



No. S209201
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF 1077 HOLDINGS CO-OPERATIVE (FORMERLY, MOUNTAIN EQUIPMENT
CO-OPERATIVE) AND 1314625 ONTARIO LIMITED

PETITIONERS

EIGHTEENTH REPORT OF THE MONITOR

ALVAREZ & MARSAL CANADA INC.

September 25, 2025



ALVAREZ & MARSAL

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1.0 INTRODUCTION

- 1.1 On September 14, 2020, Mountain Equipment Co-operative (subsequently renamed 1077 Holdings Co-operative) and 1314625 Ontario Limited (together, “1077” or the “**Petitioners**”) were granted an initial order (the “**Initial Order**”) by the Supreme Court of British Columbia commencing proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. (“**A&M**”) as monitor of 1077 (the “**Monitor**”) during the CCAA Proceedings.
- 1.2 On November 27, 2020, this Honourable Court pronounced an order enhancing the powers of the Monitor and an order (the “**Claims Process Order**”) setting a claims process by which creditors may confirm or prove their claims against the Petitioners.
- 1.3 On March 29, 2022, this Honourable Court granted an order (the “**Distribution Order**”) granting, *inter alia*, the approval of a distribution methodology to be applied by the Monitor in administering any distributions in these CCAA Proceedings (the “**Distributions**”), which included, among other things, (i) authorizing the Petitioners to make one or more cash distributions to each Claimant and Employee Claimant holding an Accepted Claim; and (ii) directing the Monitor to make final distributions only to those Claimants who would be entitled to distributions of \$10.00 or more.
- 1.4 On November 29, 2023, this Honourable Court pronounced an order terminating these CCAA Proceedings effective November 30, 2023 and directing the Petitioners be assigned into bankruptcy for the purposes of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). The Petitioners were assigned into bankruptcy on November 29, 2023 and A&M was appointed as the trustee of the Petitioners’ estate (the “**Bankruptcy Trustee**”).
- 1.5 Concurrent with this eighteenth report of the Monitor dated September 25, 2025 (the “**Eighteenth Report**”), the Monitor has filed a notice of application with this Honourable Court, returnable on October 17, 2025 (the “**Unclaimed Distributions Application**”), seeking an order (the “**Unclaimed Distribution and Sealing Order**”) for the following relief:
 - a) directing the funds relating to unclaimed distributions made under these CCAA Proceedings be transferred to the bankruptcy estate with the rights of each of the Unclaimed Creditors (as subsequently defined) preserved, and thereafter remitted by the Bankruptcy Trustee to the Office of Superintendent of Bankruptcy (the “**OSB**”) in accordance with section 154 of the BIA; and

b) sealing the confidential Appendix “A” appended to this Eighteenth Report, on the basis it contains personal details of certain Employee Claimants, including names, last known addresses, and distribution amounts.

1.6 Further information regarding these CCAA Proceedings, including the Initial Order, affidavits, reports of the Monitor and all other Court-filed documents and notices are available on the Monitor’s website at www.alvarezandmarsal.com/mec.

2.0 PURPOSE

2.1 This Eighteenth Report prepared by the Monitor is a special purpose report intended to provide this Honourable Court with background information with respect to the unclaimed distributions remaining in these CCAA Proceedings (the “**Unclaimed Distributions**”) so that such funds may be dealt with in accordance with section 154 of the BIA.

2.2 Background information, including capitalized terms not defined herein, are contained in the Initial Order, the amended and restated initial order, the Claims Process Order, the Distribution Order, and the Monitor’s previous reports, and have not been repeated herein.

3.0 UNCLAIMED DISTRIBUTIONS

3.1 As detailed in the Monitor’s Fifteenth Report dated March 23, 2023, there were 249 Accepted Claims totaling \$31.7 million. Between May 31, 2022 to October 31, 2023, the Monitor made three distributions totaling \$30.0 million, representing a recovery of 94.6% on the total Accepted Claims.

3.2 As at the date of this Eighteenth Report, six Employee Claimants have not deposited some or all of their distribution cheques (the “**Unclaimed Creditors**”), which in aggregate totals to \$43,895.63. The Monitor has undertaken extensive efforts to locate and contact the Unclaimed Creditors, including:

- a) issuing three letters to the last known addresses of each creditor;
- b) sending emails and making phone calls by utilizing contact information contained in the Petitioners’ records;
- c) requesting additional contact details from the human resources team at MEC Mountain Equipment Company Ltd., where available; and
- d) conducting online searches for updated contact information.

Despite these efforts, the Monitor has been unable to locate the Unclaimed Creditors and the related funds remain uncashed and continue to be held by the Monitor.

- 3.3 In consultation with its legal counsel, the Monitor proposes that the Unclaimed Distributions be transferred to the Petitioners' bankruptcy estate, with the rights of each of the Unclaimed Creditors preserved. For clarity, the distributions as previously calculated and made available to the Employee Claimants would not be subject to any dilution or adjustment as a result of the transfer of the funds to the OSB. The Bankruptcy Trustee would subsequently remit the funds as unclaimed dividends to the OSB, in accordance with section 154 of the BIA, net of the applicable levy, together with a schedule of the Unclaimed Creditors, including their names, last known addresses, and the amounts payable, as set out in Appendix A.
- 3.4 This proposed approach ensures that any Unclaimed Creditor who has not cashed their distribution cheque, or otherwise received their entitlement, retains the opportunity to preserve and recover their share of the Distributions notwithstanding the termination of these CCAA Proceedings.
- 3.5 The Monitor consulted with the OSB in respect of the proposed approach and on August 20, 2025, the OSB advised that it is generally not opposed to the Monitor redirecting the funds to the bankruptcy estate and for the specific creditors' rights to be preserved, provided that the OSB receives at least three weeks' advance notice of the court hearing. On September 25, 2025, the Unclaimed Distribution Application materials were served on the OSB, providing three weeks' notice prior to the court hearing scheduled for October 17, 2025.

4.0 MONITOR'S RECOMMENDATIONS

- 4.1 Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Unclaimed Distribution and Sealing Order sought.

All of which is respectfully submitted to this Honourable Court this 25th day of September, 2025.

**Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1077 and not in its personal or corporate capacity**



Todd M. Martin
Senior Vice President



Vicki Chan
Vice President