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COURT OF QUEEN'S BENCH OF ALBERTA

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CALGARY

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  
ARRANGEMENT OF ENTREC CORPORATION, CAPSTAN  
HAULING LTD., ENT CAPITAL CORP., ENTREC CRANES &  
HEAVY HAUL INC., ENTREC HOLDINGS INC., ENT OILFIELD  
GROUP LTD. and ENTREC SERVICES LTD.



Justice Neufeld  
COM  
Aug 23, 2021

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**NINTH REPORT OF THE MONITOR**  
**August 16, 2021**

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## **APPENDICES**

**Appendix A** – Seventh Cash Flow for the period August 1, 2021 to April 30, 2022

## 1.0 INTRODUCTION

- 1.1 On May 15, 2020, ENTREC Corporation, Capstan Hauling Ltd., ENTREC Alberta Ltd., ENT Capital Corp., ENTREC Cranes & Heavy Haul Inc., ENTREC Holdings Inc., ENT Oilfield Group Ltd., and ENTREC Services Ltd. (collectively, the “**Applicants**” or “**ENTREC**”), were granted an initial order (the “**Initial Order**”, and as subsequently amended and restated the “**ARIO**”) to commence 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 provided for a stay of proceedings in respect of the Applicants for a period initially expiring May 25, 2020 (the “**Stay Period**”).
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed as monitor (the “**Monitor**” or “**A&M**”) in the CCAA Proceedings.
- 1.3 The Monitor, as foreign representative, filed petitions for each of the Applicants under Chapter 15 of the U.S. Bankruptcy Code (the “**U.S. Proceedings**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**U.S. Court**”), Jointly Administered Case No. 20-32643. On May 15, 2020, the U.S. Court in the U.S. Proceedings entered an order granting provisional relief providing that the Initial Order be given full force and effect in all respects on an interim basis, including, without limitation, with respect to property of the Applicants located in the U.S.
- 1.4 On August 31, 2020, the Court granted orders, which among other things, authorized the sale of all the Applicants’ assets in the U.S. excluding leased assets and receivables (the “**Wolverine Transaction**”) to Wolverine Energy and Infrastructure Inc. (“**Wolverine**”), which was approved by the U.S. Court on September 9, 2020.
- 1.5 On October 1, 2020, the Applicants notified the Court and the Service List that the asset purchase agreement related to the Wolverine Transaction had been terminated due to a dispute that arose between the parties.
- 1.6 On November 2, 2020, the Court, and subsequently, the U.S. Court, granted the following orders which, inter alia, authorized the sale of substantially all of the U.S. assets (the “**Prolift Transaction**”) to Prolift Rigging Company, LLC (“**Prolift**”) and assigned to Prolift the contracts required to be assigned as part of the Prolift Transaction pursuant to Section 11.3 of the CCAA.
- 1.7 As at the date of this report, all of the Applicants’ assets have been sold and/or liquidated and operations have ceased in both Canada and the U.S.

- 1.8 On February 25, 2021, the Court granted an order (the “**February 25 Order**”) which extended the Stay Period until the earlier of: (i) the filing of a certificate by the Monitor to terminate the CCAA Proceedings and discharge the Monitor (the “**Termination Certificate**”) and (ii) August 25, 2021, and approved the activities of the Monitor as set out in the Monitor’s Eighth Report dated February 19, 2021 (the “**Eighth Report**”).
- 1.9 On August 16, 2021, the Monitor’s counsel filed a notice of application, returnable August 23, 2021 (the “**August 23 Application**”) for an order (the “**Stay Extension Order**”) to extend the Stay Period until the earlier of: (i) the filing of the Termination Certificate and (ii) April 30, 2022, and to approve the activities of the Monitor as set out herein.
- 1.10 Further information regarding these CCAA Proceedings, including copies of the court orders, affidavits, reports of the Monitor and all other court-filed documents and notices are available on the Monitor’s website at [www.alvarezandmarsal.com/entrec](http://www.alvarezandmarsal.com/entrec) (the “**Monitor’s Website**”). Information regarding the U.S. Proceedings is available on the website of the U.S. notice agent at <https://cases.stretto.com/entrec>.

## **2.0 PURPOSE**

- 2.1 This Ninth Report of the Monitor (the “**Ninth Report**”) was prepared to provide information to this Honourable Court in respect of the following:
- a) the activities of the Monitor since the Eighth Report;
  - b) an update on the disputed Wolverine Transaction;
  - c) a comparison of ENTREC’s actual cash receipts and disbursements for the period February 6, 2021 to July 31, 2021 compared to the cash flow forecast, as appended to the Eighth Report (the “**Sixth Cash Flow Forecast**”);
  - d) an updated and extended cash flow forecast for the period August 1, 2021 to April 30, 2022 (the “**Seventh Cash Flow Forecast**”);
  - e) the funds held in trust by the Monitor;
  - f) the request for a further extension of the Stay Period; and
  - g) the recommendations of the Monitor in respect of the foregoing, as applicable.
- 2.2 The Ninth Report should be read in conjunction with the August 23 Application. Background information, including capitalized terms not defined herein, are contained in the Initial Order, the ARIQ, and the Monitor’s previous reports, and have not been repeated herein.

### **3.0 TERMS OF REFERENCE**

- 3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain former senior management of ENTREC who have been retained as contractors (“**Management**”). Although this information has been subject to review, A&M 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 Applicants. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.
- 3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by the Monitor and certain Management. 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.
- 3.3 Unless otherwise stated, all monetary amounts contained in this Ninth Report are expressed in Canadian dollars.

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

- 4.1 The Monitor’s activities since the Eighth Report have included the following:
- a) attending to various legal proceedings in respect of the Wolverine Dispute, as subsequently defined, and the collection of receivables, including accounts that are under litigation, vendor holdbacks, and customer deposits;
  - b) monitoring cash flow and other operational matters, in accordance with the Support Agreement dated May 14, 2020, as amended from time to time (the “**RSA**”). Though the RSA expired on June 30, 2021, the Monitor and the Agent on behalf of the Syndicate have agreed that it does not need to be renewed but the Monitor will continue to report to the Agent from time to time as the Agent may reasonably require, until the affairs and administration of ENTREC are concluded;
  - c) preparing monthly reports to and attending monthly meetings with the Agent and its advisors;
  - d) preparing the Seventh Cash Flow Forecast;
  - e) collecting sale and other proceeds;

- f) assisting with various wind-down activities including attending to compliance matters with tax and other regulatory bodies in Canada and the U.S. and storage of the Applicants' books and records;
- g) approving and preparing disbursements;
- h) communicating with various trade creditors and other stakeholders;
- i) posting of non-confidential materials filed with this Court to the Monitor's Website; and
- j) preparing this Ninth Report.

## **5.0 UPDATE ON THE WOLVERINE DISPUTE**

- 5.1 As detailed in the Monitor's previous reports, the Wolverine Transaction did not close on September 30, 2020 as a dispute arose between the parties in respect of a price adjustment requested by Wolverine and the Wolverine Transaction was subsequently terminated.
- 5.2 On November 2, 2020, Wolverine filed an adversary complaint against the Applicants in the U.S. Proceedings (the "**Wolverine Dispute**") seeking, among other things, a return of the bid deposit of \$3.35 million (the "**Deposit**") and additional damages and costs of approximately USD \$1.0 million plus costs and interest.
- 5.3 The Monitor, on behalf of ENTREC, filed its Answer and Counterclaim on December 18, 2020. On January 6, 2021, a pre-trial hearing was held and the U.S. Court ordered a mini trial to take place during April on the bifurcated issue of whether a timely "field exam" occurred pursuant to the subject asset purchase agreement (the "**APA**"). On May 10, 2021, the U.S. Court made a preliminary determination that the field exam performed by Wolverine complied with the APA.
- 5.4 The trial is scheduled to resume on October 4, 2021 and the parties are currently attending to discovery and select depositions in advance of the trial.
- 5.5 The Monitor continues to hold the Deposit pending a consensual resolution or final judicial determination of the Wolverine Dispute.

## **6.0 ACTUAL CASH FLOW RESULTS COMPARED TO THE SIXTH CASH FLOW FORECAST**

- 6.1 As part of the ongoing oversight and monitoring of the business and financial affairs of ENTREC, the Monitor has set-up a monthly cash flow review protocol to compare actual cash flows against the Sixth Cash Flow Forecast.

6.2 The Applicants' actual cash receipts and disbursements as compared to the Sixth Cash Flow Forecast during the period of February 6, 2021 to July 31, 2021 (the "Reporting Period") are summarized below:

<b>ENTREC Corporation</b> <b>Cash Flow Variance Analysis</b> <b>For the period February 6 to July 31, 2021*</b> <b>(in CAD\$000s)</b>			
	For the period February 6 to July 31, 2021		
	Actual*	Forecast**	Variance
<b>Operating receipts</b>			
Collection of receivables	\$ 1,025	\$ 650	\$ 375
Net proceeds from sales of redundant assets	77	99	(22)
Other receipts	173	219	(46)
<b>Receipts</b>	<b>1,275</b>	<b>968</b>	<b>307</b>
<b>Operating disbursements</b>			
Payroll and benefits	72	157	(85)
Wind-up and other costs	85	88	(3)
General and administrative costs	72	36	36
Contingency	127	75	52
<b>Total operating disbursements</b>	<b>355</b>	<b>356</b>	<b>(1)</b>
<b>Net operating cash flow</b>	<b>920</b>	<b>612</b>	<b>308</b>
<b>Other disbursements</b>			
Professional fees	1,247	814	433
Interim Facility interest costs and fees	1,025	1,125	(100)
<b>Total other disbursements</b>	<b>2,272</b>	<b>1,939</b>	<b>333</b>
<b>Net cash flow</b>	<b>\$ (1,352)</b>	<b>\$ (1,327)</b>	<b>\$ (26)</b>
<b><u>Continuity of Reserve Fund</u></b>			
Opening Balance	\$ 1,654	\$ 1,654	\$ -
Receipts	91	-	91
Holdbacks (draws)	(1,602)	(1,170)	(432)
FX adjustment	(46)	-	(46)
<b>Ending balance</b>	<b>\$ 96</b>	<b>\$ 484</b>	<b>\$ (388)</b>
<b><u>Continuity of Financing</u></b>			
<b>Pre-filing debt</b>			
Operating line	5,000	5,000	-
<b>Ending balance</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>
<b>Interim Facility</b>			
Opening balance	27,033	27,033	-
Draws (repayments)	(250)	157	(407)
FX adjustment	15	-	15
<b>Ending Interim Facility balance (cash)</b>	<b>26,798</b>	<b>27,190</b>	<b>(392)</b>
<b>Total financing, ending position</b>	<b>\$ 31,798</b>	<b>\$ 32,190</b>	<b>\$ (392)</b>
<i>*Amounts denominated in US currency were converted into Canadian dollars at the average exchange rate for the applicable period</i> <i>**Amounts denominated in US currency were converted into Canadian dollars at an exchange rate of C\$1:US\$.783</i>			

6.3 During the Reporting Period, ENTREC experienced a minor net unfavourable cash flow variance of approximately \$26,000. The principal components of the variance are described as follows:

- collection of receivables was higher than forecast by \$375,000 due to higher than expected collection of receivables, which were offset by certain payments (paid through contingency) made by former ENTREC customers in error and subsequently returned to the appropriate parties;
- payroll and benefits were \$85,000 below forecast as a result of premiums of \$120,000 that were anticipated to be paid to Alberta Workers' Compensation Board ("WCB") however

upon further review, WCB indicated that a credit balance may be owing to the Applicants which is being finalized and is expected to be refunded to ENTREC in due course; and  
c) professional fees were \$433,000 higher than forecast due to additional litigation costs incurred in relation to the Wolverine Dispute.

6.4 The cash flow reporting does not include the Deposit, which is currently invested in a guaranteed investment certificate (“**GIC**”) issued by a Canadian chartered bank.

6.5 Net repayments under the Interim Facility were \$250,000 during the Reporting Period, which through a sweeping mechanism described in the First Report, were applied towards the Interim Facility.

6.6 As detailed and defined in the Seventh Report, the Monitor is holding the Reserve to satisfy post-filing obligations incurred by the Applicants in the ordinary course of business and through the wind-down of the CCAA Proceedings. During the Reporting Period, approximately \$1.6 million of the Reserve was drawn to fund operating disbursements, refunds to select customers, and professional fees.

## **7.0 SEVENTH CASH FLOW FORECAST**

The Applicants have prepared an updated cash flow forecast for the period August 1, 2021 to April 30, 2022 (the “**Forecast Period**”). A copy of the Seventh Cash Flow Forecast, together with the accompanying notes, is attached to this report as Appendix “**A**” and is summarized below:



<b>ENTREC Corporation</b> <b>Seventh Cash Flow Forecast</b> <b>For the period August 1, 2021 to April 30, 2022</b> <b>(in CAD\$000s)</b>	
<b>Operating receipts</b>	
Other receipts	\$ 265
<b>Total operating receipts</b>	<b>265</b>
<b>Operating disbursements</b>	
Contractor costs	10
Wind-up and general administration	35
Contingency	25
<b>Total operating disbursements</b>	<b>70</b>
<b>Net operating cash flow</b>	<b>196</b>
<b>Other disbursements</b>	
Professional fees	915
Interim Facility interest costs and fees	1,890
<b>Total other disbursements</b>	<b>2,805</b>
<b>Net cash flow</b>	<b>\$ (2,610)</b>
<b><u>Continuity of Reserve Fund</u></b>	
Opening Balance	\$ 96
Funding	889
Less: draws	(985)
<b>Ending balance</b>	<b>-</b>
<b><u>Continuity of Financing</u></b>	
<b>Pre-filing debt</b>	
Operating line	\$ 5,000
<b>Ending balance</b>	<b>5,000</b>
<b>Interim Facility</b>	
Opening balance	\$ 26,798
Draws (repayments)	2,514
<b>Ending Interim Facility balance (cash)</b>	<b>29,312</b>
<b>Total financing, ending position</b>	<b>\$ 34,312</b>

- 7.1 The Seventh Cash Flow Forecast has been prepared solely for the purpose described in Note 1 of the Seventh Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.
- 7.2 The Seventh Cash Flow Forecast indicates that the Applicants will experience a net cash outflow of \$2.6 million over the Forecast Period based on the following key assumptions:
- forecast other receipts of \$265,000 includes collection of refunds from tax and regulatory bodies, vendor deposits, and customer holdbacks;
  - forecast operating disbursements of \$70,000 relate primarily to document storage costs, contractor fees, IT costs, other administrative costs and a contingency of \$25,000 for unanticipated expenditures;
  - professional fees are forecast to be approximately \$915,000 during the Forecast Period and include the Monitor and its legal counsel, the Syndicate's financial advisor and its legal counsel in Canada and the U.S., and fees to resolve any litigation and/or disputes;
  - Interim Facility interest costs and fees of approximately \$1.9 million as determined under the Credit Agreement and RSA, as amended; and

e) the ending balance of total financing is approximately \$34.3 million which represents an increase in financing of \$2.5 million to the secured debt held by the Syndicate and Canadian Western Bank as at April 30, 2022.

7.3 Pursuant to the CCAA Termination Order granted by the Court on November 24, 2020 and as detailed in the Monitor's Eighth Report, the Reserve will be utilized to satisfy post-filing obligations incurred by the Applicants during the Forecast Period and to complete such steps as are necessary to wind-down the Applicants' operations. The Agent has confirmed to the Monitor that it will fund the Reserve during the Forecast Period. If there are any excess funds remaining in the Reserve, these funds are to be distributed to the Agent, provided that the aggregate amount of all distributions does not exceed the aggregate obligations owing to the Syndicate by the Applicants.

7.4 The Reserve does not include any amounts held back for the Deposit, which is currently invested in a GIC pending resolution of the Wolverine Dispute.

## **8.0 FUNDS HELD IN MONITOR'S ACCOUNTS**

8.1 The Monitor currently holds in trust approximately \$3.4 million which is comprised of the following:

<b>(in \$000s)</b>	
Wolverine Deposit*	\$ 3,350
Reserve	96
<b>Total</b>	<b>\$ 3,446</b>

*\*The Wolverine Deposit is invested in a guaranteed investment certificate issued by a Canadian chartered bank.*

8.2 The Monitor expects to continue to draw down the Reserve to fund operating and other costs to complete the wind-down of ENTREC and administration of the CCAA Proceedings and to distribute any remaining funds to the Agent upon the completion of the CCAA Proceedings.

## **9.0 EXTENSION OF STAY OF PROCEEDINGS**

9.1 Pursuant to the February 25 Order, the Stay Period will expire the earlier of: (i) the date of the filing of the Termination Certificate; and (ii) August 25, 2021. The Monitor, on behalf of the Applicants, is seeking an extension of the Stay Period to the earlier of: (i) the date of the filing of the Termination Certificate; and (ii) April 30, 2022.

9.2 The Monitor supports extending the Stay Period for the following reasons:

- a) the proposed extension of the Stay Period will provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings including collecting and resolving any outstanding accounts and concluding the Wolverine Dispute, which may extend past April 30, 2022 resulting in additional extensions of the Stay Period;
- b) with the Reserve in place and funding support from the Agent, there is sufficient liquidity to fund the remaining costs anticipated as being required during the wind-down of the CCAA Proceedings; and
- c) no creditor of the Applicants would be materially prejudiced by the extension of the Stay Period and the Monitor understands that the Syndicate, as fulcrum creditor, is in support of the extension.

## **10.0 RECOMMENDATIONS**

10.1 The Monitor respectfully recommends that this Honourable Court grant the Stay Extension Order.

\*\*\*\*\*

All of which is respectfully submitted to this Honourable Court this 16<sup>th</sup> day of August, 2021.

**Alvarez & Marsal Canada Inc.,  
in its capacity as Monitor of  
ENTREC Corporation and its subsidiaries**



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Per: Anthony Tillman  
Senior Vice President



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Per: Vicki Chan  
Vice President

## **APPENDIX A**

**ENTREC**
**Seventh Cash Flow Forecast<sup>1</sup>**
**For the 9-month period August 1, 2021 to April 30, 2022**
**(in CAD\$000s)**

Period		1	2	3	4	5	6	7	8	9	
Period ending	Notes	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar	30-Apr	Total
<b>Receipts</b>											
Other receipts	2	\$ 10	\$ 55	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265
<b>Total operating receipts</b>		<b>10</b>	<b>55</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265</b>
<b>Operating disbursements</b>											
Contractor costs	3	5	5	-	-	-	-	-	-	-	10
Wind-up and general administration	4	25	5	5	-	-	-	-	-	-	35
Contingency	5	5	5	5	-	5	-	-	5	-	25
<b>Total operating disbursements</b>		<b>35</b>	<b>15</b>	<b>10</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>70</b>
<b>Net operating cash flow</b>		<b>(25)</b>	<b>40</b>	<b>190</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>196</b>
<b>Other disbursements</b>											
Professional fees	6	174	257	224	150	25	25	20	20	20	915
Interim Facility interest costs and fees	7	210	210	210	210	210	210	210	210	210	1,890
<b>Total other disbursements</b>		<b>384</b>	<b>467</b>	<b>434</b>	<b>360</b>	<b>235</b>	<b>235</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>2,805</b>
<b>Net cash flow</b>		<b>\$ (408)</b>	<b>\$ (427)</b>	<b>\$ (244)</b>	<b>\$ (360)</b>	<b>\$ (240)</b>	<b>\$ (235)</b>	<b>\$ (230)</b>	<b>\$ (235)</b>	<b>\$ (230)</b>	<b>\$ (2,610)</b>
<b>Continuity of Reserve Fund</b>											
Opening Balance		\$ 96	\$ 138	\$ 116	\$ 132	\$ 120	\$ 90	\$ 65	\$ 45	\$ 20	\$ 96
Funding		250	250	250	139	-	-	-	-	-	889
Less: draws		(208)	(272)	(234)	(150)	(30)	(25)	(20)	(25)	(20)	(985)
<b>Ending balance</b>		<b>138</b>	<b>116</b>	<b>132</b>	<b>120</b>	<b>90</b>	<b>65</b>	<b>45</b>	<b>20</b>	<b>-</b>	<b>-</b>
<b>Continuity of Financing</b>											
<b>Pre-filing debt</b>											
Operating line		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	\$ 5,000
<b>Ending balance</b>		<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Interim Facility</b>											
Opening balance		26,798	27,248	27,653	27,913	28,262	28,472	28,682	28,892	29,102	\$ 26,798
Draws (repayments)		450	405	260	349	210	210	210	210	210	2,514
<b>Ending Interim Facility balance (cash)</b>		<b>27,248</b>	<b>27,653</b>	<b>27,913</b>	<b>28,262</b>	<b>28,472</b>	<b>28,682</b>	<b>28,892</b>	<b>29,102</b>	<b>29,312</b>	<b>29,312</b>
<b>Total financing, ending position</b>		<b>\$ 32,248</b>	<b>\$ 32,653</b>	<b>\$ 32,913</b>	<b>\$ 33,262</b>	<b>\$ 33,472</b>	<b>\$ 33,682</b>	<b>\$ 33,892</b>	<b>\$ 34,102</b>	<b>\$ 34,312</b>	<b>\$ 34,312</b>

**ENTREC Corporation**  
**Seventh Cash Flow Forecast**  
**Notes and Assumptions**

1. These cash flow projections in respect of ENTREC Corporation and its subsidiaries ("ENTREC") for the 9-month period from August 1, 2021 to April 30, 2022 (the "Seventh Cash Flow Forecast") have been prepared by the Monitor based on unaudited financial information, and estimates of 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, even if the assumptions materialize, and such variations may be material.

There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below with respect to operations, including the assumption that ENTREC continues to operate within the protections afforded as a result of the Amended and Restated Initial Order granted on May 25, 2020 and as may be amended from time to time during the CCAA Proceedings.

The Seventh Cash Flow Forecast is presented in thousands of Canadian dollars and amounts denominated in US currency have been converted into Canadian dollars at an exchange rate of C\$1:US\$.797 throughout the period.

2. Receipts include collection of refunds from tax and regulatory bodies, vendor deposits and customer holdbacks.
3. Contractor costs consist of fees for former key staff members to assist with the wind-down of the CCAA Proceedings.
4. Wind-up and general administration includes prepaid document storage costs, IT costs, and other administrative costs.
5. Contingency costs include unanticipated expenses for the forecast period.
6. Professional fees have been forecast based on estimates of professional service firm costs relating to the CCAA Proceedings and include the Monitor and its legal counsel, the Syndicate's financial advisor and its legal counsel in Canada and the U.S., and professional fees to resolve any litigation and/or disputes.
7. Interim Facility interest is payable on the first of the month in arrears and is estimated based on the average facility balance outstanding during the month.