

**Form 3-49
(Rule 3-49)**

COURT FILE NUMBER

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**

JUDICIAL CENTRE SASKATOON

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER
SECTION 50.4(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED, OF JUST SOLUTIONS INC.**

ORIGINATING APPLICATION

(Extension of Time to File Proposal)

NOTICE TO RECIPIENTS LISTED IN SERVICE LIST

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court. To do so, you must be in Court when the application is heard as shown below:

Where	Court House, 520 Spadina Crescent East Saskatoon, Saskatchewan
Date	Friday, April 22, 2022
Time	9:00 am

Due to the health risks posed by the COVID-19 pandemic, all chambers applications will be heard by telephone unless the presiding judge has decided otherwise. To confirm the telephone number where you can be reached on the date of the application, you must immediately contact the office of the local registrar at (306) 933-5135 and provide your telephone number. You must remain available by telephone at that number on that date until your matter is heard.

Go to the end of this document to see what you can do and when you must do it.

The applicant seeks the following remedy or order:

1. The applicant, Just Solutions Inc. (the "**Company**"), seeks an order:

- (a) directing that service of any further applications and supporting materials in these proceedings may be made by interested parties on three days' notice to the parties on the service list in these proceedings;
- (b) extending the time by which the Company may file a proposal to its creditors under Division I of Part III of the *Bankruptcy and Insolvency Act* (Canada) for a 45 day period from the date following the current deadline to file a proposal such that the Company may file a proposal up to and including 11:59 pm (local Saskatchewan time) on Saturday, July 2, 2022;
- (c) approving the draft DIP Term Sheet (as defined below) and authorizing the Company to obtain an a debtor-in-possession non-revolving loan facility thereunder (the “**DIP Facility**”), permitting the Company to obtain advances in the maximum aggregate amount of \$225,000, to allow the Company to satisfy its future expenses in connection with its ongoing operations during the within proceedings;
- (d) granting a “**DIP Charge**” against the property of the Company (the “**Property**”) to secure obligations incurred on the DIP Facility;
- (e) granting an “**Administration Charge**” against the Property in a maximum amount of \$150,000 as security for the payment of the professional fees and disbursements incurred and to be incurred by counsel to the Company, counsel to Forage Subordinated Debt Limited Partnership II (“**Forage**”), Alvarez & Marsal Canada Inc. (the “**Proposal Trustee**”) and the Proposal Trustee’s counsel;
- (f) granting a “**Directors Charge**” against the Property in a maximum amount of \$65,000 in favour of the directors and officers of the Company, as security for the Company’s obligation to indemnify such directors and officers for obligations and liabilities which they may incur in such capacities after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct;
- (g) an order (the “**SISP Order**”), among other things:
 - (i) approving the Company’s proposed sales and investment solicitation process (the “**SISP**”) and authorizing and directing the Company to implement and perform the SISP; and

- (ii) approving the Company's stalking horse proposal to creditors within the SISP (the "**Stalking Horse Proposal**");
- (h) such further and other relief as the Company may advise.

The material facts and the applicant's grounds for making this application are:

- 2. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Affidavit of Justin Simpkins, sworn on April 18, 2022 (the "**Supporting Affidavit**").

The Company

- 3. The Company is incorporated pursuant to the laws of Saskatchewan and is an insurance broker that sells crop and hail insurance to farmers throughout western Canada.
- 4. The Company has been in negotiations with an insurance company in an effort to obtain a commitment to allow it to bind Ag Right Risk Management policies ("**ARRM Policies**"). Ultimately, the Company was not able to provide satisfactory credit support to allow it to sell ARRM Policies and as such will not bind ARRM Policies for this crop season. The Company expects it will continue to sell hail insurance during the 2022 growing season and such sales will likely occur in May and June. Forage, the Company's senior secured creditor, has demanded repayment of the indebtedness owed to it. The Company is unable to pay the amounts owing to Forage and is insolvent. On April 18, 2022, the Company filed the NOI under the BIA.

The Stalking Horse Proposal and the SISP

- 5. The Company has determined that it is in the best interests of its creditors and other stakeholders to undertake the Restructuring Process. The central component of the Restructuring Process is the Stalking Horse Proposal, where it is expected that Forage will be the sole affected creditor, will be given new equity in the Company in exchange for compromising its debt and all existing equity in the Company will be cancelled and extinguished. The Company will also market itself pursuant to a SISP so that it can have the certainty of a transaction through the Stalking Horse Proposal and also test the market for higher and better offers.

6. The Proposal Trustee supports the relief sought in respect of the Stalking Horse Proposal and the SISP.

Extension of Time to File a Proposal

7. The Company is acting in good faith and with due diligence in pursuing the Stalking Horse Proposal and the SISP. The Company will likely be able to make a viable proposal through either the Stalking Horse Proposal or a Superior Offer and no creditors will be materially prejudiced in this regard.
8. The Proposal Trustee supports extending the time within which the Company may file a proposal to its creditors under Division I of Part III of the BIA.

The Priority Charges and the DIP Facility

9. The Administration Charge is necessary in order to ensure that the Proposal Trustee and legal counsel to the Company, the Proposal Sponsor and the Proposal Trustee have security for their fees and disbursements. The DIP Charge is necessary to ensure the Interim Lender has security for the DIP Facility, and the proposed quantum of the advance under DIP Facility has been determined based upon the projected cash flow needs set out in the Company's cash flow forecast. The D&O Charge is necessary in order to ensure that the directors of the Company will continue to serve in such capacity and have assurance that they will have secured indemnification against liability for obligations which they may occur as directors. It is the position of the Company that the quantum of the Administration Charge, the DIP Charge and the D&O Charge are appropriate given the anticipated complexity of this proceeding and the potential personal liabilities that may be incurred by the directors.
10. The Proposal Trustee supports the granting of the Administration Charge, the DIP Charge and the D&O Charge.

Material or evidence to be relied on:

11. The Company relies on the following materials filed in support of this application:
 - (a) This Originating Application, with proof of service;
 - (b) Affidavit of Justin Simpkins, sworn on April 18, 2022; and

(c) such further and other material as this Honourable Court may allow.

Applicable rules:

12. *The Queen's Bench Rules.*

Applicable Acts and regulations:

13. *The Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, and, in particular, section 50.4(9).

DATED at Calgary, Alberta, this 18th day of April, 2022.

McCARTHY TÉTRAULT LLP

Per: _____
Walker W. MacLeod
Counsel for the applicant, Just Solutions
Inc.

This application is issued at the above-noted judicial centre on the ____ day of April, 2022.

(Deputy) Local Registrar

NOTICE

You are named as a respondent because you have made or are expected to make an adverse claim with respect to this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant and against all persons claiming under the applicant. You will be bound by any order the Court makes, or another order might be given or other proceedings taken, which the applicant is entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form.

The rules require that a party moving or opposing an originating application must serve any brief of written argument on each of the other parties and file it at least 3 days before the date scheduled for hearing the originating application.

If you intend to rely on an affidavit or other evidence when the originating application is heard or considered, you must serve a copy of the affidavit and other evidence on the originating applicant at least 10 days before the originating application is to be heard or considered.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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