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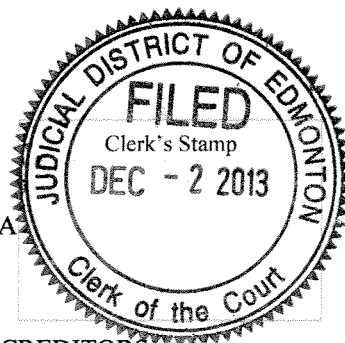
COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

APPLICANTS

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS  
AMENDED



AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGMENT OF ARMAC INVESTMENTS LTD.  
(AB), LAKE EDEN PROJECTS INC. (AB), 1204583  
ALBERTA INC. (AB), 1317517 ALBERTA INC. (AB),  
WESTRIDGE PARK LODGE DEVELOPMENT CORP  
(AB), and WESTRIDGE PARK LODGE AND GOLF  
RESORT LTD. (AB), HALF MOON LAKE RESORT  
LTD. (AB), NO. 50 CORPORATE VENTURES LTD.  
(BC), FISHPATH RESORTS CORPORATION (BC),  
ARMAC INVESTMENT LTD. (BC), OSTROM ESTATES  
LTD. (BC), HAWKEYE MARINE GROUP LTD. (BC),  
JUBILEE MOUNTAIN HOLDINGS LTD. (BC), GIANT  
MOUNTAIN PROPERTIES LTD. (BC), and CHERRY  
BLOSSOM PARK DEVELOPMENT CORP (BC)  
(collectively, the "Purdy Group" or the "Applicants")

DOCUMENT

**NINETEENTH REPORT OF THE MONITOR**

**DECEMBER 2, 2013**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
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## INTRODUCTION

1. On December 1, 2011, the Purdy Group sought and obtained protection from its creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as amended (the "CCAA") pursuant to an order of the Court of Queen's Bench of Alberta ("Court") (the "Initial Order").
2. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor of the Purdy Group (the "Monitor").
3. The purpose of this nineteenth report of the Monitor (the "Nineteenth Report") is to provide the Court with an update in respect of the following:
  - a) operational and restructuring activities since the eighteenth report of the Monitor (the "Eighteenth Report");
  - b) the actual to forecast cash flow results for the period from October 12, 2013 to November 22, 2013 (the "Reporting Period");
  - c) the revised cash flow projections (the "Updated Forecast") from November 23, 2013 through February 7, 2014 (the "Forecast Period");
  - d) the Applicants request from this Honourable Court for the use of funds held in trust with the Monitor;
  - e) the Purdy Group's request for an extension to the current stay period until, and including February 7, 2014; and
  - f) the Monitor's recommendations.
4. Capitalized terms not defined in this Nineteenth Report are as defined in the Initial Order, the First Report to the Eighteenth Report inclusive, the Claims Procedure Order, the Dispute Procedural Order, the Sale Order and the Ocean Front Property Sale Order.

5. The style of cause has either an (AB) or (BC) after each of the corporate Applicant company names. The Monitor understands this was done to indicate in which province the corporate applicants are located, and that those letters do not form a part of the legal name of the company. There are two different corporate entities with the name Armac Investments Ltd, one is a British Columbia (“B.C.”) corporation and the other is an Alberta corporation (“AB”).
6. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE**

7. In preparing this Nineteenth Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Purdy Group. The Monitor has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants (“CICA”) Handbook has not been performed. Future oriented financial information relied upon in this report is based on management’s assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

#### **BACKGROUND**

8. The Purdy Group is a group of privately-held companies engaged in the business of property acquisition, development and sale in the provinces of Alberta and British Columbia, as well as the management of operating businesses on the lands. The primary assets are geographically located mainly on the West Coast of Vancouver Island, British Columbia and in or around Edmonton, Alberta.
9. The Purdy Group entities are owned 100% by its sole owner, director and officer, Mr. John (Jack) Kenneth Purdy (“Jack Purdy”), either directly or through holding companies, legally and beneficially. Jack Purdy is operating under the proposal provisions of the BIA and has presented a proposal to his creditors. Alvarez and

Marsal Canada Inc. is also the Proposal Trustee. The meeting of creditors to consider the proposal was held on June 22, 2012 and the meeting was adjourned to October 9, 2012. At that meeting, the creditors voted to further adjourn the meeting to January 25, 2013 at the same time and place and at this meeting the creditors again adjourned the meeting for further investigation into the affairs of Jack Purdy to February 20, 2013 at 10:00 am at the offices Dentons Canada LLP (“Dentons”), formerly Fraser Milner Casgrain LLP. The February 20, 2013 meeting was further adjourned until May 16, 2013 and the May 16, 2013 meeting was adjourned to July 26, 2013. The July 26, 2013 meeting was then adjourned to October 25, 2013 and the October 25, 2013 meeting was further adjourned to within 10 days after the next CCAA stay extension deadline at the office of Dentons at 12:00 PM MST, the day of which to be confirmed and communicated by the Proposal Trustee.

10. Further background to the Purdy Group and its operations and description of the Purdy Group properties are contained in the materials filed relating to the Initial Order including the various affidavits of Jack Purdy and in the previous eighteen reports of the Monitor. These documents, together with other information regarding this CCAA proceeding, have been posted by the Monitor on its website at: [www.amcanadadocs.com/purdy](http://www.amcanadadocs.com/purdy).

## **OPERATIONAL UPDATE**

***Fishpath Resorts Corporation (“Fishpath Resort”) & Armac Investments Ltd. (BC)***  
***(“Armac BC”) (collectively, the “Hawkeye Group Properties”)***

### **LBVR Agreement**

11. As previously reported, on September 17, 2012 (the “Effective Date”), LBVR took over management responsibility for the Hawkeye Group Properties. The assets of the Hawkeye Group Properties consist of three properties in Port Alberni, B.C. and 16 properties in Bamfield, B.C. (as are fully described in

Schedule A to the Management Agreement, included as an appendix to the Seventh Report).

12. Since the Eighteenth Report, LBVR was advanced a further \$35,000 by the Applicants (the "Advance"), which together with previous advances aggregates to a total advance since the Effective Date of \$872,000 (the "Set Aside Funds"). The Advance was funded from the proceeds of the sale of the Ocean Front Property as previously discussed in the Eighteenth Report.
13. LBVR maintains a separate bank account for the Bamfield operations under its control and reports monthly to the Applicants and the Monitor. Accordingly, no receipts and disbursements respecting the Hawkeye Group Properties are included in the actual to forecast cash flows attached as Appendix A. The Monitor was advised by LBVR that certain actual cash flows previously provided to the Monitor were not complete and missing certain expenses. As a result, LBVR is currently revising its previously filed actual cash flows with the Monitor in the coming weeks. The Monitor understands that the cash balance held by LBVR as at October 31, 2013 was \$31,166.23 versus what was reported in LBVR's actual cash flow reports of \$80,115. A summary of the LBVR actual monthly cash flow results is attached as Appendix B. The Applicants' periodically provide funding to LBVR to cover operating losses and capital and those advances are included in the Applicants' cash flow.
14. LBVR, in conjunction with the Applicants and the Monitor, prepared a draft operating budget for the next 3 years ending December 31, 2016. This draft budget indicates that Bamfield/Hawkeye Marine Group's immediate need for cash over the next four months ending March 2014 will be approximately \$135,000, which is expected to come from the Set-Aside Funds reserved for LBVR, as discussed in the Monitor's Eighteenth Report. Although not budgeted, the Monitor understands that LBVR has agreed that a portion of its Set-Aside Funds be used by the Applicants to pay a fee of \$16,250 payable to Axxess in order to cause Axxess to commence consideration of financing of the Plan.

15. In addition, property taxes of approximately \$135,000 remain outstanding for 2013 for these properties. The Monitor has been advised by the Applicants that payment of the property taxes will be made in conjunction with any refinancing and implementation of a Plan to their creditors.

***Half Moon Lake Resort Ltd. ("Half Moon")***

16. As previously reported, the Half Moon resort is now closed for the season and operations and cash flows will be decreasing significantly. It is projected that Half Moon will operate on a break-even cash basis for the coming months. Operating expenses during the off season to winterize and operate the resort through to February 6, 2014 should be minimal as set out in the Updated Forecast (Appendix C). Some of these expenses are covered by monthly maintenance fees to be received from Half Moon leaseholders, which are reflected in the Updated Forecast.
17. The Monitor understands that the Applicants have incurred, but not paid, some of their operating costs (utility bills, etc.) for services rendered in prior reporting periods. The Monitor is advised that the Applicants are seeking an Order from this Honourable Court to use approximately \$20,000 from the funds currently held in trust by the Monitor to pay Half Moon operational expenses and management fees.
18. The 2013 property taxes outstanding of approximately \$21,000 remain outstanding. The Monitor has been advised by the Applicants that payment of the property taxes will be made in conjunction with any refinancing and implementation of a Plan to their creditors.
19. The Monitor understands that Half Moon receipts and expenses (disclosed in Appendix A to this Report) are significantly higher than forecast. As discussed further below, the Applicants' accounting recordings and bookkeeping of the Half Moon receipts and disbursements continue to be inadequate and have not been

completed on a timely basis during the Reporting Period so as to allow the Monitor to adequately review the financial transactions.

## **RESTRUCTURING UPDATE**

### ***Status of Plan of Arrangement***

20. On October 25, 2013, the Court granted an extension of the stay to December 4, 2013. A main purpose of the extension of the stay was to allow both Axxess and CRA further time to consider and provide comments on the Applicants' business plan and plan of arrangement (the "Draft Plan"). A copy of the Draft Plan was filed with this Honourable Court, on a confidential sealed basis, on September 6, 2013.
21. The Monitor understands that Axxess and CRA still require further time to consider the Draft Plan and these main creditors support an extension to the stay of proceedings to February 7, 2014.
22. Although the Monitor does not fully understand why Axxess and CRA require further time to consider the Draft Plan, the Monitor does not believe an additional nine week extension will be materially prejudicial to any interested stakeholders.

### ***Outstanding Restructuring Matters***

#### **Litigation with The County of Strathcona**

23. As previously reported in the Thirteenth Report and Eighteenth Report, Justice Burrows rendered a decision on July 18, 2013 which ordered that Half Moon was entitled to enter into new leases with a term of 35 years commencing on the day the new lease was granted. Justice Burrows also decided that options to renew were not to be allowed as part of the lease terms. The formal order documenting the decision has not been agreed to between the parties and filed with the Court and accordingly the appeal period has not begun to run. It is uncertain whether



the County of Strathcona will appeal the order ultimately taken out with respect to the decision.

#### Hawkeye Group Properties

24. On October 25, 2013, the Court granted an Order authorizing the sale of the Ocean Front Property on behalf of the Applicants to 0924605 BC Ltd (the "Ocean Front Property Order"). On November 6, 2013, the sale of the Ocean Front Property was finalized. The net proceeds from this sale totalled \$1,038,871, which was collected and deposited in the Monitor's trust account. Shortly following receipt of these net proceeds, the Monitor distributed these funds in accordance with the Ocean Front Property Order.

#### New Financing to Implement the Plan

25. The Monitor is advised that the Applicants continue to work with two prospective parties to obtain the necessary financing required under the terms of the Draft Plan. No financing has been arranged to date.
26. As discussed above, the Monitor was just advised that one of the potential financing parties, Axxess, has done some preliminary work on the financing but requires \$16,250 before it will proceed further.
27. The Applicants received a draft term sheet from the other party and continue to negotiate that term sheet.

#### Interim Financing

28. As discussed in the Eighteenth Report, the date of issue of the Interim Financing (the "Axxess Loan") was September 16, 2012 (the "Issue Date") with an 18-month maturity date from the Issue Date (the "Agreement"). Interest for the first 12-months was made through an interest reserve retained by the lender (the "Interim Finance Lender"). The interest reserve was depleted on September 16,

2013 and the Monitor understands that the Applicants were in default as the interest was not paid for the months of October and November 2013.

29. Pursuant to the Ocean Front Property Order, on November 27, 2013, the Monitor advanced \$115,000 to the Interim Finance Lender for the purpose of establishing a second interest reserve for the remaining six months of the Agreement. The Interim Finance Lender advised the Monitor that the total interest reserve payment required for the remaining 6 months of the Agreement totalled \$133,381 (the "Remaining Interest Reserve Payment"). As a result, approximately \$18,381 of the Remaining Interest Reserve Payment still remains outstanding to the Interim Finance Lender to cover a March 2014 interest payment.
30. The Monitor has confirmed with the Interim Finance Lender that as a result of the \$115,000 payment, the Applicants are not in default and the interim financing loan is back in good standing.

#### Outstanding Professional Fees

31. Since the Eighteenth Report, the Monitor paid approximately \$760,000 towards the outstanding and unpaid Professional Fees from the sale proceeds of the Ocean Front Property in accordance with the Ocean Front Property Order and the Lake Eden Order, as discussed further below. As at October 31, 2013, the accounts of the Monitor and the Applicant's counsel have been paid in full; however, the Monitor's counsel has approximately \$44,000 in outstanding fees.

#### Lake Eden Application

32. On October 25, 2013, an order was granted by this Honourable Court approving the settlement of a claim between the Applicants and three former owners of a cottage property at Lake Eden, in Parkland County (the "Lake Eden Order"). On October 31, 2013, the Monitor distributed \$51,000 of the \$100,000 funds previously held by the Monitor in trust to counsel for the caveators (Ms. Van Campenhout) and this payment constituted full and final settlement of all claims

by the caveators against the Applicants. Pursuant to the Lake Eden Order, the remaining \$49,000 was released to the Monitor for further payment of arrears of Professional Fees.

### ***Alberta Properties in Foreclosure***

33. As indicated in prior reports, the remaining Alberta property which had been in foreclosure since the commencement of the CCAA proceedings is the property at 15625 Stony Plain Road (the “Stony Plain Property”). The Stony Plain Property is owned by 1317517 Alberta Ltd. (one of the Applicants in these CCAA proceedings).
34. On October 9, 2013, the Monitor received notice that the City of Edmonton filed application materials (returnable October 21, 2013) to lift the stay of proceedings for the purpose of allowing the City of Edmonton to proceed with a tax sale of the Stony Plain Property as a result of outstanding and unpaid property taxes of approximately \$96,400.
35. On October 25, 2013, the City of Edmonton advised this Honourable Court that it would adjourn its application until December 4, 2013 to allow the Applicants and the first mortgage holder time to consider their options. The Monitor is not aware of the City of Edmonton’s position with respect to the Applicants’ request for a further extension to the stay of proceedings.

### **ACTUAL TO FORECAST RESULTS – OCTOBER 12, 2013 TO NOVEMBER 22, 2013**

#### ***Actual to Forecast Summary Results***

36. The actual to forecast cash flow presented at Appendix A to this Report for the Reporting Period contains the actual cash receipts and disbursements relating to the Purdy Group as compared to the cash flow forecasts previously provided to this Court in the Eighteenth Report (the “Eighteenth Report Forecast”). Below is

a chart that summarizes the actual to forecast cash flow as presented in Appendix A to this Report.

37. As previously reported to this Honourable Court, the Applicants continue to have difficulty in providing actual receipt and disbursement information on a weekly basis to the Monitor. The Monitor continues to only receive certain accounting information after repeated requests and in conjunction with the stay extension applications.
38. The actual results disclosed in the table below are a summary of transactions in the Applicants' bank account. The Monitor used the descriptions provided in the Applicants bank statements to determine where the cash transactions should be allocated in the cash flow budget to actual statement. On November 29, 2013, the Monitor received confirmation from the Applicants that this allocation is appropriate and the Monitor also had an opportunity to review some of the back-up information provided by the Applicants. A summary of these bank cash transactions is also attached in Appendix A to this report.
39. The Monitor cautions the reader of this Report that the financial information below may be incomplete (as referenced in the Thirteenth Report, the Fifteenth Report and the Eighteenth Report) as there may be certain cash transactions during the Reporting Period that may have been collected and/or paid for by the Applicants, which are not reflected in Appendix A and the chart below.

<b>Purdy Group Actual to Budget Cash Flow Results</b>	<b>October 12/13 to November 22/13 Budget</b>	<b>October 12/13 to November 22/13 Actual</b>	<b>October 12/13 to November 22/13 Variance</b>
Receipts	\$ 13,000	\$ 34,661	\$ 21,661
Funds from Monitor's trust account	966,000	580,940	\$ (385,060)
Total receipts	<u>\$ 979,000</u>	<u>\$ 615,601</u>	<u>\$ (363,399)</u>
Disbursements	211,500	125,355	86,145
Restructuring professional fees	760,000	489,940	270,060
Total disbursements	<u>\$ 971,500</u>	<u>\$ 615,295</u>	<u>\$ 356,205</u>
Net change in Applicant cash	\$ 7,500	\$ 306	\$ (7,194)
Applicant cash balance, opening	539	539	-
Applicant cash balance, ending	<u>8,039</u>	<u>845</u>	<u>(7,194)</u>
<b>FUNDS HELD IN TRUST BY MONITOR</b>			
Trust Opening Cash	\$ 268,920	\$ 268,920	\$ -
Collection of funds - other	-	458	458
Non Core Property Sale Receipts	1,035,000	1,038,871	3,871
Half Moon Lake Lot Sale Receipts	-	-	-
Release of funds to Applicants (LBVR)	(35,000)	(35,000)	-
Release of funds to Applicants (for operations)	(931,000)	(545,940)	385,060
	<u>69,000</u>	<u>458,389</u>	<u>389,389</u>
Trust Ending cash	<u>\$ 337,920</u>	<u>\$ 727,309</u>	<u>\$ 389,389</u>
<b>TOTAL AVAILABLE CASH</b>			
Applicant ending cash balance	\$ 8,039	\$ 845	\$ (7,194)
Trust cash balance	337,920	727,309	389,389
Less: cash not available per Court Order	(170,000)	(170,000)	-
Less: cash held for LBVR	(165,000)	(165,000)	-
	<u>2,920</u>	<u>392,309</u>	<u>389,389</u>
Available Cash	<u>\$ 10,959</u>	<u>\$ 393,154</u>	<u>\$ 382,195</u>

40. Receipts, including the release of funds by the Monitor to the Applicant, for the Reporting Period totaled, \$615,601, representing a negative variance of \$363,399

from the forecast receipts set out in the Eighteenth Report Forecast. This variance is primarily due to:

- a) a positive timing variance of \$21,661 relating mainly to higher than expected receipts from seasonal bookings and other receipts; and
- b) a negative timing variance of \$385,060 relating mainly to the non-advance of funds from the Monitor trust account to the Applicants during the Reporting Period to pay certain Professional Fees and the Remaining Interest Reserve Payment. These payments were made in the Forecast Period and have been reflected in the Updated Forecast;

41. Disbursements for the Reporting Period totaled \$125,355 representing a positive variance of \$86,145. This variance was due to:

- a) negative permanent variances of approximately:
  - i. \$20,029 for higher than expected operating costs in Half Moon.
  - ii. \$8,826 relating to withdrawals made by Jack Purdy from the Applicants bank account, for management fees that were not previously forecast;
- b) positive timing variance of \$115,000 relating to the Remaining Interest Reserve Payment that was not made in the Reporting Period, but made subsequent in Forecast Period and is reflected in the Updated Forecast.

42. Restructuring fees of \$489,940 were paid that relate to a portion of the unpaid and outstanding Professional Fees, as discussed above. The remaining portion of the outstanding Professional Fees of \$270,000 were paid in the Forecast Period and have been reflected in the Updated Forecast.

43. The proceeds from the sale of the Ocean Front Property of \$1,038,871 were collected in the Reporting Period. These funds were held in the Monitor's trust

account and approximately \$530,000 was advanced to the Applicants to fund the LBVR Agreement requirements and outstanding Professional Fees, as indicated above.

44. As at November 22, 2013, the Monitor's trust account had a cash balance of \$727,309, which includes \$170,000 that has been set-aside as funds held in trust with respect to the Ocean Front Property Order and \$165,000 relating to funds held for LBVR. The remaining balance of \$392,309 related to amounts that were not paid in the Reporting Period with respect to outstanding Professional Fees and the Remaining Interest Reserve Payments of \$270,000 and \$115,000, respectively. As discussed above, both these payments were paid in the Forecast Period and are reflected in the Updated Forecast.
45. The Applicants ending cash balance as at November 22, 2013 was \$845 compared to the forecast cash balance amount of \$8,039, for the reasons discussed above. The combination of the ending available cash balance in the Monitor's trust account of \$392,309 and the Applicants' ending cash balance above, results in an overall ending available cash balance of \$393,154 to be utilized as disclosed in the Updated Forecast.
46. The Monitor has continued to request that the Applicants provide more timely, accurate and relevant accounting information to allow the Monitor to properly fulfill its duties of reviewing the receipts and disbursements of the Applicants. If the accounting information is not provided in a timely manner to the Monitor, the Monitor will advise the Court.
47. The Monitor had an opportunity to review some of the supporting documentation of the above transactions in the Reporting Period, but continues to review this information as this information was only provided to the Monitor on November 29, 2013.

#### **UPDATED CASH FLOW FORECAST THROUGH FEBRUARY 7, 2014**

48. The Purdy Group, with the assistance of the Monitor, has prepared an Updated Forecast for the Forecast Period based on the most current information available, which is attached in Appendix C to this Report.
49. The table below summarizes the Updated Forecast, as prepared by the Applicants, with the assistance of the Monitor and is further discussed in the paragraphs below:



<b>Purdy Group Projected Cash Flow Summary</b>		<b>November 23/13 to February 7/14</b>
Receipts	\$	9,500
Funds from Monitor's trust account		656,250
Total receipts	\$	665,750
Disbursements		171,250
Release of funds to LBVR		100,000
Restructuring professional fees		395,000
Total disbursements	\$	666,250
Net change in Applicant cash	\$	(500)
Applicant cash balance, opening		845
Applicant cash balance, ending		345
<b>FUNDS HELD IN TRUST BY MONITOR</b>		
Trust Opening Cash	\$	727,309
Collection of funds - other		-
Release of funds to Applicants		(656,250)
		(656,250)
Trust Ending cash	\$	71,059
<b>TOTAL AVAILABLE CASH</b>		
Applicant ending cash balance	\$	345
Trust cash balance		71,059
Less: cash not available per Court Order		(20,000)
Less: cash held for LBVR		(47,000)
		4,059
Available Cash	\$	4,404

50. As summarized above, the Purdy Group is projecting:

- a) total cash receipts from Half Moon Lake Resort at approximately \$9,500. All Hawkeye Group Property receipts are retained by LBVR

for use in operating and upgrading the Hawkeye properties as previously discussed;

- b) funds received from the Monitor's trust account to be used to fund necessary disbursements of approximately \$656,250, discussed below;
- c) cash disbursements of approximately \$271,250 to be used to fund Half Moon operating expenses of approximately \$25,000, consulting fees of \$5,000, management fees of \$10,000, Remaining Interest Reserve Payment for the Interim Financing of \$115,000, financing fee cost payment to the Axxess (as discussed above) of \$16,250; and approximately \$100,000 to fund LBVR's anticipated operating losses in Bamfield; and
- d) payment of restructuring Professional Fees of \$395,000 relating to the remaining outstanding CCAA Professional Fees of \$270,000 as at October 31, 2013 to the Monitor and forecast Professional Fees expected to be incurred and paid during the Forecast Period of \$125,000 from the funds held in trust by the Monitor (subject to approval from this Honourable Court), as discussed further below.

51. The above results in a net decrease in cash of the Applicants' cash balance of approximately \$500 during the Forecast Period. The net decrease in cash from the Applicants' bank account will decrease the Applicants' ending cash position to approximately \$345. The combination of the ending available cash balance in the Monitor's trust account of approximately \$4,059, results in an overall estimated ending available cash balance of approximately \$4,404. The Monitor has reviewed the assumptions supporting the Updated Forecast with Purdy Group management and believes the assumptions to be reasonable.

52. Significant assumptions made by Purdy Group management with respect to the Updated Forecast are:

- a) LBVR will receive some funding to cover operating costs during the offseason, including payment of LBVR management fees and insurance payments for the Hawkeye Group Properties. LBVR provides a monthly accounting to the Applicants and the Monitor and accordingly, no operating receipts or disbursements for the Hawkeye Group Properties are included separately in the Updated Forecast;
- b) lease fee collection and rental RV receipts from Half Moon Lake is approximately \$9,500;
- c) operating costs relating to Half Moon of approximately \$25,000;
- d) consultant fees of approximately \$5,000 be paid to McCallum & Co. for its fees towards the completion of the Applicants' tax returns;
- e) Management fees of approximately \$10,000;
- f) the Purdy Group is projecting to advance an additional \$100,000 to LBVR to cover expected operating losses from the Set-Aside Funds held in trust;
- g) Financing fees of \$16,250 relating to the payment of certain costs to Axxcess to further pursue financing for the Applicants for the implementation of a Plan;
- h) the Remaining Interest Reserve Payment to the Interim Finance Lender of \$115,000, as previously discussed in this Report; and
- i) restructuring costs for the Monitor, its counsel and the Applicants' counsel of approximately \$395,000.

53. Based on the Purdy Group's significant assumptions, the Updated Forecast indicates that the Purdy Group will continue to have sufficient available cash to meet its current operating obligations through the Forecast Period.

#### **APPLICANTS REQUEST FOR USE OF TRUST FUNDS**

54. Pursuant to paragraph 14 of the Ocean Front Property Order, the balance of the net proceeds realized from the sale of the Ocean Front Property, shall be held by the Monitor and not distributed absent further Order of this Honourable Court. The current balance of the net proceeds held by the Monitor is \$170,000 (the "Remaining Ocean Front Property Monies").
55. The Monitor understands that the Applicants are seeking an application to release \$150,000 from the Remaining Ocean Front Property Monies to pay for the below forecast expenditures, as reflected in the Updated Forecast:
- a) Half Moon Expenses of \$15,000 to cover outstanding operational costs (utility bills, etc.);
  - b) Management fees of \$10,000; and
  - c) Professional Fees of \$125,000 to pay for estimated accrued and forecast restructuring costs since October 31, 2013 to the next proposed stay extension date
56. The Monitor has reviewed the Updated Forecast and understands that if the release of these funds from trust is approved by this Honourable Court, approximately \$20,000 will remain in trust with the Monitor and will not be distributed absent further Order of this Honourable Court.
57. The Monitor supports the Applicants' request for the release of \$150,000 from the funds held in trust by the Monitor.

## **THE PURDY GROUP'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD**

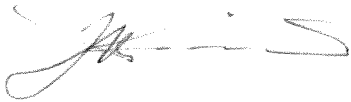
58. The stay period expires at midnight on December 4, 2013 (the "Stay Period"). The Purdy Group, with the support of its two main creditors Axxess and CRA, is seeking an extension of the Stay Period until and including February 7, 2014 (the "Proposed Stay Extension").
59. CRA and Axxess have advised that they require further time to consider whether to support the filing of a Plan by the Applicants.
60. In the Monitor's view, the Purdy Group requires the Proposed Stay Extension to allow CRA and Axxess the opportunity to finalize their collective comments on the Draft Plan and to advise whether they are supportive of the Purdy Group circulating a final Plan to its creditors.
61. The Monitor is of the respectful view that no creditor should be materially prejudiced by an extension of the stay.

## **RECOMMENDATION**

62. The Monitor respectfully recommends that this Honourable Court:
  - a) approve the Proposed Stay Extension; and
  - b) approve the Applicants request to release \$150,000 from the Monitor's trust funds to pay certain Half Moon operational costs, management fees and forecast Professional Fees.

All of which is respectfully submitted this 2<sup>nd</sup> day of December, 2013.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as court-appointed Monitor of  
the Purdy Group**

A handwritten signature in black ink, appearing to read 'Tim Reid', with a stylized flourish at the end.

Tim Reid, CA, CIRP  
Senior Vice-President

A handwritten signature in black ink, appearing to read 'Orest Konowalchuk', with a large, sweeping flourish at the end.

Orest Konowalchuk, CA, CIRP  
Director

# APPENDIX A

**Purdy Group of Companies**  
**Actual to Forecast Results**  
**For the period of October 12 to November 22, 2013 (the "Reporting Period")**  
**(in CDN dollars)**

	<b>Forecast</b>	<b>Actual</b>	<b>Variance</b>
	<b>Week 100 to Week 105</b>	<b>Week 100 to Week 105</b>	<b>Week 100 to Week 105</b>
<b><u>Receipts</u></b>			
Half Moon Lake Resort receipts	13,000	34,661	21,661
Other receipts	-	-	-
<i>Total operating receipts</i>	13,000	34,661	21,661
<b><u>Funds from Monitor's Trust Account</u></b>	966,000	580,940	(385,060)
<b>Total receipts</b>	<b>979,000</b>	<b>615,601</b>	<b>(363,399)</b>
<b><u>Disbursements</u></b>			
Half Moon Lake expenses	5,500	25,529	(20,029)
Management Fees	-	8,826	(8,826)
Van Camphenout claim settlement	51,000	51,000	-
Interest reserve payment	115,000	-	115,000
200 Bamfield Road Appraisal	5,000	5,000	-
	176,500	90,355	86,145
<b><u>LBVR management agreement disbursements</u></b>			
Release of funds to LBVR	35,000	35,000	-
<i>Total operating &amp; LBVR disbursements</i>	211,500	125,355	86,145
<b><u>Restructuring professional fees</u></b>			
- Monitor	455,000	185,000	270,000
- Proposal Trustee	25,000	24,940	60
- Company Counsel	100,000	100,000	-
- Monitor Counsel	180,000	180,000	-
<i>Total restructuring professional fees</i>	760,000	489,940	270,060
<b>Total disbursements</b>	<b>971,500</b>	<b>615,295</b>	<b>356,205</b>
<b>Net change in Applicant cash</b>	<b>7,500</b>	<b>306</b>	<b>(7,194)</b>
<b>APPLICANT CASH BALANCE</b>			
Opening cash	539	539	-
Net change in operating cash	7,500	306	(7,194)
Ending Cash	8,039	845	(7,194)

(continued...)



<b>FUNDS HELD BY MONITOR</b>			
Opening Cash	268,920	268,920	-
Collection of funds - other	-	458	458
Sale of 200 Bamfield Road	1,035,000	1,038,871	3,871
Half Moon Lake Lot Sale Receipts	-	-	-
Release of funds to Applicants (LBVR)	(35,000)	(35,000)	-
Release of funds to Applicants (for operations)	(931,000)	(545,940)	385,060
	69,000	458,389	389,389
Ending cash	337,920	727,309	389,389

<b>TOTAL AVAILABLE CASH FOR GENERAL RESTRUCTURING</b>			
Applicant ending cash balance	8,039	845	(7,194)
Total Funds held by Monitor	337,920	727,309	389,389
Less: Funds held for LBVR Agreement	(165,000)	(165,000)	-
Cash held in trust per Court Order	(170,000)	(170,000)	-
	2,920	392,309	389,389
Cash available for general restructuring	<b>10,959</b>	<b>393,154</b>	<b>382,195</b>

  
 Jack Purdy, President  
 Purdy Group

*Nov 29 / 2013*  
 Date

**Armac (AB) and Prairie Bank Account  
Cash Transactions  
October 12, 2013 to November 22, 2013**

		Payments	Deposits	
15-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$48.30	\$529.11
15-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$272.50	\$801.61
15-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$1,391.88	\$2,193.49
15-Oct-13 DS	ELAVON MRCH SVC MSP/DIV		\$2,173.50	\$4,366.99
15-Oct-13 DS	ELAVON MRCH SVC MSP/DIV		\$157.50	\$4,524.49
15-Oct-13 DS	ELAVON MRCH SVC MSP/DIV		\$2,040.00	\$6,564.49
15-Oct-13 CK	NO.272	\$750.00		\$5,814.49
16-Oct-13 DS	ELAVON MRCH SVC MSP/DIV		\$2,591.70	\$8,406.19
16-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$884.15	\$9,290.34
17-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$300.00	\$9,590.34
17-Oct-13 CK	NO.256 BR.0496	\$431.17		\$9,159.17
<b>TOTAL OCTOBER 18, 2013</b>		<b>\$1,181.17</b>	<b>\$9,859.53</b>	<b>\$8,678.36</b>
21-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$483.00	\$9,642.17
21-Oct-13 PR	SILVERZINC MOTORS	\$135.45		\$9,506.72
21-Oct-13 CD			\$4,408.21	\$13,914.93
21-Oct-13 DM	BRANCH BILL PAYMENT TELUS MOB	\$105.14		\$13,809.79
21-Oct-13 DC	BILL PAYMENT FEE	\$1.50		\$13,808.29
21-Oct-13 TF	0014-1199-885		\$964.13	\$14,772.42
21-Oct-13 DM	PMO 015641911	\$1,450.00		\$13,322.42
21-Oct-13 DC	FEE PMO 015641911	\$7.50		\$13,314.92
21-Oct-13 DM	DRAFT 028353516	\$5,900.00		\$7,414.92
21-Oct-13 DC	FEE DRAFT 028353516	\$7.50		\$7,407.42
21-Oct-13 CB		\$2,800.00		\$4,607.42
21-Oct-13 PR	PETRO-CANADA	\$82.74		\$4,524.68
21-Oct-13 PR	REAL CDN. LIQUO	\$296.89		\$4,227.79
23-Oct-13 PR	SILVERZINC MOTORS	\$700.00		\$3,527.79
23-Oct-13 PR	THIRSTY CAMEL P	\$142.96		\$3,384.83
23-Oct-13 CK	NO.273	\$218.40		\$3,166.43
24-Oct-13 PR	PUB 1905 ON JAS	\$53.33		\$3,113.10
24-Oct-13 DS	ELAVON MRCH SVC MSP/DIV		\$1,619.50	\$4,732.60
25-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$872.25	\$5,604.85
25-Oct-13 PR	PETRO-CANADA	\$70.50		\$5,534.35
25-Oct-13 PR	THE FISHIN HOLE	\$244.17		\$5,290.18
25-Oct-13 DM	TSF TO JACK PURDY	\$2,500.00		\$2,790.18
25-Oct-13 CK	NO.277	\$3,000.00		(\$209.82)
25-Oct-13 NS	CHEQUE RETURNED NSF NO. 277		\$3,000.00	\$2,790.18
25-Oct-13 DC	NON SUFFICIENT FUNDS FEE	\$45.00		\$2,745.18
<b>TOTAL OCTOBER 25, 2013</b>		<b>\$17,761.08</b>	<b>\$11,347.09</b>	<b>(\$6,413.99)</b>
28-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$193.20	\$2,938.38
28-Oct-13 DS	ELAVON MRCH SVC MSP/DIV		\$2,241.00	\$5,179.38
28-Oct-13 CK	NO.274	\$256.00		\$4,923.38
30-Oct-13 CD			\$2,241.00	\$7,164.38
30-Oct-13 DM	PMO 015643214	\$882.42		\$6,281.96
30-Oct-13 DC	FEE PMO 015643214	\$7.50		\$6,274.46
30-Oct-13 DM	PMO 015643187	\$1,523.38		\$4,751.08
30-Oct-13 DC	FEE PMO 015643187	\$7.50		\$4,743.58
30-Oct-13 DM	PMO 015643196	\$1,000.00		\$3,743.58
30-Oct-13 DC	FEE PMO 015643196	\$7.50		\$3,736.08
30-Oct-13 DM	PMO 015643205	\$3,000.00		\$736.08
30-Oct-13 DC	FEE PMO 015643205	\$7.50		\$728.58
30-Oct-13 DM	CASH WD	\$300.00		\$428.58
30-Oct-13 CK	NO.276	\$323.40		\$105.18
31-Oct-13 SC	VALUE ASSIST PLAN FEE	\$105.00		\$0.18
31-Oct-13 DS	EVERLINK PAYMEN MSP/DIV		\$581.60	\$581.78
1-Nov-13 DS	ELAVON MRCH SVC CMS/GES	\$28.95		\$552.83
1-Nov-13 DS	ELAVON MRCH SVC CMS/GES	\$356.64		\$196.19
1-Nov-13 CM	BR.0737 KEITH FROST		\$895.00	\$1,091.19
<b>TOTAL NOVEMBER 1, 2013</b>		<b>\$7,805.79</b>	<b>\$6,151.80</b>	<b>(\$1,653.99)</b>
4-Nov-13 DS	ELAVON MRCH SVC MSP/DIV		\$378.00	\$1,469.19
4-Nov-13 DS	ELAVON MRCH SVC MSP/DIV		\$1,230.20	\$2,699.39
4-Nov-13 DS	COLLECTIVEPOS FEE/FRA	\$22.05		\$2,677.34
4-Nov-13 DS	COLLECTIVEPOS FEE/FRA	\$60.83		\$2,616.51
4-Nov-13 PR	REAL CDN. SUPER	\$139.08		\$2,477.43
4-Nov-13 PR	DIXONS RESTAURA	\$34.49		\$2,442.94
8-Nov-13 DS	ELAVON MRCH SVC MSP/DIV		\$193.20	\$2,636.14
<b>TOTAL NOVEMBER 8, 2013</b>		<b>\$256.45</b>	<b>\$1,801.40</b>	<b>\$1,544.96</b>

**Armac (AB) and Prairie Bank Account  
Cash Transactions  
October 12, 2013 to November 22, 2013**

	<b>Payments</b>	<b>Deposits</b>	
12-Nov-13 PR C20229 NORTH HI	\$89.74		\$2,546.40
12-Nov-13 PR CENTEX MIDNAPOR	\$67.11		\$2,479.29
12-Nov-13 DS ELAVON-CANADA MSP/DIV	\$138.29		\$2,341.00
12-Nov-13 CD		\$5,201.05	\$7,542.05
12-Nov-13 TF 0014-3996-255	\$5,100.00		\$2,442.05
12-Nov-13 PR BREWSTERS BREWI	\$20.57		\$2,421.48
12-Nov-13 PR STAPLES #437	\$76.05		\$2,345.43
12-Nov-13 PR JACK'S LIQUOR S	\$59.95		\$2,285.48
15-Nov-13 PR SILVERZINC MOTORS	\$1,087.81		\$1,197.67
15-Nov-13 RT RETURNED ITEM ADVICE NUMBER 501883	\$354.42		\$843.25
<b>TOTAL NOVEMBER 15, 2013</b>	<b>\$6,993.94</b>	<b>\$5,201.05</b>	<b>(\$1,792.89)</b>
19-Nov-13 TF 0014-3955-509	\$200.00		\$643.25
19-Nov-13 PR BREWSTERS BREWI	\$65.74		\$577.51
19-Nov-13 PR COSTCO CANADA L	\$425.88		\$151.63
19-Nov-13 CK NO.257 BR.0496	\$431.17		(\$279.54)
20-Nov-13 CM TF FROM PRARIE		\$3,000.00	\$2,720.46
20-Nov-13 DM TF TO RONA GAYDA	\$2,500.00		\$220.46
20-Nov-13 DM WITHDRAWAL	\$120.00		\$100.46
20-Nov-13 NS CHEQUE RETURNED NSF NO. 257		\$431.17	\$531.63
20-Nov-13 DC NON SUFFICIENT FUNDS FEE	\$45.00		\$486.63
<b>TOTAL NOVEMBER 22, 2013</b>	<b>\$3,787.79</b>	<b>\$3,431.17</b>	<b>(\$356.62)</b>

**Allocation of Payments (cash transactions)**

**Expenses:**

Half Moon Expenses (draft notes)	\$21,700.80
Remaining miscellaneous transactions	\$3,828.63
<b>Total Half Moon Expenses</b>	<b>\$25,529.43</b>
Management Fees	\$8,826.32
	<b>\$34,355.75</b>

Armac balance \$486.63  
Prairie balance \$358.44  
\$845.07

# APPENDIX B

**LBVR (Hawkeye Group Properties)**  
**Actual Cash Flow**  
**the period of September 8, 2012 to October 31, 2013**  
**(in CDN dollars)**

	<b>Sept 8 - Oct 31/12</b>	<b>Nov 1 - Nov 30/12</b>	<b>Dec 1 - Dec 31/12</b>	<b>Jan 1 - Jan 31/13</b>	<b>Feb 1 - Feb 28/13</b>
<b><u>Operating receipts</u></b>					
Funds received from the Purdy Group	\$ 150,000	\$ 100,000	\$ -	\$ 100,000	\$ 140,000
Fishpath sales and rental receipts	4,069	4,948	(2,660)	(1,886)	(801)
Fuel sales	-	-	-	-	-
Other miscellaneous receipts	546	442	2,763	4,256	2,343
<b>Total operating receipts</b>	<b>\$ 154,615</b>	<b>\$ 105,389</b>	<b>\$ 103</b>	<b>\$ 102,370</b>	<b>\$ 141,542</b>
<b><u>Operating Disbursements</u></b>					
Management fees	\$ 33,300	\$ 16,650	\$ 16,650	\$ 16,650	\$ 16,650
Restaurant food and beverage inventory	4,906	1,604	4,260	2,937	5,480
Operations labour	4,319	4,051	7,889	8,630	6,857
Utility costs	4,738	1,976	7,215	12,021	7,400
Fuel inventory	-	-	-	6,904	-
Travel expenses	2,835	4,644	1,858	1,510	(433)
Insurance expense	-	-	-	-	-
Office, pub and cleaning supplies	2,350	252	2,544	8,144	3,170
Other misc	298	458	(106)	86	654
Bank service charges and other permit costs	184	319	231	191	298
<b>Total operating disbursements</b>	<b>\$ 52,931</b>	<b>\$ 29,954</b>	<b>\$ 40,541</b>	<b>\$ 57,073</b>	<b>\$ 40,075</b>
<b><u>Capital costs</u></b>					
Furniture and equipment purchases	\$ 3,974	\$ -	\$ 25,446	\$ 13,521	\$ 63,737
Repairs and maintenance	11,472	3,030	13,233	27,788	42,625
<b>Total capital costs</b>	<b>\$ 15,446</b>	<b>\$ 3,030</b>	<b>\$ 38,680</b>	<b>\$ 41,309</b>	<b>\$ 106,362</b>
<b>Total operating and capital costs</b>	<b>\$ 68,377</b>	<b>\$ 32,983</b>	<b>\$ 79,220</b>	<b>\$ 98,381</b>	<b>\$ 146,437</b>
<b><u>Net change in cash</u></b>					
Opening cash	\$ 86,239	\$ 72,406	\$ (79,117)	\$ 3,989	\$ (4,895)
Ending Cash	-	86,239	158,645	79,528	83,517
	<b>\$ 86,239</b>	<b>\$ 158,645</b>	<b>\$ 79,528</b>	<b>\$ 83,517</b>	<b>\$ 78,622</b>

**LBVR (Hawkeye Group Properties)**  
**Actual Cash Flow**  
**the period of September 8, 2012 to October 31, 2013**  
**(in CDN dollars)**

	<b>Mar 1 - Mar 31/13</b>	<b>Apr 1 - Apr 30/13</b>	<b>May 1 - May 31/13</b>	<b>June 1 - June 30/13</b>
<b><u>Operating receipts</u></b>				
Funds received from the Purdy Group	\$ 60,000	\$ 100,000	\$ -	\$ 78,000
Fishpath sales and rental receipts	4,319	4,718	13,154	21,734
Fuel sales	-	-	14,072	23,434
Other miscellaneous receipts	1,295	2,809	2,450	4,430
<i>Total operating receipts</i>	<u>\$ 65,614</u>	<u>\$ 107,527</u>	<u>\$ 29,676</u>	<u>\$ 127,598</u>
<b><u>Operating Disbursements</u></b>				
Management fees	\$ 16,650	\$ 16,650	\$ 16,650	\$ 16,650
Restaurant food and beverage inventory	29,904	3,044	8,722	1,006
Operations labour	9,078	12,502	8,750	14,353
Utility costs	11,531	5,252	3,993	7,386
Fuel inventory	-	29,739	-	16,579
Travel expenses	5,553	3,713	1,472	2,893
Insurance expense	-	-	-	-
Office, pub and cleaning supplies	1,651	6,478	854	3,076
Other misc	440	139	184	3,645
Bank service charges and other permit costs	1,360	463	541	511
<i>Total operating disbursements</i>	<u>\$ 76,166</u>	<u>\$ 77,981</u>	<u>\$ 41,166</u>	<u>\$ 66,101</u>
<b><u>Capital costs</u></b>				
Furniture and equipment purchases	\$ 2,330	\$ 4,712	\$ -	\$ 34,289
Repairs and maintenance	8,891	36,816	7,325	9,940
<i>Total capital costs</i>	<u>\$ 11,221</u>	<u>\$ 41,528</u>	<u>\$ 7,325</u>	<u>\$ 44,230</u>
<i>Total operating and capital costs</i>	<u>\$ 87,387</u>	<u>\$ 119,509</u>	<u>\$ 48,491</u>	<u>\$ 110,330</u>
<b><u>Net change in cash</u></b>				
Opening cash	<u>\$ (21,773)</u>	<u>\$ (11,981)</u>	<u>\$ (18,815)</u>	<u>\$ 17,268</u>
Ending Cash	<u>78,622</u>	<u>56,849</u>	<u>44,867</u>	<u>26,052</u>
	<u>\$ 56,849</u>	<u>\$ 44,867</u>	<u>\$ 26,052</u>	<u>\$ 43,320</u>

**LBVR (Hawkeye Group Properties)**  
**Actual Cash Flow**  
**the period of September 8, 2012 to October 31, 2013**  
**(in CDN dollars)**

	<b>July 1 - July 31/13</b>	<b>Aug 1 - Aug 31/13</b>	<b>Sept 1 - Sept 31/13</b>	<b>Oct. 1 - Oct. 31/13</b>	<b>14 month Total</b>
<b><u>Operating receipts</u></b>					
Funds received from the Purdy Group		\$ 100,000	\$ -	\$ 27,000	\$ 855,000
Fishpath sales and rental receipts	38,394	44,065	23,348	3,394	156,797
Fuel sales	47,775	55,322	22,045	5,745	168,393
Other miscellaneous receipts	5,342	4,431	2,417	1,649	35,173
<b>Total operating receipts</b>	<b>\$ 91,511</b>	<b>\$ 203,818</b>	<b>\$ 47,810</b>	<b>\$ 37,787</b>	<b>\$ 1,215,363</b>
<b><u>Operating Disbursements</u></b>					
Management fees	16,650	16,650	16,650	16,650	233,100
Restaurant food and beverage inventory	5,368	8,609	911	880	77,631
Operations labour	16,724	22,259	17,956	6,436	139,805
Utility costs	3,785	2,225	9,261	65	76,849
Fuel inventory	20,877	67,058	38,645	991	180,793
Travel expenses	1,720	2,447	525	2,068	30,806
Insurance expense	-	7,610	5,750	5,750	19,111
Office, pub and cleaning supplies	2,967	2,800	2,808	1,853	38,948
Other misc	1,037	-	-	3	6,838
Bank service charges and other permit costs	1,572	2,426	5,636	915	14,646
<b>Total operating disbursements</b>	<b>\$ 70,701</b>	<b>\$ 132,084</b>	<b>\$ 98,142</b>	<b>\$ 35,611</b>	<b>\$ 818,525</b>
<b><u>Capital costs</u></b>					
Furniture and equipment purchases	-	-	-	-	148,008
Repairs and maintenance	1,518	2,694	3,054	328	168,715
<b>Total capital costs</b>	<b>\$ 1,518</b>	<b>\$ 2,694</b>	<b>\$ 3,054</b>	<b>\$ 328</b>	<b>\$ 316,723</b>
<b>Total operating and capital costs</b>	<b>\$ 72,219</b>	<b>\$ 134,778</b>	<b>\$ 101,196</b>	<b>\$ 35,939</b>	<b>\$ 1,135,248</b>
<b><u>Net change in cash</u></b>					
Opening cash	19,292	69,041	(53,386)	1,849	80,115
Ending Cash	43,320	62,612	131,653	78,267	-
	62,612	131,653	78,267	80,115	80,115

# APPENDIX C



APPENDIX C

Purdy Group of Companies  
Updated Forecast Cash Flow  
For the period of November 23, 2013 to February 7, 2014 (the "Forecast Period")  
(in CDN dollars)


	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	TOTAL Forecast Week 106 to 116
	Week 106 29-Nov-13	Week 107 6-Dec-13	Week 108 13-Dec-13	Week 109 20-Dec-13	Week 110 27-Dec-13	Week 111 3-Jan-14	Week 112 10-Jan-14	Week 113 17-Jan-14	Week 114 24-Jan-14	Week 115 31-Jan-14	Week 116 7-Feb-14									
<b>Receipts</b>																				
Half Moon Lake Resort receipts	-	1,500	1,000	-	-	3,500	-	-	-	-	3,500									9,500
Other receipts	-	-	-	-	-	-	-	-	-	-	-									-
<b>Total operating receipts</b>	-	1,500	1,000	-	-	3,500	-	-	-	-	3,500									9,500
<b>Funds from Monitor's Trust Account</b>																				
	401,250	10,000	75,000	10,000	-	85,000	35,000	-	5,000	-	35,000									666,250
<b>Total receipts</b>	<b>401,250</b>	<b>11,500</b>	<b>76,000</b>	<b>10,000</b>	<b>-</b>	<b>88,500</b>	<b>35,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>38,500</b>									<b>665,750</b>
<b>Disbursements</b>																				
Half Moon Lake expenses	-	12,000	-	5,000	-	4,000	-	-	-	-	4,000									25,000
Consulting fees	-	-	-	-	-	5,000	-	-	-	-	-									5,000
Management Fees	-	-	-	5,000	-	-	-	-	5,000	-	-									10,000
Financing Fees	16,250	-	-	-	-	-	-	-	-	-	-									16,250
Interest reserve payment	115,000	-	-	-	-	-	-	-	-	-	-									115,000
<b>Total disbursements</b>	<b>131,250</b>	<b>12,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>4,000</b>									<b>171,250</b>
<b>LBVR management agreement disbursements</b>																				
Release of funds to LBVR	-	-	30,000	-	-	-	35,000	-	-	-	35,000									100,000
<b>Total operating &amp; LBVR disbursements</b>	<b>131,250</b>	<b>12,000</b>	<b>30,000</b>	<b>10,000</b>	<b>-</b>	<b>9,000</b>	<b>35,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>39,000</b>									<b>271,250</b>
<b>Restructuring professional fees</b>																				
- Monitor	270,000	-	-	-	-	40,000	-	-	-	-	-									310,000
- Company Counsel	-	-	-	-	-	17,500	-	-	-	-	-									17,500
- Monitor Counsel	-	-	45,000	-	-	22,500	-	-	-	-	-									67,500
<b>Total restructuring professional fees</b>	<b>270,000</b>	<b>-</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>									<b>395,000</b>
<b>Total disbursements</b>	<b>401,250</b>	<b>12,000</b>	<b>75,000</b>	<b>10,000</b>	<b>-</b>	<b>89,000</b>	<b>35,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>39,000</b>									<b>666,250</b>
<b>Net change in Applicant cash</b>	<b>-</b>	<b>(500)</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(500)</b>									<b>(500)</b>

<b>APPLICANT CASH BALANCE</b>																				
Opening cash	845	845	345	1,345	1,345	1,345	845	845	845	845	845	845	845	845	845	845	845	845	845	845
Net change in operating cash	-	(500)	1,000	-	-	(500)	-	-	-	-	-	-	-	-	-	-	-	-	-	(500)
Ending Cash	845	345	1,345	1,345	1,345	845	845	845	845	845	845	845	845	845	845	845	845	845	845	345

Purdy Group of Companies  
Updated Forecast Cash Flow  
For the period of November 23, 2013 to February 7, 2014 (the "Forecast Period")  
(in CDN dollars)

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	TOTAL Forecast Week 106 to 116
	Week 106 29-Nov-13	Week 107 6-Dec-13	Week 108 13-Dec-13	Week 109 20-Dec-13	Week 110 27-Dec-13	Week 111 3-Jan-14	Week 112 10-Jan-14	Week 113 17-Jan-14	Week 114 24-Jan-14	Week 115 31-Jan-14	Week 116 7-Feb-14				
<b>FUNDS HELD BY MONITOR</b>															
Opening Cash	727,309	326,059	316,059	241,059	231,059	231,059	146,059	111,059	111,059	106,059	106,059	106,059	106,059	106,059	727,309
Collection of funds - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Release of funds to Applicants (for LBVR)	(16,250)	-	(30,000)	-	-	-	(35,000)	-	-	-	-	-	-	-	-
Release of funds to Applicants (for operations)	(385,000)	(10,000)	(45,000)	(10,000)	-	(85,000)	-	-	(5,000)	-	-	-	(35,000)	-	(116,250)
	(401,250)	(10,000)	(75,000)	(10,000)	-	(85,000)	(35,000)	-	(5,000)	-	-	-	-	-	(540,000)
Ending cash	326,059	316,059	241,059	231,059	231,059	146,059	111,059	111,059	106,059	106,059	106,059	106,059	106,059	106,059	71,059

<b>TOTAL AVAILABLE CASH FOR GENERAL RESTRUCTURING</b>															
Applicant ending cash balance	845	345	1,345	1,345	1,345	845	845	845	845	845	845	845	845	845	345
Total Funds held by Monitor	326,059	316,059	241,059	231,059	231,059	146,059	111,059	111,059	106,059	106,059	106,059	106,059	106,059	106,059	71,059
Less: Funds held for LBVR Agreement	(147,000)	(147,000)	(117,000)	(117,000)	(117,000)	(117,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(47,000)
Cash held in trust per Court Order	(170,000)	(180,000)	(115,000)	(105,000)	(105,000)	(25,000)	(25,000)	(25,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
	9,059	9,059	9,059	9,059	9,059	4,059	4,059	4,059	4,059	4,059	4,059	4,059	4,059	4,059	4,059
Cash available for general restructuring	9,904	9,404	10,404	10,404	10,404	4,904	4,904	4,904	4,904	4,904	4,904	4,904	4,904	4,904	4,404

  
Jack Purdy, President  
Purdy Group