



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**

**EIGHTH REPORT OF THE MONITOR**  
**ALVAREZ & MARSAL CANADA INC.**

**June 18, 2021**

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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, the “**Petitioners**” or “**1077**”) 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 afforded 1077 an initial stay of proceedings up to and including September 24, 2020 (the “**Stay Period**”) and appointed Alvarez & Marsal Canada Inc. as monitor of 1077 (the “**Monitor**”) during the CCAA Proceedings.
- 1.2 On October 2, 2020, this Honourable Court pronounced the amended and restated initial order (the “**ARIO**”) and sale approval and vesting order (the “**SAVO**”) to approve the sale transaction (the “**Sale Transaction**”) contemplated by the asset purchase and sale agreement between the Petitioners and 1264686 B.C. Ltd. (the “**Original Purchaser**”) dated September 11, 2020 (the “**APA**”) for the sale of the Purchased Assets and to vest all of the Purchased Assets in the Original Purchaser’s permitted assignee free and clear of any Encumbrances other than Permitted Encumbrances, as such capitalized terms are defined in the APA.
- 1.3 On October 21, 2020, this Honourable Court pronounced an assignment order to assign all of the rights and obligations of the Petitioners under certain contracts to the Original Purchaser’s assignee, 1266524 B.C. Ltd. (subsequently renamed MEC Mountain Equipment Company Ltd. on January 7, 2021 and referred hereinafter as the “**Purchaser**”).
- 1.4 The Sale Transaction closed on October 30, 2020 (the “**Closing Date**”).
- 1.5 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 (the “**Claims Process**”) by which creditors may confirm or prove their claims against the Petitioners.
- 1.6 On April 9, 2021, this Honourable Court pronounced an order approving the activities of the Monitor as reported in the Monitor’s previous reports and further extending the Stay Period to June 25, 2021 (the “**Stay Extension Order**”).
- 1.7 On April 29, 2021, the Monitor submitted to this Honourable Court the seventh report of the Monitor (the “**Seventh Report**”), which was a special purpose report prepared and submitted by the Monitor pursuant to paragraph 32 of the Claims Process Order to provide, *inter alia*, this Honourable Court with an update on the Claims Process, including the number and quantum of claims received by the Monitor.

- 1.8 Concurrent with this eighth report of the Monitor dated June 18, 2021 (the “**Eighth Report**”), the Monitor has filed a notice of application with this Honourable Court, returnable on June 23, 2021, seeking approval of an extension of the Stay Period through to September 10, 2021.
- 1.9 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](http://www.alvarezandmarsal.com/mec).

## **2.0 PURPOSE**

- 2.1 This Eighth Report has been prepared by the Monitor to provide information to this Honourable Court in respect of the following:
- a) the activities of the Monitor since the sixth report of the Monitor dated April 1, 2021 (the “**Sixth Report**”);
  - b) a status update of the Claims Process;
  - c) a comparison of the actual cash receipts and disbursements compared to the cash flow forecast (the “**Fourth Cash Flow Forecast**”) as appended to the Sixth Report; and
  - d) an updated cash flow forecast for the period June 14, 2021 to September 10, 2021 (the “**Fifth Cash Flow Forecast**”) and comments in respect of same.
- 2.2 Background information, including capitalized terms not defined herein, are contained in the Initial Order, the ARIO, the SAVO, and the Monitor’s previous reports, and have not been repeated herein.

## **3.0 TERMS OF REFERENCE**

- 3.1 In preparing this report, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain former management of the Petitioners (“**Management**”). Although this information has been subject to review, the Monitor has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Petitioners or other third parties. Accordingly, the Monitor expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this Eighth Report, or otherwise used to prepare this Eighth Report.
- 3.2 Certain of the information referred to in this Eighth Report consists of financial forecasts and/or projections prepared by the Monitor. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has

not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

#### **4.0 ACTIVITIES OF THE MONITOR**

4.1 The activities of the Monitor since the Sixth Report have included the following:

##### **Review of CCAA Court Materials**

- a) reviewing draft Court application materials and providing comments to the Monitor's legal counsel;

##### **Assisting with Post-Closing Matters related to the Sale Transaction**

- b) reviewing documentation in respect of transferring certain contracts and accounts assumed by the Purchaser;
- c) reviewing documentation and corresponding with the Purchaser to reconcile outstanding cash balances and obtaining copies of various supporting financial records;

##### **Administering the Claims Process**

- d) administering the Claims Process in accordance with the Claims Process Order (including dealing with numerous enquiries and follow-up correspondence with Claimants), as further described in section 5.0 of this report and as previously described in the Seventh Report;

##### **Monitoring of Cash Receipts & Disbursements**

- e) preparing and reviewing weekly payments as well as reconciling cash receipts and disbursements of the bank accounts of the Petitioners and trust accounts of the Monitor;
- f) consolidating and closing bank accounts of the Petitioners where appropriate;
- g) investing the majority of cash held in the bank accounts of the Petitioners and trust accounts of the Monitor in guaranteed investment certificates;
- h) coordinating the cancellation and release of issued and outstanding letters of credit;

##### **Statutory and Other Responsibilities**

- i) preparing the Seventh Report and this Eighth Report;
- j) gathering information and responding to the request of the Canada Revenue Agency ("CRA") for a GST audit for the period from January 1, 2020 to December 27, 2020;
- k) reconciling and filing of post-filing GST returns;
- l) coordinating the completion of the Petitioner's year-end financial statements and filing of the Petitioners' corporate tax returns;

- m) holding discussions with the Canada Border Services Agency (“CBSA”) and the former import and export broker of 1077 to address CBSA’s request for amendments to pre-filing import declarations;

#### **Books and Records and Data Management**

- n) working collaboratively with the Purchaser’s in-house legal counsel to establish appropriate protocols to maintain the integrity of the Petitioners’ data held by the Monitor which includes both records that should be made available to the Purchaser, as well as information that is not permitted to be accessible by the Purchaser pursuant to the terms of the APA and applicable provincial privacy legislation;

#### **Creditor and Other Stakeholder Matters**

- o) receiving and responding to telephone and email inquiries from trade creditors, members, former employees and other interested parties; and
- p) reviewing and modifying severance calculations in consultation with the Monitor’s legal counsel.

### **5.0 CLAIMS PROCESS – STATUS UPDATE**

#### **Update of Claims Process**

- 5.1 Capitalized terms used but not defined in this section of the Eighth Report have the meaning ascribed to them in the Claims Process Order.
- 5.2 Tabled below is an updated summary of the Claims including the number and quantum of the Proofs of Claims submitted by Claimants and Employee Claimants, Notices of Revision or Disallowance (“NORDs”) issued by the Monitor, Claims accepted by the Monitor (the “Accepted Claims”), and unresolved Claims that remain subject to dispute (the “Disputed Claims”):

1077 Holdings Co-operative and 1314625 Ontario Limited
Summary of Claims
In CAD 000's
as at June 18, 2021

	Proofs of Claim		Notice of Revision or Disallowance		Accepted Claims		Disputed Claims	
	No.	Claim Amount (\$)	No.	Disallowed Amount (\$)	No.	Accepted Amount (\$)	No.	Disputed Amount (\$)
Landlord	8	\$ 68,829	8	\$ 72,855	3	\$ 575	7	\$ 67,873
Employee	47	3,750	45	2,105	227	7,937	7	848
Trade and other	37	9,681	32	7,835	12	1,922	7	3,894
Equity	2	1	2	1	-	-	-	-
Total	94	\$ 82,261	87	\$ 82,795	242	\$ 10,434	21	\$ 72,615

- 5.3 As at the date of this Eighth Report, the Monitor has received 94 Proofs of Claim with a total claim value of approximately \$82.3 million and has responded to 87 Claimants through NORDs, except where the Proof of Claim had been withdrawn by the Claimant or accepted in its entirety by the Monitor.
- 5.4 Subsequent to filing the Sixth Report, the Monitor received:
- a) five additional Proofs of Claim (the “**Additional Proofs of Claim**”), including: (i) one from a former employee of the Petitioners for a claim amount of \$50,000; (ii) three trade creditors totaling \$78,000 in Claims; and (iii) one from a landlord whose lease was not disclaimed in the CCAA Proceedings with a claim amount of \$725,000. The Monitor, in consultation with its legal counsel, issued four NORDs in response to the Additional Proofs of Claims and notified one trade creditor that their Claim was not accepted in the Claims Process as: (i) it was received well beyond the Claims Bar Date; and (ii) its account, including the arrears reflected in its Proof of Claim, had been assumed by the Purchaser pursuant to the APA;
  - b) an audit report dated May 18, 2021 from CRA which assessed pre-filing input tax credits of \$46,000. The Monitor reviewed the audit report and issued an amended NORD on May 28, 2021 to allow the pre-filing claim of \$46,000. CRA had previously submitted a Proof of Claim for a contingent Claim amount of \$1.00 pending completion of its audit; and
  - c) an amended Proof of Claim from a landlord of a disclaimed realty lease revising its Claim downwards by \$4.6 million following the issuance of a NORD by the Monitor.
- 5.5 Pursuant to the Claims Process Order, Claimants and Employee Claimants may submit a Notice of Dispute (“**NOD**”) within 30 days of receiving a NORD, or such other date as may be agreed to by the Monitor in writing. Any Claim that is unable to be resolved between a Claimant and the Monitor will be adjudicated by the Court or a Claims Officer at the sole discretion of the Monitor.
- 5.6 As at the date of this Eighth Report, there are 242 Accepted Claims totaling \$10.4 million that the Monitor has or is deemed to have accepted.

#### **Disputed Claims**

- 5.7 At present, there are 21 Disputed Claims totaling \$72.6 million that remain unresolved which consist of seven Claims from landlords, seven Claims from Employees, and seven Claims from trade and other creditors.

### *Landlords*

- 5.8 Eight landlords submitted Claims, one of which was a late-filed Claim for a realty lease that was not disclaimed in these CCAA Proceedings, and which was subsequently disallowed in full by the Monitor. The remaining seven landlord Claims are summarized in the table below:

1077 Holdings Co-operative and 1314625 Ontario Limited Summary of Disputed Landlord Claims In CAD 000's as at June 18, 2021		
Name	Premises	Disputed Claim Amount (\$)
0965311 B.C. LTD.	1077 Great Northern Way, Vancouver, BC	\$ 22,644
BROOKFIELD RESIDENTIAL (ALBERTA LP)	710 - 19587 Seton Crescent SE, Calgary, AB	7,222
LE CARREFOUR LAVAL (2013) INC.	2615 Boulevard Daniel-Johnson, Laval, QC	7,960
169159 CANADA INC.*	4394 St-Denis Street, Montreal, QC	250
ARGO PARTNERS AS ASSIGNEE OF 169159 CANADA INC.*	4394 St-Denis Street, Montreal, QC	733
PLATEAU VILLAGE PROPERTIES INC.	460 Na'a Drive SW, Calgary, AB	15,187
MIDTOWN PLAZA INC.	Store No. 68 at Midtown Plaza, Saskatoon, SK	13,877
<b>Total</b>		<b>\$ 67,873</b>
(*) Two duplicative claims were received for a disclaimed realty lease in Montreal, QC from the landlord of the premises and an assignee of the landlord. The conflicting claims remain unresolved between the parties.		

- 5.9 The Monitor has requested additional information to support the calculation of the various landlord Claims, and has retained Avison & Young Consulting Services, LP as a real estate consultant to assist in the evaluation of the landlord Claims. The Monitor, together with its legal counsel, is in the process of responding to the Landlords' recent submissions of additional information and data in support of their Claims with the view to negotiate a settlement of these Claims.

### *Employees*

- 5.10 In aggregate, there are 227 Employee Claims with a total Accepted Claims value of \$7.9 million. Of the 227 Employee Claims: (i) 38 were subject to NORDs, which have since been resolved by the Monitor; and (ii) seven claims totaling \$850,000, that continue to be disputed. The Monitor intends to notify these seven Employee Claimants that the Monitor will be referring their Claims to the Claims Officer or the Court for adjudication pursuant to and in accordance with the provisions of the Claims Process Order.

### *Trade and Other Creditors*

- 5.11 At present, there are seven Disputed Claims from trade creditors totaling \$3.9 million, which consist of the following:

- a) one NOD submitted by a Claimant that is a party to litigation proceedings against the Petitioners for a claim value of \$300,000. On April 30, 2021, the Monitor notified the Claimant that its Claim would be referred to the Claims Officer;
- b) five NODs submitted by Claimants that are parties subject to insurance proceedings (the “**Insured Claimants**”) brought against the Petitioners and have a total disputed claim value of \$2.8 million. The Monitor is in discussions with its legal counsel, Claimants’ counsel, and the Petitioners’ insurance adjuster to allow for the Claims to be resolved under the insurance policy; and
- c) one NOD submitted by a vendor that had previously provided technology services under contract to the Petitioners which was assumed by the Purchaser pursuant to the APA. The vendor has not yet confirmed the withdrawal of its Claim due to ongoing discussions with the Purchaser.

5.12 The Monitor and its legal counsel continue to review and pursue settlement and/or resolution with these Claimants.

## **6.0 ACTUAL CASH FLOW RESULTS COMPARED TO FOURTH CASH FLOW FORECAST**

6.1 Consistent with the ongoing oversight and monitoring of the business and financial affairs of the Petitioners, the Monitor has established a weekly cash flow review protocol to compare actual cash flows against the Fourth Cash Flow Forecast.

6.2 The Petitioners’ actual cash receipts and disbursements compared to the Fourth Cash Flow Forecast during the period from September 15, 2020 to June 13, 2021 (the “**Reporting Period**”) is summarized in the table below:

**1077 Holdings Co-operative and 1314625 Ontario Limited**  
**Cash Flow Variance Analysis**  
**For the period September 15, 2020 to June 13, 2021**  
**In CAD 000's**

	<b>For the 39 Weeks Ended June 13, 2021</b>		
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Receipts</b>			
Sales	\$ 41,176	\$ 41,176	\$ -
Canada Emergency Wage and Rent Subsidy	8,628	8,564	64
Other receipts and letters of credit	3,533	3,392	141
<b>Total receipts</b>	<b>53,337</b>	<b>53,132</b>	<b>205</b>
<b>Disbursements</b>			
Merchandise and/or vendor prepayments	33,507	33,507	-
Freight and other non-merchandise	3,142	3,142	-
Wages and salary	11,377	11,377	-
SG&A	3,093	3,508	415
Insurance	145	195	50
Property taxes and other property liabilities	4,498	4,525	27
Statutory obligations	3,592	3,754	162
<b>Total disbursements</b>	<b>59,353</b>	<b>60,007</b>	<b>654</b>
	<b>(6,016)</b>	<b>(6,875)</b>	<b>860</b>
<b>Other disbursements</b>			
KERP payments	778	778	-
Professional fees	4,357	4,381	23
Debt service	987	987	-
Contingency	574	624	50
<b>Total other disbursements</b>	<b>(6,697)</b>	<b>(6,770)</b>	<b>73</b>
<b>Net proceeds from Sale Transaction (*)</b>	<b>30,411</b>	<b>30,411</b>	<b>-</b>
<b>Net Cash Flow</b>	<b>\$ 17,699</b>	<b>\$ 16,767</b>	<b>\$ 933</b>
<b>Opening Cash Balance</b>	<b>14,188</b>	<b>14,188</b>	<b>-</b>
Net Cash Flow	17,699	16,767	933
<b>Ending Cash Balance</b>	<b>\$ 31,888</b>	<b>\$ 30,955</b>	<b>\$ 933</b>

*\* Net proceeds from the Sale Transaction are presented net of secured debt due to the Royal Bank of Canada which was repaid on the Closing Date.*

6.3 As at June 13, 2021, the closing cash balance held in trust by the Monitor totaled \$31.9 million and during the Reporting Period, the Petitioners experienced a net favorable cash flow variance of \$933,000. Significant variances in respect of the reported cash receipts and disbursements are as follows:

- a) total operating receipts were approximately \$205,000 higher than forecast largely due to higher than forecast recoveries from the Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy federal programs, as well as other receipts that are currently under review by the Monitor to determine the source and intended recipient of the receipts; and

- b) total operating disbursements were approximately \$727,000 lower than forecast, primarily due to timing differences in respect of general and administrative costs, statutory obligations and professional fees.

6.4 Since the Sixth Report, the Monitor has continued to review the cash receipts and disbursements of the Petitioners and perform weekly variance reporting and approval of disbursements. Nothing has come to the attention of the Monitor that causes the Monitor to believe that there have been material adverse changes in the cash flow of the Petitioners or that would financially prejudice the stakeholders of the Petitioners.

## 7.0 UPDATED CASH FLOW FORECAST

7.1 The Fifth Cash Flow Forecast has been prepared by the Monitor for the period from June 14, 2021 to September 10, 2021 (the “**Forecast Period**”). The Fifth Cash Flow Forecast is attached herewith as Appendix “A” along with accompanying notes and assumptions. A summary of the Fifth Cash Flow Forecast is tabled below:

1077 Holdings Co-operative and 1314625 Ontario Limited Fifth Cash Flow Forecast For the 13 week period ending on September 10, 2021 In CAD 000's	
	Forecast Period
<b>Receipts</b>	
GST refunds	\$ 140
Other receipts - letters of credit	165
Return of deposits	(500)
<b>Total receipts</b>	<b>(195)</b>
<b>Disbursements</b>	
General and administrative	206
Insurance	50
Property taxes and other property liabilities	27
Statutory obligations	162
Consultants	65
<b>Total disbursements</b>	<b>510</b>
	<b>(705)</b>
<b>Other disbursements</b>	
Professional fees	746
Contingency	60
<b>Total other disbursements</b>	<b>(806)</b>
<b>Net cash flow</b>	<b>\$ (1,511)</b>
<b>Opening cash balance (*)</b>	<b>\$ 31,888</b>
Net cash flow	(1,511)
<b>Ending cash balance</b>	<b>\$ 30,377</b>
(*) Of the cash held in trust by the Monitor, \$26.5 million is invested in guaranteed investments certificates issued by a Canadian chartered bank.	

7.2 The Monitor's comments with respect to the Fifth Cash Flow Forecast are as follows:

- a) forecast of receipts consist of the following:
  - i. estimated GST refunds of approximately \$140,000 related to post-filing period expenses;
  - ii. other receipts of approximately \$165,000 in respect of the anticipated release of cash collateral held in escrow in respect of various letters of credit;
  - iii. return of deposits of approximately \$500,000 for funds received in the Petitioners' bank accounts subsequent to the Closing Date, which may be returned to the Purchaser subject to final review and reconciliation of the amounts;
- b) forecast disbursements totaling \$1.3 million consist of the following:
  - i. general and administrative costs of approximately \$206,000 relate to estimated costs of storage of electronic records and prepayments for the storage and future destruction of physical records;
  - ii. insurance of approximately \$50,000 for the extension of property insurance policy until December 31, 2020, for which the Monitor is awaiting invoices from the insurance broker;
  - iii. property liabilities approximating \$27,000 in connection with unpaid post-filing rent amounts due to the landlord of a disclaimed realty lease. The Monitor is awaiting reconciliation from the landlord in respect of the outstanding amounts;
  - iv. statutory obligations of approximately \$162,000 in respect of British Columbia Employer Health Taxes estimated for the period September 15, 2020 to December 31, 2020. The Monitor is awaiting confirmation from the Ministry of Finance in respect of these amounts;
  - v. consulting fees of \$65,000 for the retention of the Monitor's real estate consultant to assist with the Claims Process; and
  - vi. professional fees of approximately \$746,000 for services provided by the Monitor and its legal counsel, the Petitioners' legal counsel, and the potential fees of the Claims Officer.

7.3 At present, the Monitor anticipates it will be holding approximately \$30.4 million at the end of the Forecast Period that will ultimately be made available to unsecured creditors once the outstanding Disputed Claims have been settled. The Monitor anticipates a substantial recovery to the Claimants and Employee Claimants that have proven their Claim in the Claims Process.

7.4 The Fifth Cash Flow Forecast has been prepared solely for the purpose described in Note 1 on the face of the Fifth Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.

## **8.0 STAY EXTENSION**

8.1 Pursuant to the Stay Extension Order, the Stay Period will expire on June 25, 2021. The Monitor is seeking an extension of the Stay Period to September 10, 2021.

8.2 The Monitor believes this extension is reasonable for the following reasons:

- a) during the proposed extension of the Stay Period, the Monitor will have an opportunity to:
  - i. refer or assist with the resolution of disallowed Claims, determining the distribution to affected creditors, and/or preparing a potential plan of compromise and/or arrangement which may be presented to the creditors and stakeholders of the Petitioners; and
  - ii. attend to any remaining activities relating to the wind-down of 1077's operations and business;
- b) the Fifth Cash Flow Forecast indicates that there is sufficient liquidity to continue operating during the requested extension of the Stay Period; and
- c) no creditor or any stakeholders of the Petitioners would be materially prejudiced by the extension of the Stay Period.

## **9.0 RECOMMENDATIONS**

9.1 The Monitor respectfully recommends that this Honourable Court grant an order approving an extension of the Stay Period through to September 10, 2021.

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All of which is respectfully submitted to this Honourable Court this 18<sup>th</sup> day of June, 2021.

**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

**Appendix A**  
**Fifth Cash Flow Forecast**

1077 Holdings Co-operative and 131465 Ontario Limited  
Fifth Cash Flow Forecast (Note 1)  
For the 13 week period ending on September 10, 2021  
(Unaudited, in 000s CAD)

Week Week Ending	Notes	Week 1 Jun 20	Week 2 Jun 27	Week 3 Jul 4	Week 4 Jul 11	Week 5 Jul 18	Week 6 Jul 25	Week 7 Aug 1	Week 8 Aug 8	Week 9 Aug 15	Week 10 Aug 22	Week 11 Aug 29	Week 12 Sep 5	Week 13 Sep 10	13 Week Total
<b>Receipts</b>															
GST refunds	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ 140
Other receipts - letters of credit	3	-	-	-	-	-	-	-	-	-	-	-	165	-	165
Return of deposits	4	-	(500)	-	-	-	-	-	-	-	-	-	-	-	(500)
<b>Total receipts</b>		-	(500)	-	-	-	128	-	-	-	-	-	177	-	(195)
<b>Disbursements</b>															
General and administrative	5	2	-	59	-	25	-	17	102	0	-	-	-	0	206
Insurance	6	-	-	-	-	50	-	-	-	-	-	-	-	-	50
Property taxes and other property liabilities	7	-	-	-	-	27	-	-	-	-	-	-	-	-	27
Statutory obligations	8	-	-	162	-	-	-	-	-	-	-	-	-	-	162
Consultants	9	-	-	-	-	-	-	65	-	-	-	-	-	-	65
<b>Total disbursements</b>		2	-	221	-	102	-	82	102	0	-	-	-	0	510
		(2)	(500)	(221)	-	(102)	128	(82)	(102)	(0)	-	-	177	(0)	(705)
<b>Other disbursements</b>															
Professional fees	10	-	126	-	195	-	-	-	210	-	-	-	-	215	746
Contingency	11	-	-	-	20	-	-	-	20	-	-	-	20	-	60
<b>Total other disbursements</b>		-	(126)	-	(215)	-	-	-	(230)	-	-	-	(20)	(215)	(806)
<b>Net cash flow</b>		\$ (2)	\$ (626)	\$ (221)	\$ (215)	\$ (102)	\$ 128	\$ (82)	\$ (332)	\$ (0)	\$ -	\$ -	\$ 157	\$ (215)	\$ (1,511)
<b>Opening cash balance</b>		\$ 31,888	\$ 31,886	\$ 31,260	\$ 31,039	\$ 30,824	\$ 30,722	\$ 30,849	\$ 30,767	\$ 30,435	\$ 30,435	\$ 30,435	\$ 30,435	\$ 30,592	\$ 31,888
Net cash flow		(2)	(626)	(221)	(215)	(102)	128	(82)	(332)	(0)	-	-	157	(215)	(1,511)
<b>Ending cash balance</b>		\$ 31,886	\$ 31,260	\$ 31,039	\$ 30,824	\$ 30,722	\$ 30,849	\$ 30,767	\$ 30,435	\$ 30,435	\$ 30,435	\$ 30,435	\$ 30,592	\$ 30,377	\$ 30,377

**1077 Holdings Co-operative and 131465 Ontario Limited**

**Fifth Cash Flow Forecast**

**Notes and Assumptions**

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- 1 The weekly cash flow forecast of 1077 Holdings Co-operative and 1314625 Ontario Limited (collectively, "1077") for the period June 14 to September 10, 2021 has been prepared by the Monitor to set out the cash flow of 1077 (the "Fifth Cash Flow Forecast").

The Fifth Cash Flow Forecast has been prepared based on unaudited financial information and estimates of 1077's projected receipts and disbursements. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary and such variations may be material. Neither 1077 nor the Monitor makes any representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized.

The Fifth Cash Flow Forecast reflects estimates and assumptions summarized below with respect to operations most notably, that 1077 continues to operate within the protections afforded under the CCAA and the Amended and Restated Initial Order granted on October 2, 2020 during the CCAA Proceedings. The Fifth Cash Flow Forecast may be updated from time to time.

- 2 GST refunds related to post-filing expenses incurred during the pendency of the CCAA Proceedings.
- 3 Other receipts include the release of cash collateral held in escrow in respect of certain letters of credit.
- 4 Return of deposits received by the Monitor subsequent to the Closing Date that relate to accounts receivable that may be for the account of the Purchaser, subject to review of supporting documentation provided by the Purchaser.
- 5 General and administrative costs include payment for storage of electronic records and prepayment of physical records storage and destruction.
- 6 Insurance costs include premiums for the extension of property insurance related to the former head office located in Vancouver, British Columbia and a retail store location. The Monitor is awaiting invoices from the insurance broker in respect of the premium amounts.
- 7 Property taxes and other property liabilities include rent for the post-filing occupancy period related to a disclaimed realty lease of a retail store location. The Monitor is awaiting reconciliation of the post-filing liability from the landlord.
- 8 Statutory obligations include estimates for the British Columbia Employer Health Tax for the post-filing period from September 15, 2020 to December 31, 2020. The Monitor is awaiting confirmation of amounts owing and a statement of account from the Ministry of Finance.
- 9 Consulting fees include the retention of a real estate consultant to assist the Monitor with the Claims Process.
- 10 Professional fees are estimates of the professional services expected to be provided during the CCAA Proceedings and include fees for the Monitor and its legal counsel and the potential fees of the Claims Officer.
- 11 Contingency costs are included to account for any unexpected expenses and represent 5% of disbursements.