMCELROY	Discuss cash flow monitoring with I. Rugimov;	0.30	\$495.00	\$148.50
2023-04-24	BGELMAN	Review and approval of cash flow monitoring; update from Tom McElroy re same; Review of lease disclaimers;	0.40	\$565.00	\$226.00
2023-04-24	IRAGUIMOV	Prepared for Court hearing; reviewed Trustee's First Report; Reviewed Motion Record; attended Court hearing; communicated with landlord; communicated with debtor re CF monitoring	2.20	\$395.00	\$869.00
2023-04-25	BGELMAN	Conduct file review;	0.80	\$565.00	\$452.00
2023-04-25	IRAGUIMOV	Created and sent out PAD request form; started CF review	2.50	\$395.00	\$987.50
2023-04-26	TMCELROY	Update Case Website; Discuss cash flow monitoring analysis with Iana;	0.60	\$495.00	\$297.00
2023-04-26	AROBINSON	Efiled order and counsel slip endorsement	0.20	\$305.00	\$61.00
2023-04-26	BGELMAN	Review of email relating to Vault loan payments;	0.10	\$565.00	\$56.50
2023-04-26	IRAGUIMOV	Completed cash flow monitoring for week of April 15-April 22	4.20	\$395.00	\$1,659.00
2023-04-27	IRAGUIMOV	Reviewed Cash Flow, sent follow up questions to debtor	0.20	\$395.00	\$79.00
2023-04-28	BGELMAN	Respond to email from prospective purchaser counsel; Update call with Brendan Bissell and Terry Scott re RBC Visa;	0.30	\$565.00	\$169.50

Total Fees: **\$73,357.50**

HST: **\$9,536.48**

Prosysco Ltd.
360 Ambassador Dr,
Mississauga, ON L5T 2J3

Attention: Mr. Terry Scott

Invoice

Invoice Date: May 8, 2023

Invoice No: 6366

Billing Through: Apr 30, 2023

File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

Summary by Staff:

Ashley Robinson (Estate Administrator)

Bryan A. Gelman (Principal, CIRP LIT)

Ianina Raguimov (LIT, CIRP)

Suzette Warner (Associate, CFE, CPA, CGA, FCCA)

Tom McElroy (Mgr, CPA, CA, CBV, CIRP, LIT)

<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
3.40	\$305.00	\$1,037.00
42.40	\$565.00	\$23,956.00
73.10	\$395.00	\$28,874.50
3.10	\$395.00	\$1,224.50
36.90	\$495.00	\$18,265.50

Disbursements:

Non-Taxable Disbursements

SEARCH FEES: \$40.00

Taxable Disbursements

PROMERIC FEE: \$190.00

SEARCH FEES: \$39.00

TRAVEL: \$57.04

Total Disbursements: \$326.04

HST: \$37.20

Amount Due This Invoice: **\$83,257.22**

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS: \$73,683.54

TOTAL HST: \$9,573.68

TOTAL AMOUNT DUE: \$83,257.22

Payment of this account is due on receipt

HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

Invoice

1110615 Ontario Ltd.

Attention: Mr. Terry Scott

Invoice Date: May 8, 2023

Invoice No: 6365

Billing Through: Apr 30, 2023

File ID: 1110615ONT-P:

Re: Proposal of 1110615 Ontario Ltd.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-03-31	BGELMAN	Review of searches, financial information and draft NOI documents; comments and instructions to Ianina R re same;	1.50	\$565.00	\$847.50
2023-03-31	IRAGUIMOV	Reviewed financial data, meeting with debtor, senior management and lawyer, completed file set up in Ascend	3.00	\$395.00	\$1,185.00
2023-04-01	BGELMAN	Attend management meeting and sign up meeting of NOI;	1.80	\$565.00	\$1,017.00
2023-04-01	IRAGUIMOV	Reviewed financial documents; attended meeting with management; prepared signing documents	2.20	\$395.00	\$869.00
2023-04-03	BGELMAN	Call to David Kennedy at RBC re update; update Paul Chimko re next steps; contact lenders to discuss short and long term financing;	0.50	\$565.00	\$282.50
2023-04-05	SWARNER	Reviewed and commented on creditors package	0.40	\$395.00	\$158.00
2023-04-05	IRAGUIMOV	Prepared Notice to creditors of NOI filing package	0.90	\$395.00	\$355.50
2023-04-05	BGELMAN	Review and approval of statutory notice of NOI to creditors;	0.30	\$565.00	\$169.50
2023-04-06	AROBINSON	Mailed out NOI package	0.70	\$305.00	\$213.50
2023-04-06	IRAGUIMOV	Meeting with Bryan and management re re planning and future steps, discussed ongoing restructuring	1.30	\$395.00	\$513.50
2023-04-07	BGELMAN	Attend meeting with management (Terry, Dmitri and Adam) at head office;	0.50	\$565.00	\$282.50
2023-04-10	AROBINSON	Prepared NOI Cash flow package in syngrafi	0.20	\$305.00	\$61.00
2023-04-10	BGELMAN	Final review of cash flow and notes, revisions to same; sign same;	0.20	\$565.00	\$113.00
2023-04-13	TMCELROY	Prepare form of director resolution re authorization Terrence Scott to sign NOI/Proposal documents;	0.40	\$495.00	\$198.00
2023-04-20	AROBINSON	Filed first report	0.10	\$305.00	\$30.50
2023-04-20	AROBINSON	Sent corporate office revised directors resolution	0.10	\$305.00	\$30.50
2023-04-25	BGELMAN	Conduct file review;	0.80	\$565.00	\$452.00

Total Fees: \$6,778.50

HST: \$881.21

Invoice

1110615 Ontario Ltd.

Attention: Mr. Terry Scott

Invoice Date: May 8, 2023

Invoice No: 6365

Billing Through: Apr 30, 2023

File ID: 1110615ONT-P:

Re: Proposal of 1110615 Ontario Ltd.

Summary by Staff:

Ashley Robinson (Estate Administrator)

Bryan A. Gelman (Principal, CIRP LIT)

Ianina Raguimov (LIT, CIRP)

Suzette Warner (Associate, CFE, CPA, CGA, FCCA)

Tom McElroy (Mgr, CPA, CA, CBV, CIRP, LIT)

<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
1.10	\$305.00	\$335.50
5.60	\$565.00	\$3,164.00
7.40	\$395.00	\$2,923.00
0.40	\$395.00	\$158.00
0.40	\$495.00	\$198.00

Disbursements:

Non-Taxable Disbursements

SEARCH FEES:

\$16.00

Taxable Disbursements

PROMERIC FEE:

\$190.00

SEARCH FEES:

\$39.00

Total Disbursements: \$245.00

HST: \$29.78

Amount Due This Invoice: **\$7,934.49**

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS: \$7,023.50

TOTAL HST: \$910.99

TOTAL AMOUNT DUE: \$7,934.49

Payment of this account is due on receipt

HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

Invoice

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3
Attention: Mr. Terry Scott

Invoice Date: Jun 6, 2023
Invoice No: <3825-1>
Billing Through: Jun 5, 2023
File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-05-01	BGELMAN	Call with Terry Scott re accounting invoice; respond to prospective purchaser;	0.30	\$565.00	\$169.50
2023-05-01	TMCELROY	Approve disbursement;	0.10	\$495.00	\$49.50
2023-05-01	IRAGUIMOV	Communicated with creditors, reviewed statements sent an email	0.30	\$395.00	\$118.50
2023-05-02	BGELMAN	Respond to email from prospective investor/purchaser; Review of leases and contracts to be terminated;	0.50	\$565.00	\$282.50
2023-05-02	TMCELROY	Review and consider correspondence from Dmitry re disclaimer of various leases; Discuss matter with I. Raguimov;	0.40	\$495.00	\$198.00
2023-05-02	IRAGUIMOV	Communication with debtor through multiple emails, reviewed PAD set up; research and review of relevant statutes and BIA, in-office meeting to discuss outstanding issues and solutions	2.20	\$395.00	\$869.00
2023-05-03	BGELMAN	Call from Michael and Patrick at BWT re their concerns; Update call with Terry S;	0.50	\$565.00	\$282.50
2023-05-03	TMCELROY	Call with Terry, Dmitry and I. Raguimov re disclaimer of various agreements;	0.30	\$495.00	\$148.50
2023-05-03	IRAGUIMOV	Communication with debtor, meeting with a creditor, advised on NOI filing, explained the process, answered questions, meeting with Terry, Dmitry and Tom re lease disclaimers	2.10	\$395.00	\$829.50
2023-05-05	TMCELROY	Discuss lease disclaimer and preparation for notices with I. Raguimov;	0.40	\$495.00	\$198.00
2023-05-05	IRAGUIMOV	Email re cash flow monitoring, meeting with Tom re lease disclaimers, prepared required lease disclaimers	2.10	\$395.00	\$829.50
2023-05-08	BGELMAN	Review and approval of March 2023 Bank reconciliation;	0.10	\$565.00	\$56.50
2023-05-08	IRAGUIMOV	Reviewed received letter from Triovest, researched lease disclaimers, sent a copy to debtor and legal team. communication with debtor re invoices, in office communication re balance transfers	1.30	\$395.00	\$513.50
2023-05-09	BGELMAN	Review and respond to Dmitry email re landlord;	0.30	\$565.00	\$169.50
2023-05-09	IRAGUIMOV	Received email communication from debtor, reviewed billing and trust accounts, created copies of the ledger accounts, sent copies to debtor, communication with creditor, scheduled meeting with creditors to discuss NOI filing	0.40	\$395.00	\$158.00
2023-05-10	IRAGUIMOV	Communication with creditor, explained NOI filing, process and procedures	0.30	\$395.00	\$118.50
2023-05-10	BGELMAN	Call with Terry re management salaries;	0.20	\$565.00	\$113.00

Invoice

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3
Attention: Mr. Terry Scott

Invoice Date: Jun 6, 2023
Invoice No: <3825-1>
Billing Through: Jun 5, 2023
File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-05-11	JALBERT	review/sign cheques	0.10	\$630.00	\$63.00
2023-05-11	IRAGUIMOV	Reviewed financial statements, reviewed provided income and expenses, prepared weekly CAD cash flow monitoring models, communication with debtor re lease disclaimers, conversation with debtor re payroll	5.60	\$395.00	\$2,212.00
2023-05-12	IRAGUIMOV	Sent an email re cash flow questions; USD cash flow statements review and monitoring, meeting with Tom re CF monitoring, discussed projected vs actual numbers, communication re lease disclaimers, communication re payroll	3.60	\$395.00	\$1,422.00
2023-05-12	TMCELROY	Review cash flow monitoring schedules and discuss same with I. Raguimov;	0.50	\$495.00	\$247.50
2023-05-12	BGELMAN	Review and comments to email to Terry Scott re Paul Chimko and his wife's payroll;	0.20	\$565.00	\$113.00
2023-05-15	BGELMAN	Call with Terry Scott re employment issue;	0.20	\$565.00	\$113.00
2023-05-15	IRAGUIMOV	File review, reviewed communication with debtor, reviewed information sent by debtor, responded back with a follow up email, meeting with Bryan and Terry to discuss payroll and continuation of employment/severance; received email from debtor re outstanding invoices, researched lease disclaimers, called debtor to get clarification on invoices, discussion with BG of outstanding invoices, responded back to debtor, started preparing lease disclaimers and cover letters	2.40	\$395.00	\$948.00
2023-05-15	TMCELROY	Discuss with I. Raguimov and review various lease disclaimers;	0.30	\$495.00	\$148.50
2023-05-16	IRAGUIMOV	Prepared final copies of lease disclaimers, prepared cover letter of lease disclaimers, communication with debtor re creditors, communication with debtor re payroll	3.20	\$395.00	\$1,264.00
2023-05-17	TMCELROY	Email to Debtor counsel re second extension; Discuss potential further extension with B. Gelman;	0.20	\$495.00	\$99.00
2023-05-17	BGELMAN	Update call with Tom re next steps for extension;	0.10	\$565.00	\$56.50
2023-05-17	IRAGUIMOV	Finalized lease disclaimers, sent out copies for signature, prepared courier packages, sent out emails, conversation with debtor re follow up and final steps, conversation with de	2.70	\$395.00	\$1,066.50
2023-05-18	BGELMAN	Update call with Tim Hogan, counsel for RBC: Review and respond to email from Brendan Bissell re extension motion;	0.30	\$565.00	\$169.50

Invoice

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3
Attention: Mr. Terry Scott

Invoice Date: Jun 6, 2023
Invoice No: <3825-1>
Billing Through: Jun 5, 2023
File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2023-05-18	TMCELROY	Discuss lease disclaimers with I. Ragimov;	0.10	\$495.00	\$49.50
2023-05-18	IRAGUIMOV	Communication with debtor re vehicle pay out, reviewed received PPSA discharge, started reviewing received financial data,	0.80	\$395.00	\$316.00
2023-05-19	BGELMAN	Call with Brendan Bissell re next steps; call with Terry Scott re action plan;	0.40	\$565.00	\$226.00
2023-05-19	IRAGUIMOV	Reviewed lease disclaimer contracts, communication with debtor re lease disclaimers, communication with lease holders re lease disclaiming	0.30	\$395.00	\$118.50
2023-05-22	IRAGUIMOV	Weekly Cash Flow monitoring started	4.20	\$395.00	\$1,659.00
2023-05-23	IRAGUIMOV	Communication with debtor re outstanding cash flow questions, communication with lessor re lease disclaimer disclaimers	0.90	\$395.00	\$355.50
2023-05-23	BGELMAN	Update call with David Kennedy at RBC;	0.30	\$565.00	\$169.50
2023-05-24	BGELMAN	Attend conference call with Terry Scott, Brendan, Jessica, Tom re next steps for court hearing for extension application;	1.00	\$565.00	\$565.00
2023-05-24	TMCELROY	Attend video conference with B. Gelman, B. Bissell, Terrance Scott and Jessica Wuthmann; Debrief discussion with B. Bissell and Jessica Wuthmann;	1.40	\$495.00	\$693.00
2023-05-24	IRAGUIMOV	Email follow up to debtor sent, review of financial data received, landlord letter review, communication with debtor re lease disclaimer, attended meeting with Terry, legal counsel and BG re Prosysco future plans	1.10	\$395.00	\$434.50
2023-05-25	TMCELROY	Discuss equipment appraisal with B. Gelman; Discuss potential SISP and implications re same with B. Gelman; Email to management re equipment appraisal;	0.70	\$495.00	\$346.50
2023-05-25	IRAGUIMOV	Communication with debtor re cash flow disbursements, cash flow disbursement review, communication with creditors, communication with lease holders	2.40	\$395.00	\$948.00
2023-05-25	BGELMAN	Call with Tom McElroy re options for proposal filings; call with Brendan Bissell re same;	0.40	\$565.00	\$226.00
2023-05-25	TMCELROY	Draft Second Report to Court;	2.90	\$495.00	\$1,435.50
2023-05-26	AROBINSON	Reviewed and entered poc	0.10	\$305.00	\$30.50
2023-05-26	BGELMAN	Call with Iana re cash flow forecast;	0.30	\$565.00	\$169.50

Invoice

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3
Attention: Mr. Terry Scott

Invoice Date: Jun 6, 2023
Invoice No: <3825-1>
Billing Through: Jun 5, 2023
File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

2023-05-26	IRAGUIMOV	Communication with creditor and creditor's counsel; scheduled next week meeting with counsel; communication with contract holder, inquired information re contract from debtor, communication with debtor re outstanding amount, scheduled and attended meeting with creditor, communication with debtor re termination pay, termination pay provisions review, completed weekly cash flow monitoring	2.60	\$395.00	\$1,027.00
2023-05-29	TMCELROY	Email to Terry re revised weekly cash flow forecast; Review of Prosysco monitoring schedules; Discuss same with I. Raguimov;	0.70	\$495.00	\$346.50
2023-05-29	BGELMAN	Meeting to review cash flow forecast and variance analysis;	0.20	\$565.00	\$113.00
2023-05-29	IRAGUIMOV	Meeting with TM re weekly Cash Flow monitoring, meeting with BG and TM re projected vs actual CF, communication with debtor re scheduling meeting, meeting with landlord's counsel	1.40	\$395.00	\$553.00
2023-05-30	IRAGUIMOV	Communication with debtor re cash flow review meeting; attended cash flow meeting with TM and Terrence Scott	0.30	\$395.00	\$118.50
2023-05-30	TMCELROY	Call with Terry to discuss cash flow monitoring schedules; Review of revised CRA letter re source deduction arrears;	0.30	\$495.00	\$148.50
2023-05-30	BGELMAN	Review of cash flow variance from T. McElroy;	0.20	\$565.00	\$113.00
2023-05-31	BGELMAN	Review of emails pertaining to extension of time to file a proposal and Debtor's counsel email with RBC; Calls with Terry Scott; Call with Tim Hogan re disclaimer of RBC lease; Call with Sia Mizrahi;	1.20	\$565.00	\$678.00
2023-05-31	TMCELROY	Review and respond to correspondence from Debtor counsel re court hearing;	0.10	\$495.00	\$49.50
2023-06-01	AROBINSON	Prepared April 2023 bank rec	0.10	\$305.00	\$30.50
2023-06-01	BGELMAN	Call from Terry Scott re withdrawal of lease disclaimer with RBC; call from Sia Mizrahi re sale of furniture; review of payroll examination and other reports provided by Terry Scott;	0.80	\$565.00	\$452.00
2023-06-01	IRAGUIMOV	Received weekly cash flow data, started preparing weekly cash flow monitoring model	1.10	\$395.00	\$434.50
2023-06-01	BGELMAN	Review and approval of April 30, 2023 bank reconciliation;	0.10	\$565.00	\$56.50
2023-06-02	BGELMAN	Update call with Terry Scott re financial and next steps;	0.20	\$565.00	\$113.00
2023-06-05	BGELMAN	Review of emails pertaining to the rescinding of RBC disclaimer; Review and approval of draft order for extension motion; Review of email re payment of source deductions;	0.60	\$565.00	\$339.00

Invoice

Prosysco Ltd.
360 Ambassador Dr.
Mississauga, ON L5T 2J3
Attention: Mr. Terry Scott

Invoice Date: Jun 6, 2023
Invoice No: <3825-1>
Billing Through: Jun 5, 2023
File ID: PROSYSCO-P:

Re: Proposal of Prosysco Ltd.

Total Fees: \$25,341.50
HST: \$3,294.40

Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Ashley Robinson (Estate Administrator)	0.20	\$305.00	\$61.00
Bryan A. Gelman (Principal, CIRP LIT)	8.40	\$565.00	\$4,746.00
Ianina Raguimov (LIT, CIRP)	41.30	\$395.00	\$16,313.50
Joe E. Albert (Principal, CIRP, CPA, DIFA. LIT)	0.10	\$630.00	\$63.00
Tom McElroy (Mgr, CPA, CA, CBV, CIRP, LIT)	8.40	\$495.00	\$4,158.00

Disbursements:

Non-Taxable Disbursements	
SEARCH FEES:	\$8.00
Taxable Disbursements	
POSTAGE:	\$2.76

Total Disbursements: \$10.76
HST: \$0.36

Amount Due This Invoice: \$28,647.02

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$25,352.26
TOTAL HST:	\$3,294.76
TOTAL AMOUNT DUE:	\$28,647.02

Payment of this account is due on receipt
HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

APPENDIX “F”

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF 1110615 ONTARIO LTD. OF THE CITY OF
MISSISSAUGA IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF MARIO J. FORTE
(Sworn June 2, 2023)

I, Mario J. Forte, of the City of Toronto, hereby MAKE OATH AND SAY:

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am counsel to the law firm of Goldman Sloan Nash & Haber LLP (“**GSNH**”) and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. GSNH are lawyers of record for Albert Gelman Inc. (“**AGI**”) in its capacity as Proposal Trustee (the “**Proposal Trustee**”) of the assets, undertakings and properties of Prosysco Ltd (“**Prosysco**”) and 1110615 Ontario Ltd. (“**111Co.**”) (collectively, the “**Companies**”).
3. Attached as Exhibit “A” to this affidavit is a copy of the invoice rendered by GSNH to AGI in its capacity as Proposal Trustee for fees and disbursements incurred by GSNH in the course of the proceedings between April 5, 2023 and April 24, 2023 (the “**Period**”). The total fees charged by GSNH during the Period was \$6,390.50, plus total disbursements of \$97.00 plus total Harmonized Sales Tax (HST) in the amount of \$841.30 for a total of \$7,328.80.

4. Attached as Exhibit "B" is a summary of the invoice rendered by GSNH to AGI for fees and disbursements incurred by GSNH in the course of the proceedings during the Period.

5. The average hourly rate charged for the invoice set out in Exhibits "A" is \$423.21. That is comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates.

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Mario Forte	7.90	595.00	4,700.50
May May Co	4.30	275.00	1,182.50
Jessica Tung	2.90	175.00	507.50
TOTAL	15.10		6,390.50

6. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

7. The hourly billing rates outlined above are comparable to the hourly rates charged by GSNH for services rendered in relation to similar proceedings.

8. I make this affidavit in support of a motion by the Monitor for, among other things, approval of the fees and disbursements of GSNH as its counsel for the fees and disbursements of GSNH as its counsel for the period April 5, 2023 and April 24, 2023.

SWORN before me at the City of Toronto,
in the Province of Ontario
this 2nd day of June, 2023

A Commissioner for taking oaths, etc.

 Robert J. Drake


MARIO J. FORTE

This is **Exhibit "A"** referred to
in the Affidavit of Mario Forte
sworn before me this 2nd day of June, 2023



A Commissioner for taking oaths, etc.



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Albert Gelman Inc.
100 Simcoe Street
Suite 125
Toronto, ON M5H 3G2
Canada

Billing Lawyer Mario Forte
Invoice No. 194480
HST # 12233 6290 RT0001
Invoice Date April 27, 2023

Attention: Bryan Gelman

Client ID: 103320 Matter ID: 0001

RE: Prosysco Ltd.

FOR PROFESSIONAL SERVICES RENDERED through April 24, 2023

Date	Professional	Hours	Narrative	Amount
04/05/23	MJF	0.30	Discussion among counsel on overall file timelines, process etc.;	178.50
04/11/23	MJF	0.40	Review cashflow forecast; discussion of general file matters and process timing etc.;	238.00
04/12/23	MJF	0.30	Update on bank position and discussion of scope of relief; review briefing note and related discussions;	178.50
04/13/23	MJF	0.20	Attend scheduling hearing and follow up matters;	119.00
04/14/23	MMC	0.80	Prepare PPSA Summary against 1110615 Ontario Ltd.;	220.00
04/16/23	MMC	2.00	Prepare PPSA summary against Prosysco Ltd.;	550.00
04/17/23	JT	2.50	Continue to prepare the PPSA Summary against Prosysco and forward same to May May for her review;	437.50
04/17/23	MJF	2.20	Commence review of security and credit docs, guarantee etc.;	1,309.00



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Date	Professional	Hours	Narrative	Amount
04/18/23	JT	0.40	Obtain Corporate Profile Reports for Prosysco Ltd. and 1110615 Ontario Ltd. for Mario Forte and forward same to him;	70.00
04/18/23	MMC	1.50	Review and revise PPSA summaries;	412.50
04/18/23	MJF	3.90	Prepare drafts of opinions for 111 and Prosysco; reviewing search summaries and amending opinion and considering issues therein; following up with bank counsel on matter of orphaned PPSA registrations and additional documentation; review draft report and company affidavit material and provide comments thereon;	2,320.50
04/19/23	MJF	0.40	Finalize opinions and review final report for service;	238.00
04/24/23	MJF	0.20	Prepare for and attend extension hearing	119.00

Sub-Total Fees: 6,390.50

HST on Fees: 830.77

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Jessica Tung	2.90	175.00	507.50
May May Co	4.30	275.00	1,182.50
Mario Forte	7.90	595.00	4,700.50
	<u>15.10</u>		<u>6,390.50</u>

DISBURSEMENTS

Laser Copies	42.50
On Corp. Fee	38.50
OnCorp. Gov't Fee* *	16.00

Sub-Total Disbursements: 97.00

Disbursements marked with * indicate exempt

HST on Disbursements: 10.53

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$841.30 HST): \$ 7,328.80

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP

Per: Mario Forte

E. & O. E.

This is **Exhibit "B"** referred to
in the Affidavit of Mario Forte
sworn before me this 2nd day of June, 2023



A Commissioner for taking oaths, etc.

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Mario Forte	7.90	595.00	4,700.50
May May Co	4.30	275.00	1,182.50
Jessica Tung	2.90	175.00	507.50
TOTAL	15.10		6,390.50

In the Matter of the Notice of Intention to make a Proposal of Prosysco Ltd. of the city of Mississauga in the province of Ontario

Estate / Court File No. 32-2929201
32-2929202

And in the Matter of the Notice of Intention to make a Proposal of 1110615 Ontario Ltd. of the city of Mississauga in the province of Ontario

	<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>Proceeding commenced at Toronto</p>
	<p>FEES AFFIDAVIT MARIO FORTE (sworn June 2, 2023)</p> <p>GOLDMAN SLOAN NASH & HABER LLP Barristers & Solicitors 480 University Avenue, Suite 1600 Toronto, Ontario M5G 1V2</p> <p>Mario Forte (LSO No. 27293F) Tel: (416) 597-9922 Fax: (416) 597-3370</p> <p>Lawyers for the Proposal Trustee, Albert Gelman Inc.</p>

**PROSYSCO LTD. and
110615 ONTARIO LTD.**

Court File Nos. 32-2929201
32-2929202

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

SECOND REPORT OF ALBERT GELMAN INC.
in its capacity as
PROPOSAL TRUSTEE
(June 8, 2023)