

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE *BANKRUPTCY AND*
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD. OF THE CITY OF
MISSISSAUGA IN THE PROVINCE OF ONTARIO**

MOTION RECORD
(Approval of 1110615 Amended Proposal)
(returnable January 24, 2024)

DATE: January 8, 2024

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ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

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MISSISSAUGA IN THE PROVINCE OF ONTARIO

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TAB 1

Court File No. BK-23-02929201-0032 /
Estate No. 32-2929201

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE *BANKRUPTCY AND*
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PROPOSAL OF 1110615 ONTARIO LTD. OF THE CITY OF
MISSISSAUGA IN THE PROVINCE OF ONTARIO**

NOTICE OF MOTION
(Approval of 1110615 Amended Proposal)
(returnable January 24, 2024)

Albert Gelman Inc., in its capacity as the trustee (the “**Proposal Trustee**”) in the Proposal of 1110615 Ontario Ltd. (the “**Company**” or “**1110615**”), will make a motion to a judge of the Ontario Superior Court of Justice (Commercial List) on January 24, 2024, at 10:00 a.m. or as soon thereafter as the motion can be heard, by videoconference the details for which are to be provided.

THE PROPOSED METHOD OF HEARING: orally.

THE MOTION IS FOR an order in accordance with the draft order attached hereto as Schedule “A”, filed:

- (a) if required, abridging the time for service of the Notice of Motion of the Proposal Trustee and other materials relied upon for this motion, and validating service thereof;
- (b) approving the amended proposal appended hereto as Schedule “B” (the “**Amended Proposal**”) filed with the Official Receiver on September 14, 2023 (the “**Filing Date**”), which proposal was accepted by the creditors of the Company at a meeting duly held via video conferencing on December 4, 2023;
- (c) such attendant relief as set out in the draft order attached hereto as Schedule “A” filed; and
- (d) such further and other relief as counsel may request and the court deem just.

THE GROUNDS FOR THE MOTION ARE:

Overview

1. All terms not otherwise defined herein shall have the meaning ascribed to them in the Amended Proposal.
2. The Company was formed on December 22, 1994 under *Business Corporations Act* (Ontario) and owns and controls 100% of the outstanding Class A common voting shares of the Prosysco Ltd. (“**Prosysco**”). 1110615 is a holding company that does not conduct business nor have any employees. 1110615 has filed a companion proposal to that of Prosysco’s to facilitate the treatment of claims of the primary secured lender against it and Prosysco.
3. Following from its persistent undercapitalization, and as a result of decisions to defer certain payments to Canada Revenue Agency in respect of source deductions and harmonized sales tax, Prosysco approached its ranking secured operating lender, Royal Bank of Canada (“**RBC**”) to increase the Company’s borrowing limits but was ultimately

unsuccessful for various reasons, among them being a lag in the preparation of financial statements. This, among other factors led RBC to issue demands and notices to enforce security.

4. Faced with all these pressures, Prosysco and 1110615 filed Notices of Intention to make a Proposal under the Bankruptcy and Insolvency Act, RSC 1985, c B-3 (the “**BIA**”).

The Amended Proposal

5. These proceedings were commenced by Notices of Intention to Make a Proposal (the “**NOI’s**”) pursuant to the BIA in response to a demand for repayment from RBC. RBC was and is owed in excess of \$2.8 million. CRA is also owed arrears of source deductions of more than \$1.6 million. Specifically, RBC filed a Claim against 1110615 in the amount of \$820,000.
6. The NOI period was extended three times in hearings before the Commercial List in 2023 by Justices Conway (April 24), Kimmel (June 12) and Steele (July 27).
7. The Prosysco and 1110615 made proposals on September 14, 2023. The proposals were considered at several meetings of creditors, which were adjourned on several occasions to permit CRA to complete trust examinations of Prosysco, and later to permit discussions between the Companies on the one hand and CRA and RBC on the other about terms under which an acceptable proposal may be made. Considerable negotiations and drafting went into those arrangements, which led to the original proposal provisions, included in Prosysco’s Proposal, affecting RBC being removed and replicated in the Forbearance Agreement, which forbearance is conditional on acceptance by the creditors of the Amended Proposal and that of Prosysco.

8. Amended Proposals were presented to creditors at the final meetings on Dec. 4, 2023. The creditors of each of the companies present in person or by proxy approved the proposals.
9. The Amended Proposal was intended to give effect to:
 - (a) The treatment of the claims of RBC as both a secured and unsecured creditor and to facilitate the overall restructuring of Prosysco's business and enterprise in accordance with the terms and timing set out in the Amended Proposal and that of Prosysco;
 - (b) The withdrawal of RBC's Secured Claim if Prosysco satisfies its indebtedness to RBC in accordance with the Forbearance Agreement;
 - (c) The cessation of RBC's collection/enforcement actions against 1110615 and /or/any/all of the Directors of 1110615 on the terms and conditions more specifically set forth in the Amended Proposal;
 - (d) releases of any and all Proven Claims upon the Completion Date; and
 - (e) releases in respect of the directors and officers of the Company upon the Completion Date.
10. As referred to above, the Amended Proposal is intended to work in conjunction with the Forbearance Agreement.
11. In addition, a principal of 1110615 has provided a personal guarantee in the maximum amount of \$1 million jointly to CRA and to RBC secured by a mortgage on his principal residence, which mortgage is to be shared between CRA and RBC should Prosysco fail to continue to make the payments anticipated in the Amended Proposal and the forbearance agreement.

Conditions to Implementation

12. The Amended Proposal is subject to the following conditions:
- (a) Acceptance of the Amended Proposal by the statutory majorities of Creditors as required under the BIA;
 - (b) Acceptance of the Amended Proposal of Prosysco by the statutory majorities of creditors as required under the BIA; and
 - (c) An order of the Court approving the Amended Proposal.

Other Key Terms of the Amended Proposal

13. The other key terms of the Amended Proposal are as follows:
- (a) On the Completion Date, all present and past directors of the Company shall be released and discharged by the Unsecured Creditors from liability or obligation for claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor) where the directors are by law liable in their capacity as directors of the Company pursuant to section 50(13) of the BIA and subject to the exception in section 50 (14) of the BIA; and
 - (b) Sections 95 to 101 of the BIA do not apply to the Amended Proposal or the proceedings related to the Amended Proposal or any dealing by the Company prior to the NOI Date and the Proposal Trustee shall have no responsibility, liability or authority whatsoever in connection therewith;

No Preferences and Transfers at Undervalue

14. Following its review of the period of twelve months immediately preceding the Filing Date, and focussing on those transactions above \$10,000, the Proposal Trustee could identify no transactions that could be considered a preference or transfer at undervalue.

The Amended Proposal is Accepted by the Creditors

15. The Amended Proposal was unanimously accepted by the creditors present in person or by proxy entitled to vote at a duly convened meeting of creditors on December 4, 2023, the particulars of which are contained in Form 40 – Report of Trustee on Proposal dated January 7, 2024.

The Proposal is Recommended by the Proposal Trustee

16. The economic terms of the Amended Proposal will facilitate the implementation of the Prosysco amended proposal which amended proposal could potentially see a dividend of up to \$.05 on the dollar versus a nil return in bankruptcy. Based on this favourable recovery and the Proposal Trustee not having identified any transactions which would be considered to be reviewable or transfers at undervalue, the Proposal Trustee is of the view that the Amended Proposal is reasonable and calculated to benefit the general body of creditors.

Other Grounds

17. Sections 58 and 59 of the BIA.
18. Such further and other ground as counsel may submit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- a) Form 40 – Report of Trustee on Proposal dated January 7, 2024, and
- b) Such further and other material as counsel may advise and this Honourable Court permits.

DATE: January 8, 2024

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Lawyers for Albert Gelman Inc. as Proposal
Trustee of 1110615 Ontario Ltd.

TO: THE SERVICE LIST

Email Service List

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Harrison Pensa LLP –
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Goldman, Sloan, Nash & Haber LLP –
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Reconstruct LLP –
Brendan Bissell
Jessica Wuthmann

As of 19-Apr-23

Schedule "A"

Court File No. BK-23-02929201-0032 /
Estate No. 32-2929201

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE • .)	WEDNESDAY, THE 24TH
)	
JUSTICE _____)	DAY OF JANUARY, 2024

IN THE MATTER OF THE *BANKRUPTCY AND*
***INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD. OF THE CITY OF
MISSISSAUGA IN THE PROVINCE OF ONTARIO

ORDER
(Approval of 1110615 Amended Proposal)

THIS MOTION, made by Albert Gelman Inc., in its capacity as the trustee (the “**Proposal Trustee**”) in the Proposal of 1110615 Ontario Ltd. (the “**Company**” or “**1110615**”), for an Order (*inter alia*):

- (a) if required, abridging the time for service of the Notice of Motion of the Proposal Trustee and other materials relied upon for this motion, and validating service thereof;
- (b) approving the amended proposal in the form attached hereto as Schedule “A” (the “**Amended Proposal**”) filed with the Official Receiver on September 14, 2023, which

proposal was unanimously accepted by the creditors of the Company present in person or by proxy at a meeting duly held via video conferencing on December 4, 2023; and

- (c) such further and other relief as counsel may request and this Honourable Court may deem just;

was heard this day by videoconference.

ON READING Form 40 – Report of Trustee on Proposal dated January 7, 2024 (the “**Trustee’s Report**”) and the Factum of the Proposal Trustee, and on hearing the submissions of counsel for the Proposal Trustee, and such other counsel as were present via video conference, no one appearing for any other party although duly served as appears from the affidavit of service of • sworn January • , 2024, filed, and (i) having taken cognizance that the Amended Proposal has been unanimously accepted by the creditors present in person or by proxy voting at the meeting of creditors held via video conference on December 4, 2023, (ii) that the terms of the Amended Proposal are reasonable and calculated to benefit the general body of creditors, (iii) and that no offences or facts have been proved to justify the Court withholding its approval of the Amended Proposal;

NOTICE AND SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record in respect of this motion and the Trustee’s Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.

APPROVAL OF THE PROPOSAL

3. **THIS COURT ORDERS** that the Amended Proposal attached as Schedule “A” hereto be and is hereby approved.

4. **THIS COURT ORDERS** that, upon the Proposal Trustee issuing a certificate of full performance of the Amended Proposal under section 65.3 of the BIA: (i) the Amended Proposal and all associated steps, compromises, settlements, satisfactions, releases, discharges, transactions and arrangements effected thereby are approved, binding and effective in accordance with the provisions of the Amended Proposal and the BIA; and (ii) the treatment of the Claims of Creditors under the Amended Proposal shall be final and binding for all purposes and enure to the benefit of the Company, the Creditors, and all other Persons named or referred to in the Amended Proposal, or subject to the Amended Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

IMPLEMENTATION OF THE PROPOSAL

5. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, directed and empowered to perform its functions and to fulfill its obligations under the Amended Proposal to facilitate the implementation of the Amended Proposal.

6. **THIS COURT ORDERS** that the Proposal Trustee, be and is hereby authorized and directed to make the distributions and payments contemplated under the Amended Proposal in accordance with its terms and the BIA and to take any such related steps or actions necessary or desirable to

implement, and consummate all matters contemplated under the Amended Proposal and all agreements, transactions, and documents contemplated by the Amended Proposal, and such steps and actions are hereby approved.

GENERAL

7. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal, and regulatory authorities against whom it may be enforceable.

8. **THIS COURT ORDERS** that the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

9. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province to act in aid of and to be complementary to this Court in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance as may be necessary or desirable to give effect to the Order or to assist the Trustee and its agents in carrying out the terms of this Order.

SCHEDULE "A"
PROPOSAL

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC
1985, c B-3, AS AMENDED AND
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD.**

**Court File No. BK-23-02929201-0032
Estate No. 32-2929201**

***ONTARIO*
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceeding commenced TORONTO**

**ORDER
(Approval of 1110615 Amended Proposal)**

GOLDMAN SLOAN NASH & HABER LLP
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Lawyers for the Proposal Trustee, Albert Gelman
Inc.

Schedule "B"

District of Ontario
 Division No.: 09 - Mississauga
 Estate No.: 32-2929202
 Court No.: 32-2929202

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 (In Bankruptcy and Insolvency)**

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

AMENDED PROPOSAL

(Dated December 3, 2023)

1110615 Ontario Ltd., the above-named Debtor (the “**Debtor**”), hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”).

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

- (a) **Claim.** A “claim provable” is as defined in the BIA. For clarification, this includes any debt or liability, present or future, to which the Debtor was subject on the NOI Date or to which the Debtor may become subject before the Completion Date by reason of any obligation incurred before the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease or agreement, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or on the NOI Date. In the event of any inconsistency between this definition and the definition of “claim provable” as defined in the BIA, the terms of the BIA shall prevail.
- (b) **Completion Date.** The date on which the Trustee files its certificate of completion, certifying that this Proposal has been fully performed by the Debtor.

- (c) **Final Approval.** Acceptance of the Proposal by the creditors of the Debtor and approval by the Court, both in accordance with the BIA, and any appeal period with respect to Court approval having expired.
- (d) **NOI Date.** The date on which the Debtor filed a Notice of Intention to Make a Proposal in contemplation of this Proposal with the Official Receiver being April 1, 2023.
- (e) **Ordinary Creditor.** An Unsecured Creditor that is not a Preferred Creditor.
- (f) **Preferred Creditor.** An Unsecured Creditor in respect of any Claim that would be payable in priority to other Unsecured Creditors pursuant to the provisions of s.136 of the BIA.
- (g) **Proposal.** This Proposal, as it may be amended from time to time.
- (h) **Proposal Date.** The date of the initial filing of the Proposal with the Official Receiver.
- (i) **Proven Claim.** Any Claim which is the subject of a proof of claim that has been filed with the Trustee and admitted by the Trustee in accordance with the BIA.
- (j) **Secured Creditor.** A creditor holding security against the property of the Debtor in respect of their Claim as “Secured Creditor” is defined in the BIA.
- (k) **Trustee.** Albert Gelman Inc., as Licensed Insolvency Trustee to the Proposal of the Debtor.
- (l) **Trustee’s Fees and Disbursements.** The fees and disbursements of the Trustee incidental to the proceedings arising out of the Proposal including:
 - (i) The Trustee’s fees which shall be based on the amount of time spent in respect of the Proposal including applicable HST; and
 - (ii) all reasonable expenses and disbursements incurred by the Trustee including, without limitation, any legal fees; plus any applicable taxes on those expenses and disbursements. For the purposes of calculating its fees, the Trustee will track the time spent by its staff in respect of and incidental to the Proposal and shall bill that time on an hourly-rate basis at its prevailing rates. The Trustee’s hourly billing rates for its professional and administrative staff are subject to change without notice to the Debtor.
- (m) **Unsecured Creditor.** A creditor having a Claim against the Debtor other than a Secured Creditor. An Unsecured Creditor includes both an Ordinary Creditor and Preferred Creditor, and includes a Secured Creditor in respect of any Claim or portion of their Claim that is not secured (if any).

2. DEBTS OWED TO THE CROWN¹

- (a) Proven Claims of His Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Final Approval of this Proposal unless His Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA.

3. SECURED CREDITORS

- (a) This Proposal is being made to the Royal Bank of Canada (“**RBC**”) in respect of its secured Claim (the “**RBC Secured Claim**”) and RBC will be entitled to file a Claim as a Secured Creditor in the Debtor’s Proposal.
- (b) RBC agrees to file and claim \$100.00 of the RBC Secured Claim as an Unsecured Creditor in the Debtor’s Proposal.
- (c) The RBC Secured Claim is in respect of a guarantee provided by the Debtor for a credit facility extended by RBC to a related company, Prosysco Ltd (“**Prosysco**”). Prosysco filed a Proposal under Part III, Division I of the BIA on September 14, 2023 (Estate no. 32-2929201), which was amended on December 3, 2023 (as amended, the “**Prosysco Proposal**”). The Prosysco Proposal is not being made to RBC.
- (d) In conjunction with the Prosysco Proposal, RBC, the Debtor, Prosysco and others entered into a Forbearance Agreement dated December 4, 2023 (the “**Forbearance Agreement**”). RBC agrees to withdraw the RBC Secured Claim in this Proposal if Prosysco satisfies its indebtedness to RBC in accordance with the terms of the Forbearance Agreement.
- (e) By casting a vote with the Trustee in favour (or ‘For’) this Proposal, RBC agrees to cease any collection/enforcement actions against the Debtor and/or any/all of the Directors of the Debtor (the “**RBC Enforcement Waiver**”). If, prior to the Completion Date, the Debtor is in default of any of the provisions of this Proposal, and such default is not remedied in accordance with the terms of this Proposal, the RBC Enforcement Waiver shall become null and void.
- (f) Upon payment to RBC or withdrawal by RBC of the RBC Secured Claim amount, RBC will forthwith discharge its security as against the Debtor.
- (g) Payment of the Claims of all other Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

¹ There are no known claims falling within this category as at the date of this Proposal.

4. PREFERRED CREDITORS²

- (a) For the purposes of paragraph 5. (b) of this Proposal, Proven Claims of Preferred Creditors, without interest, shall be paid in priority to all Ordinary Creditors in accordance with the order of priorities set out in section 136 of the BIA.
- (b) Any partial or interim payments made under this Proposal to multiple Preferred Creditors with the same level of priority under the BIA shall be paid on a *pro rata* and *pari passu* basis among those creditors.
- (c) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. UNSECURED CREDITORS

- (a) The Debtor shall pay to the Trustee the total sum of \$100, to be paid within twenty-four (24) months of Final Approval. Payments made to the Trustee pursuant to this Proposal are referred to herein as the “**Proposal Fund**”.
- (b) The Trustee shall distribute the Proposal Fund in the following order:
 - i. Payment of Proven Claims of Preferred Creditors, if any, in full; and
 - ii. Payment of Proven Claims to Ordinary Creditors on a *pro rata* and *pari passu* basis.
- (c) Any payments made by or on behalf of the Debtor under this Proposal shall be applied to the scheduled payments in the order they come due unless otherwise specified by the Debtor. The Debtor shall have the right to prepay any or all of the balance due under the Proposal prior to the expiration of the scheduled payment terms.
- (d) In accordance with section 147 of the BIA, the Superintendent of Bankruptcy levy shall be deducted from all distributions to Unsecured Creditors except where the BIA does not require the levy.
- (e) By casting a vote with the Trustee in favour (or ‘For’) this Proposal, each Unsecured Creditor (including Preferred Creditors) agrees that their respective Claim does not fall within the definition of BIA section 178, debts not released by order of discharge.

² There are no known Preferred Creditors as at the date of filing this Proposal.

6. CLASSIFICATION OF CREDITORS

- (a) The creditors of the Debtor under this Proposal shall comprise two classes: 1) Proven Claims of Secured Creditors, and 2) Proven Claims of Preferred Creditors and of Unsecured Creditors.

7. PROPOSAL FILED BY RELATED COMPANY

- (a) The Debtor owns one hundred percent (100%) of the common shares of the Class A Common Voting shares of Prosysco.³ Prosysco filed the Prosysco Proposal.
- (b) This Proposal is conditional upon acceptance of the Prosysco Proposal by its creditors and approval of the Prosysco Proposal by the Court. The Court shall not approve this Proposal unless and until and the creditors of Prosysco approve the Prosysco Proposal with any amendments thereto.

8. TRUSTEE'S FEES AND DISBURSEMENTS

- (a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee's Fees and Disbursements. The funds paid by the Debtor to fund the Trustee's Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee's Fees and Disbursements before the Trustee issues a certificate of full performance in accordance with section 65.3 of the BIA.

9. GENERAL PROVISIONS

- (a) The Trustee is acting solely in its capacity as Licensed Insolvency Trustee under this Proposal and not in its personal or corporate capacity. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee and its officer(s), director(s), employee(s) or agent(s) are not and shall not be responsible or liable for any obligations of the Debtor, and shall be exempt from all personal and corporate liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.
- (b) Sections 95 to 101 of the BIA (with the exception of section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business or financial affairs.

³ There are two other shareholders: Adam Kurtz, who holds 100% of the Class C Common Voting shares, and Dmitry Puzhitsky, who holds 100% of the Class B Common Voting shares.

- (c) All payments required to be paid by or on behalf of the Debtor under the terms of this Proposal shall be paid over to the Trustee unless otherwise stated herein. The Trustee shall make all payments out of the funds paid to it in accordance with the terms of this Proposal.
- (d) At the meeting of creditors to consider this Proposal, the creditors may, by vote in accordance with the BIA, appoint up to five inspectors (the “**Inspectors**”) who will have, in addition to any powers of inspectors under the BIA, the power to:
- i. receive any notice of default in the performance of the Proposal and waive any such default;
 - ii. advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and,
 - iii. extend the time for any payment due under this Proposal.
- (e) Upon the Completion Date, all present and past directors of the Debtor shall be released and discharged by the Unsecured Creditors from liability or obligation for any claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor) where the directors are by law liable in their capacity as directors of the Debtor pursuant to section 50(13) of the BIA and subject to the exceptions in section 50(14) of the BIA.
- (f) Upon the Completion Date, the Debtor shall be released and discharged from any and all Claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor).
- (g) All proper Claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy and Insolvency, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the Claims of all other Creditors.
- (h) Any notices or communications in respect of this Proposal shall be delivered to the Debtor at the address set out below:

1110615 Ontario Ltd.
c/o Reconstruct LLP
200 Bay Street, Suite 2305 Box 120
Toronto, ON M5J 2J3
Attention: Brendan Bissell
E-mail: bbissell@reconllp.com

- (i) For purposes of this Proposal, Claims denominated in a currency other than Canadian Dollars will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Mississauga, Ontario this 3rd day of December 2023

1110615 Ontario Ltd.

Per: 
Alan CHIMKO (Dec 3, 2023 18:02 EST)

Name: Alan Chimko

I have the authority to bind the corporation.







111 Ontario Amended Proposal - December 3 2023 1412-7189-6073 v.1

Final Audit Report

2023-12-03

Created:	2023-12-03
By:	Jessica Wuthmann (jwuthmann@reconllp.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAACHfscxTTgp5blf4QVW5tP5s6Vgk_0iP

"111 Ontario Amended Proposal - December 3 2023 1412-7189-6073 v.1" History

-  Document created by Jessica Wuthmann (jwuthmann@reconllp.com)
2023-12-03 - 5:45:50 PM GMT
-  Document emailed to achimko@proscoltd.com for signature
2023-12-03 - 5:46:53 PM GMT
-  Email viewed by achimko@proscoltd.com
2023-12-03 - 5:49:24 PM GMT
-  Signer achimko@proscoltd.com entered name at signing as Alan CHIMKO
2023-12-03 - 11:02:43 PM GMT
-  Document e-signed by Alan CHIMKO (achimko@proscoltd.com)
Signature Date: 2023-12-03 - 11:02:45 PM GMT - Time Source: server
-  Agreement completed.
2023-12-03 - 11:02:45 PM GMT

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC
1985, c B-3, AS AMENDED AND
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD.**

**Court File No. BK-23-02929201-0032
Estate No. 32-2929201**

***ONTARIO*
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceeding commenced TORONTO**

**NOTICE OF MOTION
(Approval of 1110615 Amended Proposal)
(returnable January 24, 2024)**

**GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V2**

**Mario Forte (LSO #: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com**

Lawyers for the Proposal Trustee, Albert Gelman
Inc.

TAB 2

District of Ontario
 Division No.: 09 - Mississauga
 Estate No.: 32-2929202
 Court No.: 32-2929202

FORM 40

Report of Trustee on Proposal
 (Section 59(1) and paragraph 58(d) of the Act)

In the matter of the proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

We, Albert Gelman Inc., the trustee ("**Trustee**") acting in the proposal of 1110615 Ontario Ltd. ("**Debtor**"), hereby report to the Court as follows:

1. That the Debtor and its subsidiary Prosysco Ltd. ("**Prosysco**") filed a Notice of Intention to Make a Proposal (the "**NOI**") on April 1, 2023 and that we filed the NOI with the Official Receiver electronically on the same date. Copies of the NOI and the Certificate of Appointment are attached hereto and marked as **Exhibit "A"**.
2. That in connection with its NOI, the Debtor prepared a statement of forecasted cash flows as at April 10, 2023 (the "**NOI Cash Flow Forecast**"). Attached hereto and marked as **Exhibit "B"** are copies of the following documents:
 - NOI Cash Flow Forecast;
 - Form 29 – Trustee's Report on Cash-Flow Statement; and,
 - Form 30 – Report on Cash-Flow Statement by the Person Making the Proposal.
3. After filing the NOI, the Court granted the Debtor several extensions of time to make a proposal further extending the NOI period on April 24, 2023 (Justice Conway), June 12, 2023 (Justice Kimmel), and July 27, 2023 (Justice Steele).
4. The Debtor filed a proposal with the Trustee on September 14, 2023 (the "**Proposal**"), a copy of which is attached and marked as **Exhibit "C"**. A copy of the Proposal was electronically filed with the Official Receiver on the same day.
5. The Debtor prepared a Revised Statement of Projected Monthly Cash flows as at September 14, 2023. Attached hereto and marked as **Exhibit "D"**, are copies of the following documents:
 - Revised Statement of Projected Cash Flow;
 - Form 29 – Trustee's Report on Cash-Flow Statement; and,
 - Form 30 – Report on Cash-Flow Statement by the Person Making the Proposal.
6. That on September 22, 2023 we gave notice to every known creditor affected by the Proposal (the "**Notice of Proposal**") of the calling of a meeting of creditors to be held on October 4, 2023 to consider the Proposal. A copy of the affidavit of mailing, including the Report of the Trustee on the Proposal, Notice of Proposal to Creditors, the Proposal and the Debtor's Statement of Affairs sworn on September 14, 2023, is attached hereto and marked as **Exhibit "E"**.
7. Prior to the meeting of creditors the Trustee made a detailed and careful inquiry into the liabilities of the Debtor,

the Debtor's assets and their value, the Debtor's conduct and the causes of the Debtor's insolvency. The Trustee will refer to the results of this enquiry more specifically below.

8. A meeting of creditors was held on October 4, 2023, and was presided over by the Trustee. The meeting was adjourned to October 30, 2023 and there would follow a series of further adjournments for the reasons set out in Paragraph 12 below. A copy of the minutes of this meeting are attached and marked as **Exhibit "F"**.
9. The reconvened meeting of creditors was held on October 30, 2023 and was presided over by the Trustee. The meeting was again adjourned to November 17, 2023. A copy of the minutes of this meeting are attached and marked as **Exhibit "G"**.
10. The reconvened meeting of creditors was held on November 17, 2023 and was presided over by the Trustee. The meeting was again adjourned to November 27, 2023. A copy of the minutes of this meeting are attached and marked as **Exhibit "H"**.
11. The reconvened meeting of creditors was held on November 27, 2023 and was presided over by the Trustee. The meeting was again adjourned to December 4, 2023. A copy of the minutes of this meeting are attached and marked as **Exhibit "I"**.
12. In substance, the successive adjournments were necessary to enable Royal Bank of Canada ("**RBC**"), Canada Revenue Agency ("**CRA**"), Prosysco, the Debtor and others to negotiate the terms of the Forbearance Agreement (defined below) which is discussed in further detail in paragraph 18 below.
13. An amended proposal was filed with the Trustee on December 4, 2023 (the "**Amended Proposal**"), a copy of which is attached and marked as **Exhibit "J"**, and that we filed a copy of the Amended Proposal with the Official Receiver electronically on the same day.
14. The reconvened (and final) meeting of creditors was held on December 4, 2023 and was presided over by the Trustee. At the meeting the Amended Proposal was approved unanimously by the required majority of secured and unsecured creditors. That a copy of the minutes of the meeting is attached hereto and marked as **Exhibit "K"**.
15. On January 5, 2024 we e-filed a copy of the Notice of Hearing of Application for Court Approval of the Proposal with the Official Receiver. That on January 5, 2024 the notice was sent to the Debtor and all creditors. Attached hereto as **Exhibit "L"** is the Affidavit of Mailing, which includes a copy of the Notice of Hearing and e-file confirmation.
16. The Trustee is of the opinion that:
 - (a) the assets of the Debtor and their fair realizable value are set out in the Debtor Statement of Affairs which is attached hereto as **Exhibit "M"**.
 - (b) the liabilities of the Debtor are identified on the claims register which is attached and marked as **Exhibit "N"**.
17. That the Trustee is also of the opinion that:
 - (a) the causes of the insolvency of the Debtor are as follows:

As further described below, the Debtor guaranteed certain credit facilities extended by RBC to Prosysco. Prosysco had committed a number of defaults under these credit facilities and, as a result, RBC issued a

demand letter and Notice of Intention to Enforce Security pursuant to section 244 of the BIA to the Debtor as guarantor.

- (b) the conduct of the Debtor is subject to censure in the following respects:

The Debtor's conduct is not subject censure.

- (c) There are no facts under section 173 of the Act that may be proved against the Debtor. Moreover, after reviewing the previous twelve months preceding the Filing Date, the Trustee could identify no transactions that could be considered a preference or a transfer at undervalue.

18. The Trustee is of the opinion that the Amended Proposal is an advantageous one for the Debtor's creditors and other stakeholders for the following reasons:

- a) The Debtor owns one hundred percent (100%) of the Class A Common Voting shares (the "**Shares**") of Prosysco. The Shares are the only material asset of the Debtor.
- b) RBC's secured claim in the Debtor's Proposal is in respect of a guarantee provided by the Debtor for a credit facility extended by RBC to Prosysco. Prosysco filed a Proposal under Part III, Division I of the BIA on September 14, 2023 (Estate no. 32-2929201) which was amended on December 4, 2023 (as amended, the "**Prosysco Proposal**"). The Amended Proposal and the Prosysco Proposal are both conditional upon, among other things, the other being accepted by creditors and approved by this Honourable Court. Accordingly, the success of Amended Proposal enures directly to the beneficiaries of the Prosysco Proposal by enabling that proposal to be completed.
- c) The Prosysco Proposal, including Form 40 – Report of Trustee on Proposal, are both included with this motion record.
- d) In conjunction with the Prosysco Proposal, RBC, the Debtor, Prosysco and others entered into a forbearance agreement dated December 4, 2023 (the "**Forbearance Agreement**"). RBC has agreed to: (i) withdraw its secured claim against the Debtor in this Proposal if Prosysco satisfies its indebtedness to RBC in accordance with the terms of the Forbearance Agreement; and, (ii) file and claim \$100 of its secured claim in this Proposal as an unsecured creditor.
- e) RBC's unsecured claim of \$100 represents the entirety of the unsecured debts of the Debtor.
- f) In the event of a bankruptcy of the Debtor, the Prosysco Proposal cannot, by its terms, be approved by this Honourable Court.
- g) The Debtor's Amended Proposal provides for the following:
 - A Proposal Fund of \$100 payable to the Debtor's unsecured creditors which represents a repayment of all unsecured claims in full; and,
 - In accordance with paragraph 8(a) of the Amended Proposal the Trustee's fees and disbursements are to be paid by the Debtor in addition to the Proposal Fund. Therefore, the full amount of the Proposal Fund shall be distributed to the Debtor's unsecured creditors.
- h) In the Trustee's opinion:
 - the Proposal Fund offered to the Debtor's unsecured creditors in the Amended Proposal exceeds the amount they will receive if the Debtor were deemed or otherwise became bankrupt; and,
 - approval of the Amended Proposal by this Honourable Court would permit the Court to approve the Prosysco Proposal, which proposal provides for a significant repayment to Prosysco's creditors, and which the Trustee's has recommended acceptance of as well.

Accordingly, the Trustee recommends acceptance of the Amended Proposal.

19. That any capitalized terms not defined herein shall have the meanings ascribed to them in the Amended Proposal.

20. That we will forward a copy of this report to the Official Receiver.

Dated at the city of Toronto in the province of Ontario this 7th day of January 2024

**ALBERT GELMAN INC., solely in its
capacity as Trustee in re the Proposal of 1110615 Ontario Ltd.
and not in its personal or any other capacity**

Per:



Digitally signed
by Bryan
Gelman

Bryan Gelman, *CIRP, LIT*
250 Ferrand Dr., Suite 403
Toronto, ON M3C 3G8

Phone: (416) 504-1650, Fax: (416) 504-1655
Email: bgelman@albertgelman.com

APPENDIX “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Mississauga
Court No. 32-2929202, 32-2929201
Estate No. 32-2929202, 32-2929201

In the Matter of the Notice of Intention to make a proposal of:

1110615 Ontario Ltd.

Prosysco Ltd.

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 01, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 03, 2023, 12:40

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

District of: Ontario
Division No. 09 - Mississauga
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Take notice that:

1. I, 1110615 Ontario Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 60 Shaftesbury Avenue, Toronto, ON, M4T 1A3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 1st day of April 2023.



1110615 Ontario Ltd.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
 Division No. 09 - Mississauga
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Prosysco Ltd.			128,000.00
Royal Bank	c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2		828,000.00
Total			956,000.00



1110615 Ontario Ltd.
 Insolvent Person

APPENDIX “B”

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
 (Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

The management of 1110615 Ontario Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 10th day of April 2023, consisting of a cash flow projection for the 12-week period from April 9 to July 1, 2023.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Mississauga in the Province of Ontario, this 10th day of April 2023.



1110615 Ontario Ltd.
 Debtor

 Name and title of signing officer

 Name and title of signing officer

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the projection is to comply with the requirements set out in Section 50.4(2) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

Probable Assumptions

1. 1110615 Ontario Ltd. (the "Company") is a holding company which is not engaged in active business operations.
2. The restructuring costs of the Company are being funded by the Company's subsidiary, Prosysco Ltd., a company which also filed a Notice of Intention to Make a Proposal on April 1, 2023.

Dated at the City of Mississauga in the Province of Ontario, this 10th day of April 2023.



1110615 Ontario Ltd.

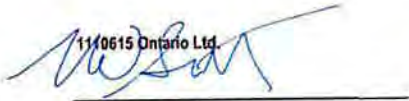
1110615 ONTARIO LTD.
STATEMENT OF PROJECTED CASH FLOWS
FOR THE 12 WEEK PERIOD ENDED JULY 1, 2023

		Forecast - Weekly												
Week starting	9-Apr-23	16-Apr-23	23-Apr-23	30-Apr-23	7-May-23	14-May-23	21-May-23	28-May-23	4-Jun-23	11-Jun-23	18-Jun-23	25-Jun-23		
Week ending	15-Apr-23	22-Apr-23	29-Apr-23	6-May-23	13-May-23	20-May-23	27-May-23	3-Jun-23	10-Jun-23	17-Jun-23	24-Jun-23	1-Jul-23		
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12		
Cash balance - beginning of period	\$	217	197	197	197	191	191	171	171	165	165	145	145	A
Cash receipts (includes HST)		-	-	-	-	-	-	-	-	-	-	-	-	
Receipts		-	-	-	-	-	-	-	-	-	-	-	-	
Total cash receipts (including HST)	\$	-	-	-	-	-	-	-	-	-	-	-	-	B
Disbursements (all applicable expenses include HST)														
Interest and bank charges		20	-	-	6	-	20	-	6	-	20	-	6	
Restructuring Fee		-	-	-	-	-	-	-	-	-	-	-	-	
Total disbursements (including HST)	\$	20	-	-	6	-	20	-	6	-	20	-	6	C
Net Cash-flow from operations	\$	(20)	-	-	(6)	-	(20)	-	(6)	-	(20)	-	(6)	D = B - C
Cash balance - end of period	\$	197	197	197	191	191	171	171	165	165	145	145	139	A + D

NOTICE TO READER:

This statement of projected cash-flow dated April 10, 2023 of the Company is prepared in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report On Cash-Flow Statement and the Report On Cash-Flow Statement By The Person Making The Proposal.

Albert Gelman Inc., solely in its capacity as Trustee in re the Notice of Intention to Make a Proposal of 1110615 Ontario Ltd. and not in its personal or any other capacity

1110615 Ontario Ltd.


Per: Terrence Scott
April 10, 2023

Per: Bryan Gelman
April 10, 2023

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

The attached statement of projected cash flow of 1110615 Ontario Ltd., as of the 10th day of April 2023, consisting of a cash flow projection for the 12-week period from April 9 to July 1, 2023, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 10th day of April 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Bryan Gelman - Licensed Insolvency Trustee
60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the projection is to comply with the requirements set out in Section 50.4(2) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

Probable Assumptions

1. 1110615 Ontario Ltd. (the "Company") is a holding company which is not engaged in active business operations.
2. The restructuring costs of the Company are being funded by the Company's subsidiary, Prosysco Ltd., a company which also filed a Notice of Intention to Make a Proposal on April 1, 2023.

Dated at the City of Toronto in the Province of Ontario, this 10th day of April 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Bryan Gelman - Licensed Insolvency Trustee
60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

APPENDIX “C”

District of Ontario
Division No.: 09 - Mississauga
Estate No.: 32-2929202
Court No.: 32-2929202

ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

PROPOSAL
(Dated September 14, 2023)

1110615 Ontario Ltd., the above-named Debtor (the “**Debtor**”), hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”).

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

- (a) **Claim.** A “claim provable” is as defined in the BIA. For clarification, this includes any debt or liability, present or future, to which the Debtor was subject on the NOI Date or to which the Debtor may become subject before the Completion Date by reason of any obligation incurred before the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease or agreement, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or on the NOI Date. In the event of any inconsistency between this definition and the definition of “claim provable” as defined in the BIA, the terms of the BIA shall prevail.
- (b) **Completion Date.** The date on which the Trustee files its certificate of completion, certifying that this Proposal has been fully performed by the Debtor.

- (c) **Final Approval.** Acceptance of the Proposal by the creditors of the Debtor and approval by the Court, both in accordance with the BIA, and any appeal period with respect to Court approval having expired.
- (d) **NOI Date.** The date on which the Debtor filed a Notice of Intention to Make a Proposal in contemplation of this Proposal with the Official Receiver being April 1, 2023.
- (e) **Ordinary Creditor.** An Unsecured Creditor that is not a Preferred Creditor.
- (f) **Preferred Creditor.** An Unsecured Creditor in respect of any Claim that would be payable in priority to other Unsecured Creditors pursuant to the provisions of s.136 of the BIA.
- (g) **Proposal.** This Proposal, as it may be amended from time to time.
- (h) **Proposal Date.** The date of the initial filing of the Proposal with the Official Receiver.
- (i) **Proven Claim.** Any Claim which is the subject of a proof of claim that has been filed with the Trustee and admitted by the Trustee in accordance with the BIA.
- (j) **Secured Creditor.** A creditor holding security against the property of the Debtor in respect of their Claim as “Secured Creditor” is defined in the BIA.
- (k) **Trustee.** Albert Gelman Inc., as Licensed Insolvency Trustee to the Proposal of the Debtor.
- (l) **Trustee’s Fees and Disbursements.** The fees and disbursements of the Trustee incidental to the proceedings arising out of the Proposal including:
 - (i) The Trustee’s fees which shall be based on the amount of time spent in respect of the Proposal including applicable HST; and
 - (ii) all reasonable expenses and disbursements incurred by the Trustee including, without limitation, any legal fees; plus any applicable taxes on those expenses and disbursements. For the purposes of calculating its fees, the Trustee will track the time spent by its staff in respect of and incidental to the Proposal and shall bill that time on an hourly-rate basis at its prevailing rates. The Trustee’s hourly billing rates for its professional and administrative staff are subject to change without notice to the Debtor.
- (m) **Unsecured Creditor.** A creditor having a Claim against the Debtor other than a Secured Creditor. An Unsecured Creditor includes both an Ordinary Creditor and Preferred Creditor, and includes a Secured Creditor in respect of any Claim or portion of their Claim that is not secured (if any).

2. DEBTS OWED TO THE CROWN¹

- (a) Proven Claims of His Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Final Approval of this Proposal unless His Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA.

3. SECURED CREDITORS

- (a) This Proposal is being made to the Royal Bank of Canada (“**RBC**”) in respect of its secured Claim (the “**RBC Secured Claim**”) and RBC will be entitled to file a Claim as a Secured Creditor in the Debtor’s Proposal.
- (b) RBC agrees to file and claim \$100.00 of the RBC Secured Claim as an Unsecured Creditor in the Debtor’s Proposal.
- (c) The RBC Secured Claim is in respect of a guarantee provided by the Debtor for a credit facility extended by RBC to a related company, Prosysco Ltd (“**Prosysco**”). Prosysco filed a Proposal under Part III, Division I of the BIA on September 14, 2023 (Estate no. 32-2929201) (the “**Prosysco Proposal**”). RBC agrees to withdraw the RBC Secured Claim in this Proposal if Prosysco satisfies its indebtedness to RBC in accordance with the terms of the Prosysco Proposal.
- (d) By casting a vote with the Trustee in favour (or ‘For’) this Proposal, RBC agrees to cease any collection/enforcement actions against the Debtor and/or any/all of the Directors of the Debtor (the “**RBC Enforcement Waiver**”). If, prior to the Completion Date, the Debtor is in default of any of the provisions of this Proposal, and such default is not remedied in accordance with the terms of this Proposal, the RBC Enforcement Waiver shall become null and void.
- (e) Upon payment to RBC or withdrawal by RBC of the RBC Secured Claim amount, RBC will forthwith discharge its security as against the Debtor.
- (f) Payment of the Claims of all other Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

4. PREFERRED CREDITORS²

- (a) For the purposes of paragraph 5. (b) of this Proposal, Proven Claims of Preferred Creditors, without interest, shall be paid in priority to all Ordinary

¹ There are no known claims falling within this category as at the date of this Proposal.

² There are no known Preferred Creditors as at the date of filing this Proposal.

Creditors in accordance with the order of priorities set out in section 136 of the BIA.

- (b) Any partial or interim payments made under this Proposal to multiple Preferred Creditors with the same level of priority under the BIA shall be paid on a *pro rata* and *pari passu* basis among those creditors.
- (c) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. UNSECURED CREDITORS

- (a) The Debtor shall pay to the Trustee the total sum of \$100, to be paid within twenty-four (24) months of Final Approval. Payments made to the Trustee pursuant to this Proposal are referred to herein as the "Proposal Fund".
- (b) The Trustee shall distribute the Proposal Fund in the following order:
 - i. Payment of Proven Claims of Preferred Creditors, if any, in full; and
 - ii. Payment of Proven Claims to Ordinary Creditors on a *pro rata* and *pari passu* basis.
- (c) Any payments made by or on behalf of the Debtor under this Proposal shall be applied to the scheduled payments in the order they come due unless otherwise specified by the Debtor. The Debtor shall have the right to prepay any or all of the balance due under the Proposal prior to the expiration of the scheduled payment terms.
- (d) In accordance with section 147 of the BIA, the Superintendent of Bankruptcy levy shall be deducted from all distributions to Unsecured Creditors except where the BIA does not require the levy.
- (e) By casting a vote with the Trustee in favour (or 'For') this Proposal, each Unsecured Creditor (including Preferred Creditors) agrees that their respective Claim does not fall within the definition of BIA section 178, debts not released by order of discharge.

6. CLASSIFICATION OF CREDITORS

- (a) The creditors of the Debtor under this Proposal shall comprise two classes: 1) Proven Claims of Secured Creditors, and 2) Proven Claims of Preferred Creditors and of Unsecured Creditors.

7. PROPOSAL FILED BY RELATED COMPANY

- (a) The Debtor owns one hundred percent (100%) of the common shares of the Class A Common Voting shares of Prosysco.³ Prosysco filed a proposal under Part III, Division I of the BIA on September 14, 2023 (Estate no. 32-2929201) (defined above as the “Prosysco Proposal”).
- (b) This Proposal is conditional upon acceptance of the Prosysco Proposal by its creditors and approval of the Prosysco Proposal by the Court. The Court shall not approve this Proposal unless and until the creditors of Prosysco approve the Prosysco Proposal with any amendments thereto.

8. TRUSTEE’S FEES AND DISBURSEMENTS

- (a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee’s Fees and Disbursements. The funds paid by the Debtor to fund the Trustee’s Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee’s Fees and Disbursements before the Trustee issues a certificate of full performance in accordance with section 65.3 of the BIA.

9. GENERAL PROVISIONS

- (a) The Trustee is acting solely in its capacity as Licensed Insolvency Trustee under this Proposal and not in its personal or corporate capacity. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee and its officer(s), director(s), employee(s) or agent(s) are not and shall not be responsible or liable for any obligations of the Debtor, and shall be exempt from all personal and corporate liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.
- (b) Sections 95 to 101 of the BIA (with the exception of section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor’s business or financial affairs.
- (c) All payments required to be paid by or on behalf of the Debtor under the terms of this Proposal shall be paid over to the Trustee unless otherwise stated herein. The Trustee shall make all payments out of the funds paid to it in accordance with the terms of this Proposal.

³ There are two other shareholders: Adam Kurtz, who holds 100% of the Class C Common Voting shares, and Dmitry Puzhitsky, who holds 100% of the Class B Common Voting shares.

- (d) At the meeting of creditors to consider this Proposal, the creditors may, by vote in accordance with the BIA, appoint up to five inspectors (the “**Inspectors**”) who will have, in addition to any powers of inspectors under the BIA, the power to:
- i. receive any notice of default in the performance of the Proposal and waive any such default;
 - ii. advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and,
 - iii. extend the time for any payment due under this Proposal.
- (e) Upon the Completion Date, all present and past directors of the Debtor shall be released and discharged by the Unsecured Creditors from liability or obligation for any claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor) where the directors are by law liable in their capacity as directors of the Debtor pursuant to section 50(13) of the BIA and subject to the exceptions in section 50(14) of the BIA.
- (f) Upon the Completion Date, the Debtor shall be released and discharged from any and all Claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor).
- (g) All proper Claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy and Insolvency, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the Claims of all other Creditors.
- (h) Any notices or communications in respect of this Proposal shall be delivered to the Debtor at the address set out below:
- 1110615 Ontario Ltd.
c/o Reconstruct LLP
200 Bay Street, Suite 2305 Box 120
Toronto, ON M5J 2J3
Attention: Brendan Bissell
E-mail: bbissell@reconllp.com
- (i) For purposes of this Proposal, Claims denominated in a currency other than Canadian Dollars will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Mississauga, Ontario this 14th day of September 2023

1110615 Ontario Ltd.

DocuSigned by:

Per: _____
Name: Alan Chimko

I have the authority to bind the corporation.

APPENDIX ‘D’

1110615 ONTARIO LTD.
 THIRD REVISED STATEMENT OF PROJECTED CASH FLOWS
 FOR THE 12 MONTH PERIOD ENDED AUGUST 31, 2024

Year Month	Forecast - Monthly											
	2023						2024					
September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	
\$ 187	181	175	169	163	157	151	145	139	133	127	121	A
Cash balance - beginning of period												
Cash receipts (includes HST)												
Receipts	-	-	-	-	-	-	-	-	-	-	-	
Total cash receipts (including HST)	\$ -	-	-	-	-	-	-	-	-	-	-	B
Disbursements (all applicable expenses include HST)												
Interest and bank charges	6	6	6	6	6	6	6	6	6	6	6	
Restructuring Fees	-	-	-	-	-	-	-	-	-	-	-	
Total disbursements (including HST)	\$ 6	6	6	6	6	6	6	6	6	6	6	C
Net Cash-flow from operations	\$ (6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	D = B - C
Cash balance - end of period	\$ 181	175	169	163	157	151	145	139	133	127	121	115 A + D

NOTICE TO READER:

This revised statement of projected cash-flow dated September 14, 2023 of the Company is prepared in accordance with Section 50(6) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report On Cash-Flow Statement and the Report On Cash-Flow Statement By The Person Making The Proposal.


 1110615 Ontario Ltd.

Per: Alan Chimko
 September 14, 2023


 Albert Gelman Inc., solely in its capacity as Trustee in re the Proposal of
 1110615 Ontario Ltd. and not in its personal or any other capacity

Per: Tom McElroy
 September 14, 2023

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

_ FORM 29 _
 Trustee's Report on Cash-Flow Statement
 (Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

The attached statement of projected cash flow of 1110615 Ontario Ltd., as of the 14th day of September 2023, consisting of a third revised cash flow projection for the 12-month period from September 1, 2023 to August 31, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 14th day of September 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Bryan Gelman - Licensed Insolvency Trustee
 60 Shaftesbury Avenue
 Toronto ON M4T 1A3
 Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the third revised projection is to comply with the requirements set out in Section 50(6) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

Probable Assumptions

1. 1110615 Ontario Ltd. (the "Company") is a holding company which is not engaged in active business operations.
2. The restructuring costs of the Company are being funded by the Company's subsidiary, Prosysco Ltd., a company which also filed a Proposal on September 14, 2023.

Dated at the City of Toronto in the Province of Ontario, this 14th day of September 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Bryan Gelman - Licensed Insolvency Trustee
60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 30
 Report on Cash-Flow Statement by the Person Making the Proposal
 (Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

The management of 1110615 Ontario Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of September 2023, consisting of a third revised cash flow projection for the 12-month period from September 1, 2023 to August 31, 2024.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Mississauga in the Province of Ontario, this 14th day of September 2023.



1110615 Ontario Ltd.
 Debtor

Alan Chimko, Director

Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Purpose:

The purpose of the third revised projection is to comply with the requirements set out in Section 50(6) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

Assumptions:

Hypothetical Assumptions

None.

Probable Assumptions

1. 1110615 Ontario Ltd. (the "Company") is a holding company which is not engaged in active business operations.
2. The restructuring costs of the Company are being funded by the Company's subsidiary, Prosysco Ltd., a company which also filed a Proposal on September 14, 2023.

Dated at the City of Mississauga in the Province of Ontario, this 14th day of September 2023.



1110615 Ontario Ltd.

APPENDIX ‘E’

District of: ON
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

**In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario**

Affidavit of Service

I, Ashley Robinson, of the City of Toronto, in the Province of Ontario, an employee of Albert Gelman Inc., hereby make oath (or solemnly affirm) and say:

1. That on the 22nd day of September 2023, I did cause to be sent by email, fax or by regular mail to all parties on the service list attached hereto as **Exhibit "A"**, the following document(s):
 - a) **Exhibit "B"** titled Creditors Package (including Proposal, Trustees Report to Creditors on Proposal, Companies Statement of Affairs, Proof of claim, Voting Letter and Proxy)
 - b) **Exhibit "C"** titled Form 92 – Notice of Proposal to Creditors
2. And that on the 22nd day of September 2023, a copy of these documents were emailed to the Corporate Officer Alan Chimko at achimko@prosyscoltd.com.
3. And on the 22nd day of September 2023 a copy of Form 92 was e-filed with the Official Receiver. A copy of the e-filing confirmation is attached hereto as **Exhibit "D"**.

Sworn remotely by Ashley Robinson at Toronto, Ontario }
before me at Stouffville Ontario in accordance with }
O. Reg. 431/20, Administering Oath or Declaration }
Remotely, this 22nd day of September 2023 }

 Ashley Robinson
SHX4YE7VG1WRREGL
Ashley Robinson



A Commissioner of Oaths

Laurianne Valleeau, Commissioner of Oaths
For the Province of Ontario
Expires February 1, 2026

**This is Exhibit "A" referred to in
the Affidavit of Ashley Robinson**

Sworn by videoconference on this 22nd day of September 2023



Commissioner for taking Affidavits

Laurianne Valteau, Commissioner of Oaths
For the Province of Ontario
Expires February 1, 2026

Creditor Mailing List

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Creditor Type	Name	Attention	Address	
Director	Alan Chimko		22 Northcliffe Street Bramalea ON L6S 4E4 achimko@prosyscoltd.com	email
Secured	Royal Bank		c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2 Fax: (519) 667-3362 thogan@harrisonpensa.com	email
Unsecured	CRA - Tax - Ontario		Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9 Fax: (833) 697-2390	fax
	Echelon General Insurance Company		300 - 2680 Matheson Blvd E Mississauga ON L4W 0A5 Fax: (905) 214-7881	fax
	Royal Bank		c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2 Fax: (519) 667-3362 thogan@harrisonpensa.com	email

Ashley Robinson

From: Ashley Robinson
Sent: September 22, 2023 9:24 AM
To: achimko@proscoltd.com
Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Attachments: Notice of Proposal to Creditors - 1110615 Ontario Ltd_-signed (with enclosures).pdf

Dear Alan,

Please see attached a copy of your Creditors Package for 1110615 Ontario Ltd for your records.

Sincerely,
Ashley (Smithson) Robinson, Associate, Professional Support Group



Albert Gelman Inc. | T: 416.504.1650 ext. 110# | F: 416.504.1655 60 Shaftesbury Ave., Toronto, ON M4T 1A3 (New Address) | www.albertgelman.com

.....
Office locations: Toronto / Mississauga (ON), Edmonton (AB) and Vancouver (BC) <http://albertgelman.com/financialsolutions/locations/>

.....
This message and any attachments are solely for the intended recipient and may contain confidential or privileged information. If you are not the intended recipient, any disclosure, copying, use, or distribution of the information included in this message and any attachments is prohibited. If you have received this communication in error, please notify us by reply e-mail and immediately and permanently delete this message and any attachments. Thank you.

Ashley Robinson

From: Ashley Robinson
Sent: September 22, 2023 9:25 AM
To: thogan@harrisonpensa.com
Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Attachments: Notice of Proposal to Creditors - 1110615 Ontario Ltd_-signed (with enclosures).pdf

1110615 Ontario Ltd. - Corporate Proposal

Date of Filing: April 1, 2023

Estate # 32-2929202

Dear Royal Bank,

Please see attached a copy of your Creditors Package for 1110615 Ontario Ltd for your records.

Sincerely,
Ashley (Smithson) Robinson, Associate, Professional Support Group



Albert Gelman Inc. | T: 416.504.1650 ext. 110# | F: 416.504.1655 60 Shaftesbury Ave., Toronto, ON M4T 1A3 (New Address) | www.albertgelman.com

.....
Office locations: Toronto / Mississauga (ON), Edmonton (AB) and Vancouver (BC) <http://albertgelman.com/financialsolutions/locations/>

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Ashley Robinson

From: Ashley Robinson
Sent: September 22, 2023 9:25 AM
To: 18336972390@srfax.com
Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Attachments: Notice of Proposal to Creditors - 1110615 Ontario Ltd_-signed (with enclosures).pdf

1110615 Ontario Ltd. - Corporate Proposal

Date of Filing: April 1, 2023

Estate # 32-2929202

Dear CRA,

Please see attached a copy of your Creditors Package for 1110615 Ontario Ltd for your records.

Sincerely,
Ashley (Smithson) Robinson, Associate, Professional Support Group



Albert Gelman Inc. | T: 416.504.1650 ext. 110# | F: 416.504.1655 60 Shaftesbury Ave., Toronto, ON M4T 1A3 (New Address) | www.albertgelman.com

.....
Office locations: Toronto / Mississauga (ON), Edmonton (AB) and Vancouver (BC) <http://albertgelman.com/financialsolutions/locations/>

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Ashley Robinson

From: Ashley Robinson
Sent: September 22, 2023 9:26 AM
To: 19052147881@srfax.com
Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Attachments: Notice of Proposal to Creditors - 1110615 Ontario Ltd_-signed (with enclosures).pdf

1110615 Ontario Ltd. - Corporate Proposal

Date of Filing: April 1, 2023

Estate # 32-2929202

Dear Echelon General Insurance Company,

Please see attached a copy of your Creditors Package for 1110615 Ontario Ltd for your records.

Sincerely,
Ashley (Smithson) Robinson, Associate, Professional Support Group



Albert Gelman Inc. | T: 416.504.1650 ext. 110# | F: 416.504.1655 60 Shaftesbury Ave., Toronto, ON M4T 1A3 (New Address) | www.albertgelman.com

Office locations: Toronto / Mississauga (ON), Edmonton (AB) and Vancouver (BC) <http://albertgelman.com/financialsolutions/locations/>

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Ashley Robinson

From: SRFax Delivery Notification <fax@srfax.com>
Sent: September 22, 2023 9:45 AM
To: Fax; Ashley Robinson
Subject: SRFax Transmission Successful to 1 833-697-2390, Re:FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Attachments: 262232_20230922062726-1942_02.pdf



Transmission Status: Sent
Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Ref. Code:
Sender: 905-415-9874 (arobinson@albertgelman.com)
Fax Sent: Sep 22, 2023 09:27 AM
Recipient Fax: 1 833-697-2390
Remote Fax ID: Fax Server
of Pages Sent: 31 of 31 (Call Length: 15:05)

Open the attached file to view faxed document.

Preview of Page 1.

The Albert Gelman Partnership
Tel: 416-504-1650 Fax: 416-504-1655
www.albertgelman.com

Fax

To: 18336972390 **From:** Ashley Robinson
Fax: 1-833-697-2390 **Date:** Sep 22, 2023 09:26 AM
Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors

1110615 Ontario Ltd. - Corporate Proposal

Date of Filing: April 1, 2023

Estate # 32-2929202

Dear CRA,

Ashley Robinson

From: SRFax Delivery Notification <fax@srfax.com>
Sent: September 22, 2023 10:02 AM
To: Fax; Ashley Robinson
Subject: SRFax Transmission Successful to 1 905-214-7881, Re:FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Attachments: 262232_20230922062820-1237_04.pdf



Transmission Status: Sent
Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors
Ref. Code:
Sender: 905-415-9874 (arobinson@albertgelman.com)
Fax Sent: Sep 22, 2023 09:29 AM
Recipient Fax: 1 905-214-7881
Remote Fax ID:
of Pages Sent: 31 of 31 (Call Length: 31:34)

Open the attached file to view faxed document.

Preview of Page 1.

The Albert Gelman Partnership
 Tel: 416-504-1650 Fax: 416-504-1655
 www.albertgelman.com

Fax

To: 19052147881 **From:** Ashley Robinson
Fax: 1-905-214-7881 **Date:** Sep 22, 2023 09:27 AM

Subject: FW: 1110615 Ontario Ltd - Notice of Proposal to Creditors

1110615 Ontario Ltd. - Corporate Proposal

Date of Filing: April 1, 2023

Estimate # 32-2929202

Dear Echelon General Insurance Company,

This is **Exhibit "B"** referred to in
the Affidavit of Ashley Robinson
Sworn by videoconference on this 22nd day of September 2023



Commissioner for taking Affidavits

Laurianne Valleau, Commissioner of Oaths
For the Province of Ontario
Expires February 1, 2026

Estate No. / Court No.: 32-2929202

**IN THE MATTER OF THE PROPOSAL OF
1110615 ONTARIO LTD.
OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

**NOTICE OF PROPOSAL TO CREDITORS
(Section 51(1) of the *Bankruptcy and Insolvency Act* (Canada))**

Take notice that 1110615 Ontario Ltd. (the "**Company**") of the city of Mississauga in the Province of Ontario has lodged with us a Proposal (defined below).

Enclosed please find the following documents:

1. Proposal, under Part III, Division I of the BIA lodged with Albert Gelman Inc. (the "**Proposal Trustee**") by the Company and filed with the Official Receiver on September 14, 2023 (the "**Proposal**");
2. Trustee's Report to Creditors on the Proposal dated September 20, 2023;
3. The Company's Statement of Affairs sworn September 14, 2023; and,
4. Proof of claim form, voting letter and proxy.

A general meeting of the creditors will be held on October 4, 2023 at 4 p.m. (Toronto time). Creditors wishing to attend the meeting may join the meeting by either video or telephone as set out below.

Microsoft Teams

Videoconference - Meeting ID: 295 467 970 212; Passcode: KHBf8a


Telephone – No: 437-703-4516 PIN: 400847244#

The creditors or any class of creditors qualified to vote at the meeting may, by resolution, accept the Proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court the Proposal will be binding on all creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Date at the city of Toronto in the province of Ontario this 20th day of September 2023

**ALBERT GELMAN INC., solely in its
capacity as Trustee in re the Proposal of 1110615 Ontario Ltd.
and not in its personal capacity**

Per:  Digitally signed
by Bryan
Gelman

Bryan Gelman, CIRP, LIT

District of Ontario
Division No.: 09 - Mississauga
Estate No.: 32-2929202
Court No.: 32-2929202

**ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)**

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

PROPOSAL
(Dated September 14, 2023)

1110615 Ontario Ltd., the above-named Debtor (the “**Debtor**”), hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”).

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

- (a) **Claim.** A “claim provable” is as defined in the BIA. For clarification, this includes any debt or liability, present or future, to which the Debtor was subject on the NOI Date or to which the Debtor may become subject before the Completion Date by reason of any obligation incurred before the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease or agreement, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or on the NOI Date. In the event of any inconsistency between this definition and the definition of “claim provable” as defined in the BIA, the terms of the BIA shall prevail.
- (b) **Completion Date.** The date on which the Trustee files its certificate of completion, certifying that this Proposal has been fully performed by the Debtor.

- (c) **Final Approval.** Acceptance of the Proposal by the creditors of the Debtor and approval by the Court, both in accordance with the BIA, and any appeal period with respect to Court approval having expired.
- (d) **NOI Date.** The date on which the Debtor filed a Notice of Intention to Make a Proposal in contemplation of this Proposal with the Official Receiver being April 1, 2023.
- (e) **Ordinary Creditor.** An Unsecured Creditor that is not a Preferred Creditor.
- (f) **Preferred Creditor.** An Unsecured Creditor in respect of any Claim that would be payable in priority to other Unsecured Creditors pursuant to the provisions of s.136 of the BIA.
- (g) **Proposal.** This Proposal, as it may be amended from time to time.
- (h) **Proposal Date.** The date of the initial filing of the Proposal with the Official Receiver.
- (i) **Proven Claim.** Any Claim which is the subject of a proof of claim that has been filed with the Trustee and admitted by the Trustee in accordance with the BIA.
- (j) **Secured Creditor.** A creditor holding security against the property of the Debtor in respect of their Claim as “Secured Creditor” is defined in the BIA.
- (k) **Trustee.** Albert Gelman Inc., as Licensed Insolvency Trustee to the Proposal of the Debtor.
- (l) **Trustee’s Fees and Disbursements.** The fees and disbursements of the Trustee incidental to the proceedings arising out of the Proposal including:
 - (i) The Trustee’s fees which shall be based on the amount of time spent in respect of the Proposal including applicable HST; and
 - (ii) all reasonable expenses and disbursements incurred by the Trustee including, without limitation, any legal fees; plus any applicable taxes on those expenses and disbursements. For the purposes of calculating its fees, the Trustee will track the time spent by its staff in respect of and incidental to the Proposal and shall bill that time on an hourly-rate basis at its prevailing rates. The Trustee’s hourly billing rates for its professional and administrative staff are subject to change without notice to the Debtor.
- (m) **Unsecured Creditor.** A creditor having a Claim against the Debtor other than a Secured Creditor. An Unsecured Creditor includes both an Ordinary Creditor and Preferred Creditor, and includes a Secured Creditor in respect of any Claim or portion of their Claim that is not secured (if any).

2. DEBTS OWED TO THE CROWN¹

- (a) Proven Claims of His Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Final Approval of this Proposal unless His Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA.

3. SECURED CREDITORS

- (a) This Proposal is being made to the Royal Bank of Canada (“RBC”) in respect of its secured Claim (the “RBC Secured Claim”) and RBC will be entitled to file a Claim as a Secured Creditor in the Debtor’s Proposal.
- (b) RBC agrees to file and claim \$100.00 of the RBC Secured Claim as an Unsecured Creditor in the Debtor’s Proposal.
- (c) The RBC Secured Claim is in respect of a guarantee provided by the Debtor for a credit facility extended by RBC to a related company, Prosysco Ltd (“Prosysco”). Prosysco filed a Proposal under Part III, Division I of the BIA on September 14, 2023 (Estate no. 32-2929201) (the “Prosysco Proposal”). RBC agrees to withdraw the RBC Secured Claim in this Proposal if Prosysco satisfies its indebtedness to RBC in accordance with the terms of the Prosysco Proposal.
- (d) By casting a vote with the Trustee in favour (or ‘For’) this Proposal, RBC agrees to cease any collection/enforcement actions against the Debtor and/or any/all of the Directors of the Debtor (the “RBC Enforcement Waiver”). If, prior to the Completion Date, the Debtor is in default of any of the provisions of this Proposal, and such default is not remedied in accordance with the terms of this Proposal, the RBC Enforcement Waiver shall become null and void.
- (e) Upon payment to RBC or withdrawal by RBC of the RBC Secured Claim amount, RBC will forthwith discharge its security as against the Debtor.
- (f) Payment of the Claims of all other Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

4. PREFERRED CREDITORS²

- (a) For the purposes of paragraph 5. (b) of this Proposal, Proven Claims of Preferred Creditors, without interest, shall be paid in priority to all Ordinary

¹ There are no known claims falling within this category as at the date of this Proposal.

² There are no known Preferred Creditors as at the date of filing this Proposal.

Creditors in accordance with the order of priorities set out in section 136 of the BIA.

- (b) Any partial or interim payments made under this Proposal to multiple Preferred Creditors with the same level of priority under the BIA shall be paid on a *pro rata* and *pari passu* basis among those creditors.
- (c) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. UNSECURED CREDITORS

- (a) The Debtor shall pay to the Trustee the total sum of \$100, to be paid within twenty-four (24) months of Final Approval. Payments made to the Trustee pursuant to this Proposal are referred to herein as the "Proposal Fund".
- (b) The Trustee shall distribute the Proposal Fund in the following order:
 - i. Payment of Proven Claims of Preferred Creditors, if any, in full; and
 - ii. Payment of Proven Claims to Ordinary Creditors on a *pro rata* and *pari passu* basis.
- (c) Any payments made by or on behalf of the Debtor under this Proposal shall be applied to the scheduled payments in the order they come due unless otherwise specified by the Debtor. The Debtor shall have the right to prepay any or all of the balance due under the Proposal prior to the expiration of the scheduled payment terms.
- (d) In accordance with section 147 of the BIA, the Superintendent of Bankruptcy levy shall be deducted from all distributions to Unsecured Creditors except where the BIA does not require the levy.
- (e) By casting a vote with the Trustee in favour (or 'For') this Proposal, each Unsecured Creditor (including Preferred Creditors) agrees that their respective Claim does not fall within the definition of BIA section 178, debts not released by order of discharge.

6. CLASSIFICATION OF CREDITORS

- (a) The creditors of the Debtor under this Proposal shall comprise two classes: 1) Proven Claims of Secured Creditors, and 2) Proven Claims of Preferred Creditors and of Unsecured Creditors.

7. PROPOSAL FILED BY RELATED COMPANY

- (a) The Debtor owns one hundred percent (100%) of the common shares of the Class A Common Voting shares of Prosysco.³ Prosysco filed a proposal under Part III, Division I of the BIA on September 14, 2023 (Estate no. 32-2929201) (defined above as the “Prosysco Proposal”).
- (b) This Proposal is conditional upon acceptance of the Prosysco Proposal by its creditors and approval of the Prosysco Proposal by the Court. The Court shall not approve this Proposal unless and until and the creditors of Prosysco approve the Prosysco Proposal with any amendments thereto.

8. TRUSTEE’S FEES AND DISBURSEMENTS

- (a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee’s Fees and Disbursements. The funds paid by the Debtor to fund the Trustee’s Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee’s Fees and Disbursements before the Trustee issues a certificate of full performance in accordance with section 65.3 of the BIA.

9. GENERAL PROVISIONS

- (a) The Trustee is acting solely in its capacity as Licensed Insolvency Trustee under this Proposal and not in its personal or corporate capacity. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee and its officer(s), director(s), employee(s) or agent(s) are not and shall not be responsible or liable for any obligations of the Debtor, and shall be exempt from all personal and corporate liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.
- (b) Sections 95 to 101 of the BIA (with the exception of section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor’s business or financial affairs.
- (c) All payments required to be paid by or on behalf of the Debtor under the terms of this Proposal shall be paid over to the Trustee unless otherwise stated herein. The Trustee shall make all payments out of the funds paid to it in accordance with the terms of this Proposal.

³ There are two other shareholders: Adam Kurtz, who holds 100% of the Class C Common Voting shares, and Dmitry Puzhitsky, who holds 100% of the Class B Common Voting shares.

- (d) At the meeting of creditors to consider this Proposal, the creditors may, by vote in accordance with the BIA, appoint up to five inspectors (the “**Inspectors**”) who will have, in addition to any powers of inspectors under the BIA, the power to:
- i. receive any notice of default in the performance of the Proposal and waive any such default;
 - ii. advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and,
 - iii. extend the time for any payment due under this Proposal.
- (e) Upon the Completion Date, all present and past directors of the Debtor shall be released and discharged by the Unsecured Creditors from liability or obligation for any claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor) where the directors are by law liable in their capacity as directors of the Debtor pursuant to section 50(13) of the BIA and subject to the exceptions in section 50(14) of the BIA.
- (f) Upon the Completion Date, the Debtor shall be released and discharged from any and all Claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor).
- (g) All proper Claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy and Insolvency, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the Claims of all other Creditors.
- (h) Any notices or communications in respect of this Proposal shall be delivered to the Debtor at the address set out below:
- 1110615 Ontario Ltd.
c/o Reconstruct LLP
200 Bay Street, Suite 2305 Box 120
Toronto, ON M5J 2J3
Attention: Brendan Bissell
E-mail: bbissell@reconllp.com
- (i) For purposes of this Proposal, Claims denominated in a currency other than Canadian Dollars will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Mississauga, Ontario this 14th day of September 2023

1110615 Ontario Ltd.

DocuSigned by:

Per: _____
Name: Alan Chimko

I have the authority to bind the corporation.

District of Ontario
 Division No. 09 - Mississauga
 Estate No. 32-2929202
 Court No. 32-2929202

In the matter of the proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

**TRUSTEE'S REPORT ON PROPOSAL
 (Office of the Superintendent of Bankruptcy Directive No. 24)**

The purpose of this report is to provide the creditors of 1110615 Ontario Ltd. ("**111Co.**" or the "**Company**") with sufficient information in order for them to properly consider the impact that the Proposal prepared pursuant to Part III Division I of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") will have on them versus the impact on them in the event that the Company is deemed or otherwise becomes bankrupt. The Proposal was filed with the Official Receiver on September 14, 2023.

Albert Gelman Inc. (the "**Trustee**") has consented to act as Trustee in the Proposal.

Section A – Introduction and Background

The Company is a privately held corporation which was incorporated pursuant to the laws of the province of Ontario on December 22, 1994. 111Co. is a holding company and is not engaged in active business.

Pursuant to a corporation profile report obtained by the Trustee with an effective date of March 31, 2023, Alan Chimko is the sole director of Prosysco (the "**Director**"). Mr. Chimko, is the designated officer of 111Co. for the administration of the proposal. 111Co. filed a notice of intention to make a proposal ("**NOI**") pursuant to the BIA on April 1, 2023 (the "**NOI Date**").

111Co. is the majority shareholder of Prosysco Ltd. ("**Prosysco**"). Prosysco also filed a NOI on the NOI Date and subsequently filed a Proposal on September 14, 2023.

Prior to the NOI Date, Prosysco's senior secured creditor, the Royal Bank of Canada ("**RBC**"), sent a Notice of Intention to Enforce Security ("**NITES**") pursuant to section 244 of the BIA to each of Prosysco and 111Co. As of the NOI Date Prosysco was indebted to RBC in the amount of approximately CDN\$2.4 million and US\$305,000 (the "**RBC Debt**"). 111Co. provided a limited guarantee of the RBC Debt to a maximum of \$820,000 (the "**RBC Guarantee**"). The limited guarantee is secured by, among other things, a general security agreement. RBC declared Prosysco in default on its loan obligation to RBC in or around March 22, 2023. As a result of the default RBC issued its NITES in accordance with section 244 of the BIA to both Prosysco and 111Co.

As a result of the enforcement activities taken by RBC, 111co. filed the NOI.

After the NOI Date, the Court granted each of Prosysco and 111Co. several extensions of time to make a proposal further extending the NOI period. The motion records along with the Court Orders and the Trustee's reports are being maintained on the Trustee's Case website: <https://www.albertgelman.com/corporate-solutions/other-engagements/>

On September 14, 2023, 111Co. filed a Proposal to its creditors in accordance with Part III Division I of the BIA with the Trustee (the “**Proposal**”).

Approval of 111Co.’s Proposal is contingent upon the creditors of Prosysco and the Court approving Prosysco’s proposal.

If the Proposal is accepted at the Creditor Meeting (defined below) by the requisite majorities of creditors, the Trustee will then make an application to the Court for approval of the Proposal. Upon the Court approving the Proposal¹, the Proposal will be binding upon (a) all unsecured creditors with provable claims; and, (b) all secured creditors to whom the Proposal was made. If the Proposal is rejected by either the Company’s unsecured or secured creditors, or is not approved by the Court, the Company will be deemed to have made an assignment in bankruptcy.

In order for creditors to fairly consider the Proposal, it is necessary to understand the Company’s financial situation and the events which have led up to the filing of the Proposal.

Section B – Summary of Proposal

The payment terms of the Proposal require 111Co. to make a lump sum payment of \$100 within 24 months of Final Approval (the “**Proposal Fund**”). The Proposal Fund will be distributed by the Trustee to the Company’s unsecured creditors.

Section C – Financial Position and Causes of Difficulties

Financial Position

The Company’s is a holding company that is not engaged in active business operations.

Section D – Interim Receiver

Not applicable.

Section E – Identification and Evaluation of Assets

In considering 111Co.’s Proposal, it is important to understand the value of the Company’s assets in the event of a bankruptcy. Set out below is a summary of the estimated value of Prosysco’s assets as set out in the Company’s statement of affairs sworn on September 14, 2023 (the “**SOA**”). A copy of the SOA is included with this report.

Asset Category	SOA Value (\$)	Subject to RBC Secured Claim \$	Net Realizable Value for Unsecured Creditors (\$)
Cash	187	187	nil
92 Class A Common Shares of Prosysco Ltd.	1	1	nil

¹The *Bankruptcy and Insolvency Act* sets out all of the items the Court must consider in its decision to either approve or refuse a proposal.

92 Class A Common Shares of Prosysco Ltd.

111Co. owns 92 Class A Common Shares of Prosysco (the “**Prosysco Shares**”). As noted above, Prosysco filed a proposal to its creditors and is insolvent. The value of the Prosysco Shares is nil.

Cash on Hand

As of August 31, 2023 the balance in the Company’s RBC account was \$187.21.

Section F – Conduct of Debtor

Bankruptcy Offences

The Trustee is not aware of any offense committed by the Company pursuant to the BIA.

Reviewable Transactions

The Trustee has not yet reviewed the Company’s bank account transactions for the one year period prior to the NOI Date. The Trustee will discuss its review of the Company’s bank account transactions with the creditors at the Creditor Meeting

Section G – Creditors’ Claims

A summary of the Company’s creditors as presented on the SOA is set out below.

Creditor Category	No. of Creditors	Value (\$)
Secured - RBC	1	820,000
Secured - Echelon Insurance	1	1
Unsecured	1	1

Trust Claims (deemed or otherwise)

Pursuant to section 67(3) of the BIA amounts owing to the CRA in respect of unpaid employee source deduction are considered to represent a deemed trust claim in favour of the CRA which ranks in priority to the claims of all other creditors, with certain limited exceptions (the “**Deemed Trust Claim**”). Pursuant to section 69.1(1) of the BIA the Deemed Trust Claim must be paid within 6 months of court approval of the Proposal unless the CRA consents to a longer period of time.

The Director has advised the Trustee that the Deemed Trust Claim is nil.

Secured Creditors

111Co.’s Proposal is being made to RBC as further described below. 111Co.’s Proposal is not being made to any other of its secured creditors.

As part of the process to determine who the secured creditors of 111Co. are, the Trustee conducted a search pursuant to the *Personal Property Security Act* (Ontario) on March 29, 2023 (File Currency: March 28, 2023). The search results are set out below.

Registration Date	Creditor	Collateral Classification
June 14, 2016	Royal Bank of Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle
September 19, 2018	Echelon Insurance	Other

Royal Bank of Canada

As noted earlier in this report, 111Co. provided a limited guarantee of Prosysco's RBC Debt to a maximum of \$820,000 (defined above as the RBC Guarantee). The RBC Guarantee is secured by, among other things, a general security agreement (the "RBC Security").

The Trustee has engaged Goldman Sloan Nash and Haber LLP ("GSNH") to provide independent legal opinions in respect of the validity and enforceability of the RBC Security. GSNH has provided a favourable opinion on the RBC Security. RBC has the earliest registered financing statements against 111Co.

Pursuant to the Proposal RBC shall be entitled to file a secured claim for the amount of the RBC Guarantee, less \$100. RBC shall be entitled to file a claim as an unsecured creditor for \$100. In the event that the RBC Debt is paid in full in the Prosysco Proposal, RBC shall withdraw its secured claim in 111Co's Proposal.

Echelon Insurance

The Trustee has been advised by counsel to the Company that Echelon Insurance provides bonding to Prosysco and that the PPSA registration by Echelon Insurance is in respect of same. As of the date of the SOA there is no outstanding amount owing to Echelon Insurance.

Preferred Creditors

According to the SOA, the Company does not have any preferred creditors.

Unsecured Creditors

The Company has listed arm's length unsecured creditors on its SOA as having total outstanding claims of \$1. In addition to this, and in accordance with the terms of the Proposal, RBC will file an unsecured claim for \$100.

Proofs of Claim Received by the Trustee

The Trustee will review the status of submitted claims at the Creditor Meeting.

Section H – Previous Business Dealings with the Company

Prior to 111Co. filing its NOI on April 1, 2023 the Trustee had not previously provided services to 111Co.

Section I – Informal Meetings with Major Creditors

During the Company's restructuring proceedings the Trustee has been in communications with representatives of RBC regarding the status of the NOI and the timing of the filing of the Proposal.

Section J – Remuneration of Trustee

Payment of the fees and expenses of the Trustee, including the legal fees and disbursements of the Trustee, will be paid directly by 111Co. in accordance with the terms of the Proposal.

Section K – Other Information

In preparing this Report, the Trustee has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with representatives of the Company, including its Director and legal counsel. The Trustee has not performed an audit or other verification of such information. Future oriented financial information relied upon in this Report is based on the Companies' representatives' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

Unless otherwise noted, all currency references in this report are to Canadian dollars.

Capitalized terms not otherwise defined in this report have the meanings ascribed to them in the Proposal.

It is expressly noted and should be clearly understood that Albert Gelman Inc., in its capacity as Trustee under this Proposal, assumes no personal liability for any claims against the Company before or after the filing of the Proposal.

Section L – Statement of Estimated Realization

Distribution to Creditors – Bankruptcy

In the event that the Proposal is not accepted by the Company's creditors or the Court and the Company is deemed to have made an assignment in bankruptcy there would likely be no distribution to: (a) RBC in respect of its secured claim; and, (b) the unsecured creditors.

Distribution to Creditors – Proposal

Royal Bank of Canada

In the event that RBC, in its capacity as a secured creditor, accepts this Proposal and the Proposal of Prosysco is accepted by its creditors and the Court, the RBC Debt will be satisfied in full in accordance with the terms of the Prosysco Proposal.

Unsecured Creditors

In the event that the Proposal is accepted by the Company's unsecured creditors and the Court, the unsecured creditors will receive a distribution of the Proposal Fund, net of the OSB levy, on a pro-rata basis.

Section M - Recommendation

For the reasons set out above, the Trustee is of the view that the acceptance of the Proposal is in the best interests of all of the Company's stakeholders and the Trustee recommends acceptance of the Proposal by both RBC, in its capacity as a secured creditor, and the Company's

unsecured creditors.

Section N – Meeting of Creditors and Procedures for Voting

A meeting of the Company's creditors will be held on October 4, 2023 at 4:00 p.m. (Toronto time) (the "**Creditor Meeting**"). Creditors wishing to attend the meeting may join the meeting by either video or telephone as set out below.

Microsoft Teams

Videoconference - Meeting ID: 295 467 970 212; Passcode: KHBf8a

Telephone – No: 437-703-4516 PIN: 400847244#

To be eligible to vote, creditors must file their Proof of Claim with the Trustee prior to the commencement of the Meeting of Creditors.

Those creditors who do not intend to have a personal representative at the Creditor Meeting should also complete and submit a Voting Letter which is also enclosed, indicating their vote either for or against the Proposal.

The Trustee prefers that Proofs of Claim, Proxies and Voting Letters be submitted in advance of the meeting by fax at 416-504-1655 or by email at proofofclaim@albertgelman.com.

Documents sent via mail or courier must be received by the Trustee prior to the commencement of the Creditors Meeting to be considered for voting purposes.

Corporate creditors who will be sending a representative to vote at the meeting must complete a proxy in favour of the representative in attendance, in order to evidence that this person has the authority to vote on behalf of the corporation.

DATED AT Toronto, Ontario this 20th day of September 2023

**ALBERT GELMAN INC., solely in its
capacity as Trustee in re the Proposal of
1110615 Ontario Ltd.
and not in its personal or any other capacity**
Per:



Digitally signed
by Bryan
Gelman

Bryan A. Gelman, *CIRP, LIT*

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

Original

Amended ⁸¹

Form 78
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)
 In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 1st day of April 2023. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	2.00	1. Inventory	0.00
Balance of secured claims as per list "B"	820,000.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	820,002.00	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	0.00	Good	0.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D"	0.00	Bad	0.00
estimated to be reclaimable for		Estimated to produce	0.00
Total liabilities	820,002.00	4. Bills of exchange, promissory note, etc., as per list "F"	0.00
Surplus	NIL	5. Deposits in financial institutions	0.00
		6. Cash	0.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RRIIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	188.21
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	188.21
		Deficiency	819,813.79

I, Alan Chimko, of the City of Bramalea in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 14th day of September 2023 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) remotely by Alan Chimko stated as being located in the City of Mississauga in the Province of Ontario before me at the City of Toronto in the Province of Ontario, on this 14th day of September 2023 in accordance with provincial Regulation on Administering Oath or Declaration Remotely.



Tom McElroy, Commissioner of Oaths
 For the Province of Ontario
 Expires February 14, 2025



Alan Chimko

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario
 List "A"
 Unsecured Creditors
 1110615 Ontario Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	1.00	0.00	1.00
2	Echelon General Insurance Company	300 - 2680 Matheson Blvd E Mississauga ON L4W 0A5	1.00	0.00	1.00
3	Royal Bank	c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2	0.00	820,000.00	820,000.00
Total:			2.00	820,000.00	820,002.00

13-Sep-2023

Date

Alan Chimko

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario
 List "B"
 Secured Creditors

1110615 Ontario Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Royal Bank	c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2	820,000.00	Other - 92 Class A Common shares of Prosysco Ltd.	31-Aug-2023	0.00		
				Other - Cash in Bank - RBC	31-Aug-2023	0.00		820,000.00
Total:			820,000.00			0.00	0.00	820,000.00

13-Sep-2023

Date

Alan Chimko

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario
 List "C"
 Preferred Creditors for Wages, Rent, etc.

1110615 Ontario Ltd.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

13-Sep-2023

Date

Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 -- Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "D"
Contingent or Other Liabilities

1110615 Ontario Ltd.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

13-Sep-2023

Date

Alan Chimko

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 78 - Continued

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario
 List "E"
 Debts Due to the Debtor
 1110615 Ontario Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
				0.00				
			Total:	0.00			0.00	
				0.00				

13-Sep-2023

Date



Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 - Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

1110615 Ontario Ltd.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

13-Sep-2023

Date

Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "G"
Real Property or Immovables Owned by Debtor
1110615 Ontario Ltd.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			Total:	0.00	0.00

13-Sep-2023

Date



Alan Chimko

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 78 – Concluded

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario
 List "H"
 Property

1110615 Ontario Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Cash in Bank - RBC	0.00	187.21
		92 Class A Common shares of Prosysco Ltd.	0.00	1.00
			Total:	188.21

13-Sep-2023

Date

Alan Chimko

Court No. 32-2929202

Estate No. 32-2929202

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Trustee: Bryan Gelman
License: 3328
Email: bgelman@albertgelman.com

Albert Gelman Inc. - Licensed Insolvency Trustee

60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

Albert Gelmar
60 Shaftesbury Av
Toronto ON M4T
Phone: (416) 504-1650 Fax: (416) 504-
E-mail: proofofclaim@albertgelman

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of 1110615 Ontario Ltd. of the City of Mississauga in the Province of Ontario and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____ creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 1st day of April 2023, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidentiary support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____.

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____.

District of Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 31 -- Concluded
In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____,

Witness

Creditor

Phone Number: _____
Fax Number : _____
E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 36

Proxy

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
Albert Gelman Inc. - Licensed Insolvency Trustee

60 Shaftesbury Avenue
Toronto ON M4T 1A3
Fax: (416) 504-1655
E-mail: proofofclaim@albertgelman.com

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

I, _____, creditor (or I, _____, represent
of _____, creditor), of _____, a creditor in the above m
for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of 1110
Ontario Ltd., to record my vote _____ (for or against) the acceptance of the proposal as made
the 14th day of September 2023.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
Albert Gelman Inc. - Licensed Insolvency Trustee
Per:

Bryan Gelman - Licensed Insolvency Trustee
60 Shaftesbury Avenue
Toronto ON M4T 1A3
Fax: (416) 504-1655
E-mail: proofofclaim@albertgelman.com

PLEASE READ THIS CAREFULLY BEFORE YOU PREPARE YOUR PROOF OF CLAIM

1. The person making this claim must personally sign this form. **The signature must be witnessed.**

If you are signing this form on behalf of a corporation or other person you must state the title or capacity in which you are acting, such as "credit manager", "accountant", "controller", "authorized agent", etc. This form must be signed by the person making the declaration.

2. You must have knowledge of the circumstances connected with the claim.

3. Please fill in the date of the bankruptcy as shown on the Notice to Creditors. **The proof of claim is incomplete unless you include a statement (marked "Schedule A").** The balance on this statement must be complete and agree with the balance claimed by you as of the date of bankruptcy or Proposal. It must show the date, number and amount of all invoices or charges, together with the date, number and amount of all credits or payments. A "balance forward" or one line figure does not meet the disclosure requirements for proofs of claim issued by the Superintendent of Bankruptcy.

4. Please check (x) the type of claim which applies to you. ****PLEASE DO NOT LEAVE THIS SECTION BLANK****

If you have a regular unsecured claim, then please check (x) beside the phrase "I do not claim a right to a priority".

A priority claim is only granted to specific creditors under Section 136 of the Bankruptcy and Insolvency Act. Please review the legislation to determine if you are eligible to make such a claim in this estate.

If you have a **SECURED CLAIM**, you must:

- (a) insert the value that you feel your security is worth, and
- (b) prove that you are secured by attaching a copy of your security document (chattel mortgage and a copy of your financing statement issued under the *Personal Property Security Act*, etc.). If you hold a mortgage over real estate, please provide the trustee with a copy of the mortgage document.

5. If you are related to the bankrupt, please cross out the word "not". If you are related by blood or marriage to the bankrupt, then you should consider yourself a related person. If the bankrupt is a corporation, you would be related to it if you were a shareholder, or if your company was controlled by the same shareholders as the bankrupt corporation.

6. You must provide the full details of all payments and credits received from or allowed to the debtor during the period indicated.

NOTE:

The proof of claim is **INCOMPLETE** unless it has been **dated, signed and witnessed.**

If you wish to appoint a proxy, the proxy form must be completed and signed by the creditor. If the creditor is a corporation, the proxy must be signed in the corporate name and not necessarily by the individual signing the proof of claim form. If a corporation grants a voting proxy to an individual, the proxy section should be both signed, dated and witnessed. *The Bankruptcy and Insolvency Act* permits a proof of claim to be made by a duly authorized agent of a creditor, but this does not give a person power to vote at the first meeting of creditors or to act as the creditor's proxy unless the **GENERAL PROXY** section has been completed.

GENERAL INFORMATION

A creditor may vote either in person or proxy.

A debtor may not be appointed as proxy to vote on behalf of a creditor.

The trustee may be appointed as proxy to vote on behalf of a creditor.

A corporation may vote by an authorized agent at a meeting of creditors.

For a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy section of the proof of claim.

This is **Exhibit "C"** referred to in
the Affidavit of Ashley Robinson

Sworn by videoconference on this 22nd day of September 2023



Commissioner for taking Affidavits

Laurianne Valteau, Commissioner of Oaths

For the Province of Ontario

Expires February 1, 2026

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.

of the City of Mississauga, in the Province of Ontario

Take notice that 1110615 Ontario Ltd. of the City of Mississauga in the Province of Ontario has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 4th day of October 2023 at 4:00 PM at Via Microsoft Team videoconference:
Meeting ID: 295 467 970 212; Passcode: KHBf8a.

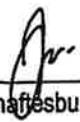
The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the City of Toronto in the Province of Ontario, this 22nd day of September 2023.

Albert Gelman Inc. - Licensed Insolvency Trustee



60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 92 -- Concluded

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Royal Bank	c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2		820,000.00
Total			820,000.00

This is **Exhibit "D"** referred to in
the Affidavit of Ashley Robinson

Sworn by videoconference on this 22nd day of September 2023



Commissioner for taking Affidavits

Laurianne Valteau, Commissioner of Oaths

For the Province of Ontario

Expires February 1, 2026



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Update filing - update is confirmed

Welcome [Ashley, Robinson](#) | [Preferences](#) | [E-Filing helpdesk](#) | [Instructions](#) | [Logout](#)

Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 32-2929202
- **Estate Name:** 1110615 Ontario Ltd.

Document(s) submitted

The following document(s) have been successfully submitted

- Form 92: Notice of Proposal to Creditors

Reference

- The Reference Number for this transaction is: **21447383**.
- Submitted by Ashley Robinson.
- 2023-09-22 11:30 EDT

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

Date modified: 2023-09-20

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Court File No. 32-2929202

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

AFFIDAVIT OF SERVICE

ALBERT GELMAN INC.
60 Shaftesbury Avenue
Toronto, Ontario
M4T 1A3

Trustee: Bryan Gelman
(416) 504-1650 - 115
bgelman@albertgelman.com

APPENDIX ‘F’

District of: Ontario
Division No.: 09 – Mississauga
Court No.: 32-2929202
Estate No.: 32-2929202

In the matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

MINUTES OF THE FIRST MEETING OF CREDITORS

Trustee: Albert Gelman Inc. (“**AGI**” or the “**Trustee**”)
Debtor: 1110615 Ontario Ltd. (the “**Debtor**”)
Chairperson: Bryan Gelman

Date of First Meeting of Creditors: October 4, 2023 at 4:00 p.m. (Toronto time)

Location: Via videoconference

Attendees: Bryan Gelman, Chairperson
Tom McElroy, representative of the Trustee
Ilanina Raguimov, representative of the Trustee
Alan Chimco, representative of the Debtor
Brendan Bissell, legal counsel to Debtor
Jessica Wuthmann, legal counsel to the Debtor

The Chairperson called the meeting to order at 4 pm.

Pursuant to section 106 (2) of the BIA, there was no one present to vote so the Chairperson advised that there was not a quorum.

The Chairperson adjourned to October 30, 2023 at 2:00 pm.

The meeting was adjourned.

**ALBERT GELMAN INC., solely in its
capacity as Trustee in the Proposal of
1110615 Ontario Ltd. and not in its personal capacity**

Per: Bryan Gelman, *CIRP, LIT*

APPENDIX “G”

District of: Ontario
 Division No.: 09 – Mississauga
 Court No.: 32-2929202
 Estate No.: 32-2929202

In the matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

Minutes of the Reconvened First Meeting of Creditors

Trustee: Albert Gelman Inc. (“**AGI**” or the “**Trustee**”)
 Debtor: 1110615 Ontario Ltd. (the “**Debtor**”)
 Chairperson: Bryan Gelman

Date of Reconvened First Meeting of Creditors: October 30, 2023 at 2:00 p.m. (Toronto time)

Location: Via videoconference

Attendees: Bryan Gelman, Chairperson
 Tom McElroy, representative of the Trustee
 Ianina Raguimov, representative of the Trustee
 Terry Scott, representative of the Debtor
 Brendan Bissell, legal counsel to the Debtor
 Jessica Wuthmann, legal counsel to the Debtor
 David Kennedy, general proxy for RBC
 Mario Forte, counsel to the Trustee

The meeting was called to order at 2:00 p.m.

Bryan Gelman advised that he is the chairman of meeting and pursuant to subsection 51(3) of the BIA the Chairman will decide any questions or disputes arising at the meeting, subject to the right of any creditor to appeal any decision to the Court.

The Chairman examined the unsecured proof of claims and proxies and established that there was a quorum.

Adjournment

David Kennedy, acting in his capacity as general proxy for RBC, made a motion to adjourn the meeting to November 17, 2023 at 11 a.m. There were no objections from any other attendees.

DATED at Toronto, Ontario this 2nd day of November 2023

**ALBERT GELMAN INC., solely in its
 capacity as Trustee in the Proposal of
 Prosysco Ltd. and not in its personal capacity**

Per: Bryan Gelman, *CIRP, LIT*

APPENDIX ‘H’

District of: Ontario
 Division No.: 09 – Mississauga
 Court No.: 32-2929202
 Estate No.: 32-2929202

In the matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

Minutes of the Reconvened First Meeting of Creditors

Trustee: Albert Gelman Inc. (“**AGI**” or the “**Trustee**”)
 Debtor: 1110615 Ontario Ltd. (the “**Debtor**”)
 Chairperson: Tom McElroy

Date of Reconvened First Meeting of Creditors: November 17, 2023 at 11:00 a.m. (Toronto time)

Location: Via videoconference

Attendees: Tom McElroy, Chairperson
 Ianina Raguimov, representative of the Trustee
 Terry Scott, representative of the Debtor
 Brendan Bissell, legal counsel to the Debtor
 Jessica Wuthmann, legal counsel to the Debtor
 David Kennedy, general proxy for RBC
 Mario Forte, counsel to the Trustee

The meeting was called to order at 11:00 a.m.

Tom McElroy advised that he is the chairman of meeting and pursuant to subsection 51(3) of the BIA the Chairman will decide any questions or disputes arising at the meeting, subject to the right of any creditor to appeal any decision to the Court.

The Chairman examined the unsecured proof of claims and proxies and established that there was a quorum.

Adjournment

David Kennedy, acting in his capacity as general proxy for RBC, made a motion to adjourn the meeting to November 27, 2023 at 11 a.m. There were no objections from any other attendees.

DATED at Toronto, Ontario this 27th day of November 2023

**ALBERT GELMAN INC., solely in its
 capacity as Trustee in re the Proposal of
 1110615 Ontario Ltd. and not in its personal capacity**


 Per: Tom McElroy, CIRP, LIT

APPENDIX “I”

District of: Ontario
 Division No.: 09 – Mississauga
 Court No.: 32-2929202
 Estate No.: 32-2929202

In the matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

Minutes of the Reconvened First Meeting of Creditors

Trustee: Albert Gelman Inc. (“**AGI**” or the “**Trustee**”)
 Debtor: 1110615 Ontario Ltd. (the “**Debtor**”)
 Chairperson: Bryan Gelman

Date of Reconvened First Meeting of Creditors: November 27, 2023 at 11:00 a.m. (Toronto time)

Location: Via videoconference

Attendees: Bryan Gelman, Chairperson
 Ianina Raguimov, representative of the Trustee
 Terry Scott, representative of the Debtor
 Brendan Bissell, legal counsel to the Debtor
 Jessica Wuthmann, legal counsel to the Debtor
 David Kennedy, general proxy for RBC
 Mario Forte, counsel to the Trustee
 Tim Hogan, counsel to RBC

The meeting was called to order at 11:00 a.m.

Bryan Gelman advised that he is the chairman of meeting and pursuant to subsection 51(3) of the BIA the Chairman will decide any questions or disputes arising at the meeting, subject to the right of any creditor to appeal any decision to the Court.

The Chairman examined the unsecured proof of claims and proxies and established that there was a quorum.

Adjournment

David Kennedy, acting in his capacity as general proxy for RBC, made a motion to adjourn the meeting to December 4, 2023 at 12 p.m. There were no objections from any other attendees.

DATED at Toronto, Ontario this 1st day of December 2023

**ALBERT GELMAN INC., solely in its
 capacity as Trustee in re the Proposal of
 1110615 Ontario Ltd. and not in its personal capacity**

Per: Bryan Gelman, *CIRP, LIT*

APPENDIX “J”

District of Ontario
 Division No.: 09 - Mississauga
 Estate No.: 32-2929202
 Court No.: 32-2929202

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 (In Bankruptcy and Insolvency)**

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

AMENDED PROPOSAL

(Dated December 3, 2023)

1110615 Ontario Ltd., the above-named Debtor (the “**Debtor**”), hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”).

1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

- (a) **Claim.** A “claim provable” is as defined in the BIA. For clarification, this includes any debt or liability, present or future, to which the Debtor was subject on the NOI Date or to which the Debtor may become subject before the Completion Date by reason of any obligation incurred before the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease or agreement, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or on the NOI Date. In the event of any inconsistency between this definition and the definition of “claim provable” as defined in the BIA, the terms of the BIA shall prevail.
- (b) **Completion Date.** The date on which the Trustee files its certificate of completion, certifying that this Proposal has been fully performed by the Debtor.

- (c) **Final Approval.** Acceptance of the Proposal by the creditors of the Debtor and approval by the Court, both in accordance with the BIA, and any appeal period with respect to Court approval having expired.
- (d) **NOI Date.** The date on which the Debtor filed a Notice of Intention to Make a Proposal in contemplation of this Proposal with the Official Receiver being April 1, 2023.
- (e) **Ordinary Creditor.** An Unsecured Creditor that is not a Preferred Creditor.
- (f) **Preferred Creditor.** An Unsecured Creditor in respect of any Claim that would be payable in priority to other Unsecured Creditors pursuant to the provisions of s.136 of the BIA.
- (g) **Proposal.** This Proposal, as it may be amended from time to time.
- (h) **Proposal Date.** The date of the initial filing of the Proposal with the Official Receiver.
- (i) **Proven Claim.** Any Claim which is the subject of a proof of claim that has been filed with the Trustee and admitted by the Trustee in accordance with the BIA.
- (j) **Secured Creditor.** A creditor holding security against the property of the Debtor in respect of their Claim as “Secured Creditor” is defined in the BIA.
- (k) **Trustee.** Albert Gelman Inc., as Licensed Insolvency Trustee to the Proposal of the Debtor.
- (l) **Trustee’s Fees and Disbursements.** The fees and disbursements of the Trustee incidental to the proceedings arising out of the Proposal including: (i) The Trustee’s fees which shall be based on the amount of time spent in respect of the Proposal including applicable HST; and (ii) all reasonable expenses and disbursements incurred by the Trustee including, without limitation, any legal fees; plus any applicable taxes on those expenses and disbursements. For the purposes of calculating its fees, the Trustee will track the time spent by its staff in respect of and incidental to the Proposal and shall bill that time on an hourly-rate basis at its prevailing rates. The Trustee’s hourly billing rates for its professional and administrative staff are subject to change without notice to the Debtor.
- (m) **Unsecured Creditor.** A creditor having a Claim against the Debtor other than a Secured Creditor. An Unsecured Creditor includes both an Ordinary Creditor and Preferred Creditor, and includes a Secured Creditor in respect of any Claim or portion of their Claim that is not secured (if any).

2. DEBTS OWED TO THE CROWN¹

- (a) Proven Claims of His Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or under any substantially similar provision of provincial legislation that were outstanding on the NOI Date shall be paid in full within six (6) months of Final Approval of this Proposal unless His Majesty in Right of Canada or a province consents to some other arrangement. The amount payable pursuant to this section of the Proposal will be paid directly by the Debtor to the CRA.

3. SECURED CREDITORS

- (a) This Proposal is being made to the Royal Bank of Canada (“**RBC**”) in respect of its secured Claim (the “**RBC Secured Claim**”) and RBC will be entitled to file a Claim as a Secured Creditor in the Debtor’s Proposal.
- (b) RBC agrees to file and claim \$100.00 of the RBC Secured Claim as an Unsecured Creditor in the Debtor’s Proposal.
- (c) The RBC Secured Claim is in respect of a guarantee provided by the Debtor for a credit facility extended by RBC to a related company, Prosysco Ltd (“**Prosysco**”). Prosysco filed a Proposal under Part III, Division I of the BIA on September 14, 2023 (Estate no. 32-2929201), which was amended on December 3, 2023 (as amended, the “**Prosysco Proposal**”). The Prosysco Proposal is not being made to RBC.
- (d) In conjunction with the Prosysco Proposal, RBC, the Debtor, Prosysco and others entered into a Forbearance Agreement dated December 4, 2023 (the “**Forbearance Agreement**”). RBC agrees to withdraw the RBC Secured Claim in this Proposal if Prosysco satisfies its indebtedness to RBC in accordance with the terms of the Forbearance Agreement.
- (e) By casting a vote with the Trustee in favour (or ‘For’) this Proposal, RBC agrees to cease any collection/enforcement actions against the Debtor and/or any/all of the Directors of the Debtor (the “**RBC Enforcement Waiver**”). If, prior to the Completion Date, the Debtor is in default of any of the provisions of this Proposal, and such default is not remedied in accordance with the terms of this Proposal, the RBC Enforcement Waiver shall become null and void.
- (f) Upon payment to RBC or withdrawal by RBC of the RBC Secured Claim amount, RBC will forthwith discharge its security as against the Debtor.
- (g) Payment of the Claims of all other Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

¹ There are no known claims falling within this category as at the date of this Proposal.

4. PREFERRED CREDITORS²

- (a) For the purposes of paragraph 5. (b) of this Proposal, Proven Claims of Preferred Creditors, without interest, shall be paid in priority to all Ordinary Creditors in accordance with the order of priorities set out in section 136 of the BIA.
- (b) Any partial or interim payments made under this Proposal to multiple Preferred Creditors with the same level of priority under the BIA shall be paid on a *pro rata* and *pari passu* basis among those creditors.
- (c) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

5. UNSECURED CREDITORS

- (a) The Debtor shall pay to the Trustee the total sum of \$100, to be paid within twenty-four (24) months of Final Approval. Payments made to the Trustee pursuant to this Proposal are referred to herein as the "**Proposal Fund**".
- (b) The Trustee shall distribute the Proposal Fund in the following order:
 - i. Payment of Proven Claims of Preferred Creditors, if any, in full; and
 - ii. Payment of Proven Claims to Ordinary Creditors on a *pro rata* and *pari passu* basis.
- (c) Any payments made by or on behalf of the Debtor under this Proposal shall be applied to the scheduled payments in the order they come due unless otherwise specified by the Debtor. The Debtor shall have the right to prepay any or all of the balance due under the Proposal prior to the expiration of the scheduled payment terms.
- (d) In accordance with section 147 of the BIA, the Superintendent of Bankruptcy levy shall be deducted from all distributions to Unsecured Creditors except where the BIA does not require the levy.
- (e) By casting a vote with the Trustee in favour (or 'For') this Proposal, each Unsecured Creditor (including Preferred Creditors) agrees that their respective Claim does not fall within the definition of BIA section 178, debts not released by order of discharge.

² There are no known Preferred Creditors as at the date of filing this Proposal.

6. CLASSIFICATION OF CREDITORS

- (a) The creditors of the Debtor under this Proposal shall comprise two classes: 1) Proven Claims of Secured Creditors, and 2) Proven Claims of Preferred Creditors and of Unsecured Creditors.

7. PROPOSAL FILED BY RELATED COMPANY

- (a) The Debtor owns one hundred percent (100%) of the common shares of the Class A Common Voting shares of Prosysco.³ Prosysco filed the Prosysco Proposal.
- (b) This Proposal is conditional upon acceptance of the Prosysco Proposal by its creditors and approval of the Prosysco Proposal by the Court. The Court shall not approve this Proposal unless and until the creditors of Prosysco approve the Prosysco Proposal with any amendments thereto.

8. TRUSTEE'S FEES AND DISBURSEMENTS

- (a) In addition to the Proposal Fund, the Debtor has agreed to fund the Trustee's Fees and Disbursements. The funds paid by the Debtor to fund the Trustee's Fees and Disbursements are in addition to the Proposal Fund. The Debtor shall fund the entirety of the Trustee's Fees and Disbursements before the Trustee issues a certificate of full performance in accordance with section 65.3 of the BIA.

9. GENERAL PROVISIONS

- (a) The Trustee is acting solely in its capacity as Licensed Insolvency Trustee under this Proposal and not in its personal or corporate capacity. The Trustee shall have the powers granted to it by the Proposal, by the BIA, and by any order of the Court. The Trustee and its officer(s), director(s), employee(s) or agent(s) are not and shall not be responsible or liable for any obligations of the Debtor, and shall be exempt from all personal and corporate liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.
- (b) Sections 95 to 101 of the BIA (with the exception of section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business or financial affairs.

³ There are two other shareholders: Adam Kurtz, who holds 100% of the Class C Common Voting shares, and Dmitry Puzhitsky, who holds 100% of the Class B Common Voting shares.

- (c) All payments required to be paid by or on behalf of the Debtor under the terms of this Proposal shall be paid over to the Trustee unless otherwise stated herein. The Trustee shall make all payments out of the funds paid to it in accordance with the terms of this Proposal.
- (d) At the meeting of creditors to consider this Proposal, the creditors may, by vote in accordance with the BIA, appoint up to five inspectors (the “**Inspectors**”) who will have, in addition to any powers of inspectors under the BIA, the power to:
- i. receive any notice of default in the performance of the Proposal and waive any such default;
 - ii. advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and,
 - iii. extend the time for any payment due under this Proposal.
- (e) Upon the Completion Date, all present and past directors of the Debtor shall be released and discharged by the Unsecured Creditors from liability or obligation for any claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor) where the directors are by law liable in their capacity as directors of the Debtor pursuant to section 50(13) of the BIA and subject to the exceptions in section 50(14) of the BIA.
- (f) Upon the Completion Date, the Debtor shall be released and discharged from any and all Claims (whether or not a Proven Claim is filed in respect of a related Claim against the Debtor).
- (g) All proper Claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy and Insolvency, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the Claims of all other Creditors.
- (h) Any notices or communications in respect of this Proposal shall be delivered to the Debtor at the address set out below:

1110615 Ontario Ltd.
 c/o Reconstruct LLP
 200 Bay Street, Suite 2305 Box 120
 Toronto, ON M5J 2J3
 Attention: Brendan Bissell
 E-mail: bbissell@reconllp.com

- (i) For purposes of this Proposal, Claims denominated in a currency other than Canadian Dollars will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Mississauga, Ontario this 3rd day of December 2023

1110615 Ontario Ltd.

Per: 
Alan CHIMKO (Dec. 3, 2023 11:22 EST)

Name: Alan Chimko

I have the authority to bind the corporation.







111 Ontario Amended Proposal - December 3 2023 1412-7189-6073 v.1

Final Audit Report

2023-12-03

Created:	2023-12-03
By:	Jessica Wuthmann (jwuthmann@reconllp.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAACHfscxTTgp5blf4QVW5tP5s6Vgk_0iP

"111 Ontario Amended Proposal - December 3 2023 1412-7189-6073 v.1" History

-  Document created by Jessica Wuthmann (jwuthmann@reconllp.com)
2023-12-03 - 5:45:50 PM GMT
-  Document emailed to achimko@prosyscoltd.com for signature
2023-12-03 - 5:46:53 PM GMT
-  Email viewed by achimko@prosyscoltd.com
2023-12-03 - 5:49:24 PM GMT
-  Signer achimko@prosyscoltd.com entered name at signing as Alan CHIMKO
2023-12-03 - 11:02:43 PM GMT
-  Document e-signed by Alan CHIMKO (achimko@prosyscoltd.com)
Signature Date: 2023-12-03 - 11:02:45 PM GMT - Time Source: server
-  Agreement completed.
2023-12-03 - 11:02:45 PM GMT



APPENDIX “K”

District of: Ontario
 Division No.: 09 – Mississauga
 Court No.: 32-2929202
 Estate No.: 32-2929202

In the matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

Minutes of the Reconvened First Meeting of Creditors

Trustee: Albert Gelman Inc. (“AGI” or the “Trustee”)
 Debtor: 1110615 Ontario Ltd. (the “Debtor”)
 Chairperson: Bryan Gelman

Date of Reconvened First Meeting of Creditors: December 4, 2023 at 12:00 p.m. (Toronto time)

Location: Via videoconference

Attendees: Bryan Gelman, Chairperson
 Ianina Raguimov, representative of the Trustee
 Terry Scott, representative of the Debtor
 Brendan Bissell, legal counsel to the Debtor
 Jessica Wuthmann, legal counsel to the Debtor
 David Kennedy, general proxy for RBC
 Mario Forte, counsel to the Trustee
 Tim Hogan, counsel to RBC

The meeting was called to order at 12:00 p.m.

Bryan Gelman advised that he is the chairman of meeting and pursuant to subsection 51(3) of the BIA the Chairman will decide any questions or disputes arising at the meeting, subject to the right of any creditor to appeal any decision to the Court.

The Chairman examined the unsecured proof of claims and proxies and established that there was a quorum.

Amended Proposal

The Trustee tallied the votes of secured creditors and announced the outcome as follows:

Creditor	Vote (For or Against)	Claim amount (\$)
RBC	For	819,900.00

The result of the vote of secured creditors is summarized below.

Creditors FOR				Creditors AGAINST				Results	
Votes	%	Value	%	Votes	%	Value	%	Votes	Value
1	100.0%	819,900	100.0%	0	0.0%	-	0.0%	Approved	Approved

The Trustee announced that the Amended Proposal was approved by the Debtor's secured creditors.

The Trustee tabled the Debtor's Amended Proposal dated December 3, 2023 (the "**Amended Proposal**"). The Trustee called for those attendees who had not voted in advance by voting letter to advise of their vote on acceptance of the Amended Proposal.

The Trustee tallied the votes of unsecured creditors and announced the outcome as follows:

Creditor	Vote (For or Against)	Claim amount (\$)
RBC	For	100.00

The result of the vote of unsecured creditors is summarized below.

Creditors FOR				Creditors AGAINST				Results	
Votes	%	Value	%	Votes	%	Value	%	Votes	Value
1	100.0%	100	100.0%	0	0.0%	-	0.0%	<i>Approved</i>	<i>Approved</i>

The Trustee announced that the Amended Proposal was approved by the Debtor's unsecured creditors.

Inspectors


The Chairperson explained the role of an Inspector and asked if any creditor or other party wished to be appointed as an Inspector. No person sought to be nominated as an Inspector and no Inspectors were appointed.

Adjournment

David Kennedy, acting in his capacity as general proxy for RBC, made a motion to adjourn the first meeting of creditors. There were no objections.

DATED at Toronto, Ontario this 15th day of December 2023

**ALBERT GELMAN INC., solely in its
capacity as Trustee in re the Proposal of
1110615 Ontario Ltd. and not in its personal capacity**

 Digitally signed
by Bryan
Gelman

Per: Bryan Gelman, CIRP, LIT

APPENDIX “L”

District of: ON
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

**In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario**

Affidavit of Service

I, Ivy Chen, of the City of Toronto, in the Province of Ontario, an employee of Albert Gelman Inc., hereby make oath (or solemnly affirm) and say:

1. That on the 5th day of January 2024, I did cause to be sent by email, fax or by regular mail to all known creditors on the service list attached hereto as **Exhibit "A"**, the following document(s):
 - a) **Exhibit "B"** titled Form 40.1 – Notice of Hearing of Application for Court Approval of Proposal

2. And that on the 5th day of January 2024, a copy of these documents were emailed to the corporate officer Alan Chimko at achimko@prosystcoltd.com.

3. And on 5th day of January 2024, a copy of Form 40.1 – Notice of Hearing of Application for Approval of Proposal was e-filed with the Official Receiver. A copy of the e-filing confirmation is attached hereto as **Exhibit "C"**.

Sworn remotely by Ivy Chen at Toronto, Ontario }
 before me at Stouffville, Ontario in accordance with }
O. Reg. 431/20, Administering Oath or Declaration }
 Remotely, this 5th day of January 2024 }



Ivy Chen



A Commissioner of Oaths

Laurianne Valteau, Commissioner of Oaths
 For the Province of Ontario
 Expires February 1, 2026

This is **Exhibit "A"** referred to in

the Affidavit of Ivy Chen

Sworn by videoconference on this 5th day of January 2024



Commissioner for taking Affidavits

Laurianne Valteau, Commissioner of Oaths

For the Province of Ontario

Expires February 1, 2026

Creditor Mailing List

125

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Creditor Type	Name	Attention	Address
Director	Alan Chimko		22 Northcliffe Street Bramalea ON L6S 4E4 achimko@prosycscoltd.com email
Secured	Royal Bank		c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2 Fax: (519) 667-3362 thogan@harrisonpensa.com email
Unsecured	CRA - Tax - Ontario		Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9 Fax: (833) 697-2390 fax
	Echelon General Insurance Company		300 - 2680 Matheson Blvd E Mississauga ON L4W 0A5 Fax: (905) 214-7881 fax
	Royal Bank		c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2 Fax: (519) 667-3362 thogan@harrisonpensa.com email

Ivy Chen

From: Ivy Chen
Sent: January 5, 2024 9:47 AM
To: achimko@prosyscoltd.com
Subject: RE: Notice of Hearing - 1110615
Attachments: Form 40.1 - Notice Hearing - 1110615.pdf

1110615 Ontario Ltd. - Corporate Proposal**Date of Filing: April 1, 2023****Estate # 32-2929202**

Hi Alan,

Please see the attached a copy of Notice of Hearing of Application for Court Approval of Proposal.

Best Regards,

Ivy Chen, B.A., LL.B.,
Estate Administrator



Albert Gelman Inc. | T: 416-504-1650 ext. 124# | F: 416-504-1655 | E: ichen@albertgelman.com |
403 – 250 Ferrand Dr., Toronto, ON M3C 3G8 (**New Address**)

Office Locations: Toronto/Mississauga (ON), Edmonton (AB) and Vancouver (BC)
<http://albertgelman.com/financialsolutions/locations/>

Ivy Chen

From: Ivy Chen
Sent: January 5, 2024 9:49 AM
To: thogan@harrisonpensa.com
Subject: RE: Notice of Hearing - 1110615
Attachments: Form 40.1 - Notice Hearing - 1110615.pdf

1110615 Ontario Ltd. - Corporate Proposal**Date of Filing: April 1, 2023****Estate # 32-2929202**

Dear Creditor,

Please see the attached a copy of Notice of Hearing of Application for Court Approval of Proposal for the above debtor.

Best Regards,

Ivy Chen, B.A., LL.B.,
Estate Administrator



Albert Gelman Inc. | T: 416-504-1650 ext. 124# | F: 416-504-1655 | E: ichen@albertgelman.com |
403 – 250 Ferrand Dr., Toronto, ON M3C 3G8 (**New Address**)

Office Locations: Toronto/Mississauga (ON), Edmonton (AB) and Vancouver (BC)
<http://albertgelman.com/financialsolutions/locations/>

Ivy Chen

From: SRFax Delivery Notification <fax@srfax.com>
Sent: January 5, 2024 9:54 AM
To: Fax; Ivy Chen
Subject: SRFax Transmission Successful to 1 833-697-2390, Re:RE: Notice of Hearing - 1110615
Attachments: 262232_20240105065217-9912_1_03.pdf



Transmission Status: **Sent**
Subject: **RE: Notice of Hearing - 1110615**
Ref. Code:
Sender: **905-415-9874 (ichen@albertgelman.com)**
Fax Sent: **Jan 05, 2024 09:52 AM**
Recipient Fax: **1 833-697-2390**
Remote Fax ID: **Fax Server**
of Pages Sent: **1 of 1 (Call Length: 0:33)**

Open the attached file to view faxed document.

Preview of Page 1.

District of: ON
Division No.: 09-Mississauga
Court No.: 32-2929202
Estate No: 32-2929202

FORM 40.1
 Notice of Hearing of Application for Court Approval of Proposal
 (Paragraph 58(b) of the Act)

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

In the matter of the proposal of 1110615 Ontario Ltd., a debtor

Take notice that an application will be made to the court on January 24, 2024 at 10 a.m. to approve the proposal of 1110615 Ontario Ltd., accepted by the creditors at a meeting held on December 4, 2023.

The Court has advised the Proposal Trustee that the hearing will be held by Zoom

Ivy Chen

From: SRFax Delivery Notification <fax@srfax.com>
Sent: January 5, 2024 9:54 AM
To: Fax; Ivy Chen
Subject: SRFax Transmission Successful to 1 905-214-7881, Re:RE: Notice of Hearing - 1110615
Attachments: 262232_20240105065217-9912_2_03.pdf



Transmission Status: **Sent**
Subject: **RE: Notice of Hearing - 1110615**
Ref. Code:
Sender: 905-415-9874 (ichen@albertgelman.com)
Fax Sent: Jan 05, 2024 09:52 AM
Recipient Fax: 1 905-214-7881
Remote Fax ID:
of Pages Sent: 1 of 1 (Call Length: 1:04)

Open the attached file to view faxed document.

Preview of Page 1.

District of: ON
 Division No.: 09-Mississauga
 Court No.: 32-2929202
 Estate No.: 32-2929202

FORM 40.1
 Notice of Hearing of Application for Court Approval of Proposal
 (Paragraph 58(b) of the Act)

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

In the matter of the proposal of 1110615 Ontario Ltd., a debtor.

Take notice that an application will be made to the court on January 24, 2024 at 10 a.m. to approve the proposal of 1110615 Ontario Ltd., accepted by the creditors at a meeting held on December 4, 2023.

The Court has advised the Proposal Trustee that the hearing will be held by Zoom.

This is **Exhibit "B"** referred to in

the Affidavit of Ivy Chen

Sworn by videoconference on this 5th day of January 2024



Commissioner for taking Affidavits

Laurianne Valleau, Commissioner of Oaths

For the Province of Ontario

Expires February 1, 2026

District of: ON
Division No.: 09-Mississauga
Court No.: 32-2929202
Estate No. 32-2929202

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

In the matter of the proposal of 1110615 Ontario Ltd. , a debtor.

Take notice that an application will be made to the court on January 24, 2024 at 10 a.m. to approve the proposal of 1110615 Ontario Ltd. , accepted by the creditors at a meeting held on December 4, 2023.

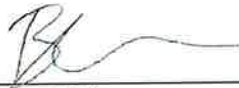
The Court has advised the Proposal Trustee that the hearing will be held by Zoom.

Any notices in relation to the hearing can be forwarded to:

- A. Toronto Bankruptcy Court, by email at Toronto.bankruptcy@ontario.ca with a copy to the Trustee; and,
- B. Albert Gelman Inc., by email at bgelman@albertgelman.com

Dated at the City of Toronto in the Province of Ontario, this January 4, 2024

Albert Gelman Inc. - Licensed Insolvency Trustee



250 Ferrand Drive, Suite 403
Toronto ON M3C 3G8
Phone: (416) 504-1650 Fax: (416) 504-1655

This is **Exhibit "C"** referred to in
the Affidavit of Ivy Chen

Sworn by videoconference on this 5th day of January 2024



Commissioner for taking Affidavits

Laurianne Valleau, Commissioner of Oaths

For the Province of Ontario

Expires February 1, 2026



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Update filing - update is confirmed

Welcome [Ivy, Chen](#) | [Preferences](#) | [E-Filing helpdesk](#) | [Instructions](#) | [Logout](#)

Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 32-2929202
- **Estate Name:** 1110615 Ontario Ltd.

Document(s) submitted

The following document(s) have been successfully submitted

- Form 40.1 Notice of Hearing of Application for Court Approval of Proposal

Reference

- The Reference Number for this transaction is: **21825889**.
- Submitted by Ivy Chen.
- 2024-01-05 09:35 EST

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

Date modified: 2023-12-13

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Court File No. 32-2929202

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

AFFIDAVIT OF SERVICE

ALBERT GELMAN INC.
60 Shaftesbury Avenue
Toronto, Ontario
M4T 1A3

Trustee: Bryan Gelman
(416) 504-1650 - 115
bgelman@albertgelman.com

APPENDIX “M”

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

Original

Amended

Form 78
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 1st day of April 2023. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	2.00	1. Inventory	0.00
Balance of secured claims as per list "B"	820,000.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	820,002.00	3. Accounts receivable and other receivables, as per list "E"	
		Good	0.00
2. Secured creditors as per list "B"	0.00	Doubtful	0.00
		Bad	0.00
3. Preferred creditors as per list "C"	0.00	Estimated to produce	0.00
		4. Bills of exchange, promissory note, etc., as per list "F" . . .	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00	5. Deposits in financial institutions	0.00
Total liabilities	820,002.00	6. Cash	0.00
Surplus	NIL	7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RRIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	188.21
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	188.21
		Deficiency	819,813.79

I, Alan Chimko, of the City of Bramalea in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 14th day of September 2023 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) remotely by Alan Chimko stated as being located in the City of Mississauga in the Province of Ontario before me at the City of Toronto in the Province of Ontario, on this 14th day of September 2023 in accordance with provincial Regulation on Administering Oath or Declaration Remotely.



Tom McElroy, Commissioner of Oaths
 For the Province of Ontario
 Expires February 14, 2025



Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "A"
Unsecured Creditors
1110615 Ontario Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	1.00	0.00	1.00
2	Echelon General Insurance Company	300 - 2680 Matheson Blvd E Mississauga ON L4W 0A5	1.00	0.00	1.00
3	Royal Bank	c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2	0.00	820,000.00	820,000.00
Total:			2.00	820,000.00	820,002.00

13-Sep-2023

Date

Alan Chimko

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario
 List "B"
 Secured Creditors

1110615 Ontario Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Royal Bank	c/o Harrisonpensa LLP, Tim Hogan 130 Dufferin Ave Suite 1101 London ON N6A 5R2	820,000.00	Other - 92 Class A Common shares of Prosysco Ltd.	31-Aug-2023	0.00		
				Other - Cash in Bank - RBC	31-Aug-2023	0.00		820,000.00
Total:			820,000.00			0.00	0.00	820,000.00

13-Sep-2023

Date



Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "C"
Preferred Creditors for Wages, Rent, etc.

1110615 Ontario Ltd.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

13-Sep-2023

Date



Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "D"
Contingent or Other Liabilities

1110615 Ontario Ltd.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

13-Sep-2023

Date



Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "E"
Debts Due to the Debtor
1110615 Ontario Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
				0.00				
			Total:	0.00			0.00	
				0.00				

13-Sep-2023

Date



Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

1110615 Ontario Ltd.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

13-Sep-2023

Date



Alan Chimko

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2929202
Estate No. 32-2929202

FORM 78 – Continued

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario
List "G"
Real Property or Immovables Owned by Debtor
1110615 Ontario Ltd.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

13-Sep-2023

Date



Alan Chimko

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-2929202
 Estate No. 32-2929202

FORM 78 – Concluded

In the Matter of the Proposal of
 1110615 Ontario Ltd.
 of the City of Mississauga, in the Province of Ontario
 List "H"
 Property

1110615 Ontario Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Cash in Bank - RBC	0.00	187.21
		92 Class A Common shares of Prosysco Ltd.	0.00	1.00
			Total:	188.21

13-Sep-2023

Date



Alan Chimko

Court No. 32-2929202

Estate No. 32-2929202

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Trustee: Bryan Gelman
License: 3328
Email: bgelman@albertgelman.com

Albert Gelman Inc. - Licensed Insolvency Trustee

60 Shaftesbury Avenue
Toronto ON M4T 1A3
Phone: (416) 504-1650 Fax: (416) 504-1655

APPENDIX “N”

Claims Register

In the Matter of the Proposal of
1110615 Ontario Ltd.
of the City of Mississauga, in the Province of Ontario

Estate Number: 32-2929202

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>SOA Amount</i>	<i>Amount Filed</i>
Secured creditors			
1. Royal Bank	Yes		819,900.00
Total Secured creditors			<u>819,900.00</u>
Unsecured creditors			
1. CRA - Tax - Ontario	No	1.00	
2. Echelon General Insurance Company	No	1.00	
3. Royal Bank	Yes	820,000.00	200.00
Total Unsecured creditors			<u>200.00</u>
Grand Total:		820,002.00	820,100.00

January 6, 2024

Page 1 / 1

TAB 3

Court File No. BK-23-02929201-0032 /
Estate No. 32-2929201

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE • .)	WEDNESDAY, THE 24TH
)	
JUSTICE _____)	DAY OF JANUARY, 2024

IN THE MATTER OF THE *BANKRUPTCY AND*
***INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD. OF THE CITY OF
MISSISSAUGA IN THE PROVINCE OF ONTARIO

ORDER
(Approval of 1110615 Amended Proposal)

THIS MOTION, made by Albert Gelman Inc., in its capacity as the trustee (the “**Proposal Trustee**”) in the Proposal of 1110615 Ontario Ltd. (the “**Company**” or “**1110615**”), for an Order (*inter alia*):

- (a) if required, abridging the time for service of the Notice of Motion of the Proposal Trustee and other materials relied upon for this motion, and validating service thereof;
- (b) approving the amended proposal in the form attached hereto as Schedule “A” (the “**Amended Proposal**”) filed with the Official Receiver on September 14, 2023, which

proposal was unanimously accepted by the creditors of the Company present in person or by proxy at a meeting duly held via video conferencing on December 4, 2023; and

- (c) such further and other relief as counsel may request and this Honourable Court may deem just;

was heard this day by videoconference.

ON READING Form 40 – Report of Trustee on Proposal dated January 7, 2024 (the “**Trustee’s Report**”) and the Factum of the Proposal Trustee, and on hearing the submissions of counsel for the Proposal Trustee, and such other counsel as were present via video conference, no one appearing for any other party although duly served as appears from the affidavit of service of • sworn January • , 2024, filed, and (i) having taken cognizance that the Amended Proposal has been unanimously accepted by the creditors present in person or by proxy voting at the meeting of creditors held via video conference on December 4, 2023, (ii) that the terms of the Amended Proposal are reasonable and calculated to benefit the general body of creditors, (iii) and that no offences or facts have been proved to justify the Court withholding its approval of the Amended Proposal;

NOTICE AND SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record in respect of this motion and the Trustee’s Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.

APPROVAL OF THE PROPOSAL

3. **THIS COURT ORDERS** that the Amended Proposal attached as Schedule “A” hereto be and is hereby approved.

4. **THIS COURT ORDERS** that, upon the Proposal Trustee issuing a certificate of full performance of the Amended Proposal under section 65.3 of the BIA: (i) the Amended Proposal and all associated steps, compromises, settlements, satisfactions, releases, discharges, transactions and arrangements effected thereby are approved, binding and effective in accordance with the provisions of the Amended Proposal and the BIA; and (ii) the treatment of the Claims of Creditors under the Amended Proposal shall be final and binding for all purposes and enure to the benefit of the Company, the Creditors, and all other Persons named or referred to in the Amended Proposal, or subject to the Amended Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

IMPLEMENTATION OF THE PROPOSAL

5. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, directed and empowered to perform its functions and to fulfill its obligations under the Amended Proposal to facilitate the implementation of the Amended Proposal.

6. **THIS COURT ORDERS** that the Proposal Trustee, be and is hereby authorized and directed to make the distributions and payments contemplated under the Amended Proposal in accordance with its terms and the BIA and to take any such related steps or actions necessary or desirable to

implement, and consummate all matters contemplated under the Amended Proposal and all agreements, transactions, and documents contemplated by the Amended Proposal, and such steps and actions are hereby approved.

GENERAL

7. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal, and regulatory authorities against whom it may be enforceable.

8. **THIS COURT ORDERS** that the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

9. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province to act in aid of and to be complementary to this Court in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance as may be necessary or desirable to give effect to the Order or to assist the Trustee and its agents in carrying out the terms of this Order.

SCHEDULE "A"
PROPOSAL

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC
1985, c B-3, AS AMENDED AND
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceeding commenced TORONTO

ORDER
(Approval of 1110615 Amended Proposal)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V2

Mario Forte (LSO #: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Lawyers for the Proposal Trustee, Albert Gelman
Inc.

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC
1985, c B-3, AS AMENDED AND**

**Court File No. BK-23-02929201-0032
Estate No. 32-2929201**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PROSYSCO LTD. OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 1110615 ONTARIO LTD.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceeding commenced TORONTO

MOTION RECORD
(Approval of 1110615 Amended Proposal)
(returnable January 24, 2024)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V2

Mario Forte (LSO #: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Lawyers for the Proposal Trustee, Albert Gelman
Inc.