

District of Ontario
Division No. 09 - Toronto
Court File No.: BK-24-03046358-0031
Estate File Nos.: 31-3046358
31-3046342
31-3046353

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
IGLOO INDUSTRIES GROUP LTD., MARIA SNIEG AND STANISLAW SNIEG**

**FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

MARCH 15, 2024

I. INTRODUCTION

1. This first report (“**First Report**”) is filed by Albert Gelman Inc. (“**AGI**”) in its capacity as proposal trustee (the “**Proposal Trustee**”) in connection with the Notices of Intention to Make a Proposal (“**NOI**”) filed by each of Igloo Industries Group Ltd. (“**Igloo**” or the “**Company**”), Maria Snieg (“**Maria**”) and Stanislaw Snieg (“**Stan**” and together with Maria, the “**Individuals**”) on February 21, 2024 (the “**Filing Date**”) under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). Attached hereto as **Appendix “A”** are copies of the Certificates of Filing issued by the Office of the Superintendent of Bankruptcy for each of the Company and the Individuals (collectively, the “**Debtors**”). The NOI proceedings of the Debtors are herein referred to as the “**NOI Proceedings**”.
2. The purpose of the NOI Proceedings is to afford the Debtors the breathing room necessary to evaluate restructuring options and formulate a viable proposal to their respective creditors, including the Company’s senior secured lender, Royal Bank of Canada (“**RBC**”). As discussed below, the Individuals have provided guarantees in favour of RBC as security for the obligations of the Company to RBC.
3. The Company is making a motion to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) returnable March 20, 2024 (the “**March 20 Motion**”) seeking various relief, as summarized below. This First Report has been prepared largely in response to and in support of the March 20 Motion.
4. In its March 20 Motion, the Company is seeking an Order (the “**Consolidation, Stay Extension and Ancillary Relief Order**”), *inter alia*:
 - a. approving the administrative consolidation of the Debtors’ NOI proceedings and authorizing the Proposal Trustee to administer the Debtors’ NOI proceedings as if the proceedings were a single proceeding;
 - b. extending the time for the Company and the Individuals to file a proposal to May 6, 2024 (the “**Stay Extension**”);
 - c. granting a super-priority charge over the current and future assets, undertakings and property of every nature and kind whatsoever and wherever situated, of the Company, in the amount of \$150,000 (the “**Administration Charge**”) to secure the fees and disbursements of counsel to the Company (Reconstruct LLP, “**Recon**”), the Proposal Trustee and counsel to the Proposal Trustee (Torkin Manes LLP, “**Torkin Manes**”);
 - d. approving,
 - i. the auction contract between the Company and Benaco Sales Ltd. (the “**Auctioneer**”) dated February 16, 2024 (the “**Auction Agreement**”);

- ii. the transactions entered into by the Company in an auction completed on February 22, 2024, being one day after the Filing Date (the “**February Auction**”); and
 - iii. the Company’s use of the proceeds of the February Auction, but only in a manner that is (a) in accordance with the Revised Cash Flow Forecast (as defined below) and (b) approved by the Proposal Trustee; and
- e. approving the First Report and the activities of the Proposal Trustee set out in the First Report.
5. For the reasons set out herein, the Proposal Trustee supports the relief sought by the Company in the March 20 Motion.

II. PURPOSE OF THIS REPORT

6. The purpose of this First Report is to provide the Court with information pertaining to the following:
- a. a summary of certain background information regarding the Debtors;
 - b. a forecast of Igloo’s receipts and disbursements (the “**Revised Cash Flow Forecast**”) for the period from March 11, 2024 to June 9, 2024 (the “**Forecast Period**”), prepared in accordance with Section 50.4(2) of the BIA;
 - c. the actions and activities of the Company and the Proposal Trustee since the Filing Date; and
 - d. the Proposal Trustee’s recommendations in respect of the Company’s request for the Consolidation, Stay Extension and Ancillary Relief Order.

III. SCOPE AND TERMS OF REFERENCE

7. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited financial information, the Debtors’ books and records, discussions with the Company’s management, directors and shareholders and legal counsel, Recon, as well as discussions with the Individuals.
8. While the Proposal Trustee has reviewed the various documents and other information provided by the Debtors, such review does not constitute an audit or verification of such documents/information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises (“**ASPE**”) or International Financial Reporting Standards (“**IFRS**”) or otherwise. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance pursuant to ASPE, IFRS or otherwise with respect to such documents/information.
9. This First Report has been prepared for the use of this Court and the Debtors’ stakeholders as general information relating to the Debtors and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Proposal Trustee will not assume responsibility or

liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

10. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

11. The Company has filed with its March 20 Motion the affidavit of Stanislaw Snieg sworn March 14, 2024 (the “**Snieg Affidavit**”), in support of the relief being sought. The Company’s business, affairs, financial performance and causes of its insolvency and that of the Individuals are detailed in the Snieg Affidavit. This First Report should be read in conjunction with the Snieg Affidavit, as certain information contained in the Snieg Affidavit has not been included herein to avoid duplication.

General Background

12. The Company is a private corporation incorporated under the *Business Corporations Act* (Ontario). It operates a commercial food equipment sale and distribution business. The Company imports, stores, sells and delivers small and large hardware for grocery and restaurant businesses throughout Canada, including, for example, refrigerated food retail equipment and commercial-grade equipment for food preparation and dishwashing.
13. Stan is the Company’s sole director and shareholder (through his family trust).
14. The Company operates from the following four leased premises:
 - a. 124 Norfinch Dr., Toronto, ON (“**124 Norfinch Facility**”), pursuant to a Lease Agreement dated November 17, 2014 (the “**124 Norfinch Lease**”);
 - b. 375 Norfinch Dr., Toronto, ON (“**375 Norfinch Facility**”), pursuant to a Commercial Lease Agreement made as of May 22, 2020 (the “**375 Norfinch Lease**”);
 - c. 89 Connie Crescent, Concord, ON (“**Concord Facility**”), pursuant to a Lease Agreement dated August 27, 2021, as amended pursuant to a Lease Amending Agreement dated October 19, 2021 (together, the “**Concord Lease**”); and
 - d. 204 Mapleview Dr., Barrie ON (“**Barrie Facility**”), pursuant to an Agreement to Lease dated February 26, 2018 (the “**Barrie Lease**”).
15. As noted in the Snieg Affidavit, the Barrie Facility, Concord Facility and 375 Norfinch Facility comprise warehouses, shipping centres, offices, and small retail areas. The 124 Norfinch Facility comprises the large showroom, a warehouse, and the Company’s head office.
16. The Company currently employs approximately 30 full-time employees, as well as approximately 10 contractors. None of the Company’s employees are unionized.

17. The Company purchases inventory from suppliers located in Canada, the United States (“US”), and Europe. Its largest supplier is, Igloo PLZ, an unrelated Polish company, which manufactures and exports commercial food equipment.
18. As noted in the Snieg Affidavit, around 2021, the Company expanded its business in the US by establishing a US affiliate, NDG North America, LLC (“NDG”), a Delaware corporation. NDG operates from leased office and warehouse space in Linden, New Jersey. Stan is, indirectly, the 100% shareholder of NDG. NDG has never earned revenue and has been reliant on the Company to support its operations, including through unsecured loans to fund rent, payroll and other operating costs. The Company also financed the purchase of approximately \$0.9 million of inventory (further discussed below, the “NDG Inventory”), which NDG has not repaid as of the date of the First Report. As noted in the Snieg Affidavit, NDG has recently secured distribution contracts with reputable US distribution networks, with further contracts being negotiated. The Proposal Trustee has been advised that the Company expects NDG to start earning revenue in 20 to 60 days and generate cash within the next two months.

Historical Financial Results

19. Summarized below are Igloo’s audited historical financial results for the fiscal years ended April 30, 2021, 2022 and 2023, as well as the unaudited financial results for the eight-month period ended December 31, 2023.

Igloo Industries Group Ltd.				
Historical P&L				
(in CAD, \$000s)				
	Unaudited 31-Dec-23	Audited 30-Apr-23	Audited 30-Apr-22	Audited 30-Apr-21
Revenue	9,546	17,498	20,339	13,711
Cost of sales	7,294	13,501	16,671	11,096
Gross margin	2,252	3,997	3,668	2,615
Expenses	2,193	2,568	2,035	1,705
Net income (loss) before taxes	59	1,429	1,633	910

Source: audited financial statements of Igloo for year end April 30, 2021, 2022 & 2023 and unaudited internal financial statements of Igloo for the eight-month period ended December 31, 2023.

20. Igloo was historically profitable. For the years ended April 30, 2021, 2022 and 2023, Igloo earned aggregate income of approximately \$4.0 million. Unfortunately, during the eight-month period ending December 31, 2023, results have suffered, primarily due to rising interest rates, which negatively impacted sales and increased debt service costs for Igloo’s various secured loans (as discussed below).

21. Set out below is Igloo's unaudited balance sheet as at December 31, 2023:

Igloo Industries Group Ltd.			
Balance Sheet Summary			
As At December 31, 2023			
(in CAD, \$000s; unaudited)			
<u>Assets</u>		<u>Liabilities</u>	
Cash	15	AP and accruals	2,337
Accounts receivable	1,362	RBC operating line & overdraft	6,681
Inventory	15,286	Tax payable	390
Prepays and other current assets	180	Payroll liabilities	243
Loan receivable from NDG	1,028	Other current liabilities	2,199
Total current	17,871	Total current	11,850
PPE, net	1,031	Long term Liabilities	3,044
Total assets	18,902	Total liabilities	14,894
		SH Equity	4,008
		Total liabilities and SH Equity	18,902

Source: unaudited financial statements of Igloo.

22. Igloo had total assets with a book value of approximately \$18.9 million as at December 31, 2023, principally comprised of accounts receivable of approximately \$1.4 million (this balance includes the an approximately \$0.9 million receivable from NDG in respect of the NDG Inventory), inventory of approximately \$15.2 million and a loan receivable from NDG of approximately \$1.0 million (in respect of funds advanced by the Company to NDG to fund operations, as noted above and discussed further below). The book value of Igloo's total liabilities as at December 31, 2023 were approximately \$14.9 million, primarily comprising (i) trade payables and accruals of approximately \$2.3 million, (ii) amounts owing to RBC (including in respect of the RBC Facility, as defined below) of approximately \$6.7 million, (iii) other current liabilities of approximately \$2.2 million, including the current portion of secured loans owing to BDC (as defined below; approximately \$0.3 million) and customer deposits (approximately \$1.3 million) and (iv) long-term liabilities of approximately \$3.0 million, including the non-current portion of secured loans owing to BDC (approximately \$1.1 million) and unsecured loans owing to the Individuals and certain of their family members (approximately \$1.7 million).

Secured Creditors

Royal Bank of Canada

23. As noted in the Snieg Affidavit, RBC is the Company's senior secured lender pursuant to a loan agreement between the Company, as borrower, and RBC, as lender, dated November 23, 2022 (the "RBC Loan Agreement"). A copy of the RBC Loan Agreement is included as Exhibit "F" to the Snieg Affidavit.

24. The RBC Loan Agreement provides for a \$6.5 million revolving demand loan facility (the “**RBC Facility**”) to finance the Company’s working capital. As of the Filing Date, the Company was fully drawn on the RBC Facility. The RBC Loan Agreement also provides for a \$150,000 credit card facility (the “**Credit Card Facility**”), under which the Proposal Trustee understands there is approximately \$30,000 currently owing. The Proposal Trustee further understands that RBC froze the RBC Facility and the Credit Card Facility, on or around February 22, 2024.
25. In addition, the RBC Loan Agreement provides for an approximately \$110,000 non-revolving term facility and a \$250,000 revolving lease line of credit, of which, approximately nil and \$18,000 was owing by the Company to RBC, respectively, as at the Filing Date.
26. As noted in the Snieg Affidavit, the RBC Facility is secured by:
 - a. A general security agreement in favour of RBC in all of the Company’s present and after-acquired personal property pursuant to a general security agreement;
 - b. guarantees and postponements of claim from each of Maria and Stan, totalling approximately \$5.5 million for each;
 - c. a collateral mortgage of approximately \$1.0 million on the real property described as 2881 20th Sideroad, New Tecumseth, ON, a development property co-owned by the Individuals (the “**Tecumseth Property**”);
 - d. a guarantee from Export Development Canada in favour of RBC in the maximum amount of \$3.25 million; and
 - e. a security interest in the NDG Inventory.
27. On February 12, 2024, RBC issued demands on the Company, together with a notice of intention to enforce security (the “**Company 244 Notice**”) under Section 244 of the BIA (the “**RBC Company Demands**”). In addition, on the same day, RBC issued demands on the Individuals, including notices under Section 244 of the BIA (together, the “**RBC Individual Demands**”, and, collectively with the RBC Company Demands, the “**RBC Demands**”).

Business Development Bank of Canada (“**BDC**”)

28. As noted in the Snieg Affidavit, the Company is indebted to BDC in respect of the following loans:
 - a. a working capital term loan facility in the maximum principal amount of \$750,000 entered into pursuant to a Letter of Offer dated May 7, 2019 (the “**2019 BDC Facility**”);
 - b. a “COVID-19” working capital facility in the maximum principal amount of \$850,000 entered into pursuant to a Letter of Offer dated July 7, 2020 (the “**2020 BDC Facility**”); and
 - c. a credit facility in the maximum principal amount of \$750,000 entered into pursuant to a Letter of Offer dated July 11, 2022, which was renewed on January 4, 2023 and was extended by

BDC for the purposes of financing the Company's expansion in the US (the "**2022 BDC Facility**") and, collectively with the 2019 BDC Facility and the 2020 BDC Facility, the "**BDC Facilities**").

29. The Proposal Trustee understands that, as of the Filing Date, the Company owed BDC approximately \$1.3 million in respect of the BDC Facilities.
30. As described in the Snieg Affidavit, the obligations of the Company pursuant to the BDC Facilities are secured by general security agreements in the assets of the Company in favour of BDC and guarantees of Maria and Stan (Maria did not provide a guarantee in respect of the 2022 BDC Facility).

Other Secured Lenders

31. As noted in the Snieg Affidavit, the Company also owes approximately \$0.3 million to other, subordinated secured lenders, including approximately \$292,000 to Merchant Opportunities Fund Limited Partnership ("**Merchant Growth**") in respect of an accounts receivable factoring facility and approximately \$29,000 to Chef Choice Equipment Rentals Inc. ("**Chef Choice**") on account of a financing term loan.
32. In addition, the results of a search of the Personal Property Security Registration System (Ontario) for Igloo with a currency date of February 13, 2024 (the "**PPSA Search Results**") confirms that, in addition to RBC, BDC, Merchant Growth and Chef Choice, other parties have registered security interests against the Company in respect of equipment and vehicle leases. A copy of the PPSA Search Results is included as Exhibit "E" to the Snieg Affidavit.
33. At this time, the Proposal Trustee has not yet instructed its counsel to review the validity or enforceability of any of the above mentioned security interests. The Trustee will provide the Court with its views on the security interests in a subsequent report.

Employee Obligations

34. The Proposal Trustee understands that the Company owes approximately \$0.3 million to certain of its employees and contractors for pre-filing compensation. As noted in the Snieg Affidavit, such employees/contractors either did not cash or the Company postponed their compensation cheques in light of Igloo's liquidity issues.

Canada Revenue Agency

35. As noted in the Snieg Affidavit, the Company owes approximately \$0.4 million, \$0.4 million and \$0.3 million to CRA on account of pre-filing source deductions, HST and corporate income taxes, respectively.

Landlord Obligations

36. As noted in the Snieg Affidavit, the Company owes approximately \$0.2 million (including HST) to its landlords for rent arrears, summarized as follows (all figures below are inclusive of HST):
 - a. 124 Norfinch Lease – approximately \$79,000;
 - b. 375 Norfinch Lease – approximately \$21,300;
 - c. Concord Lease – approximately \$69,000; and
 - d. Barrie Lease – approximately \$52,000.
37. As further noted in the Snieg Affidavit, the Proposal Trustee understands that the respective landlords hold deposits equal to one or two months' rent under each lease.
38. As discussed below, as part of the Company's restructuring efforts/cost reduction initiatives, it is taking steps to exit each of the 375 Norfinch Lease, the Concord Lease and the Barrie Lease.

Unsecured Creditors

39. According to the Company's books and records, the Company estimates that, as at the Filing Date, it had arms-length unsecured obligations totaling approximately \$2.4 million.
40. In addition, as noted in the Snieg Affidavit, the Company owes approximately \$1.7 million to the Individuals and certain of their family members in respect of unsecured loans made to the Company.

Events Leading to the Debtors' NOI Proceedings

The Company

41. As noted in the Snieg Affidavit, the Company attributes its financial challenges and reasons for its NOI filing to the following factors:
 - a. **Rising interest rates and reduced customer demand** – many of Igloo's customers finance the purchase of new equipment. As such, rising interest rates have reduced the Company's customers' buying power by way of increased borrowing costs, resulting in postponement of purchases and shifting to alternative options, including buying used and/or repairing old equipment rather than purchasing new. This has negatively impacted Igloo's sales;
 - b. **Delays and costs of expansion into the US market** – As noted in the Snieg Affidavit, the process of expanding into the US market has required more time and investment than anticipated. The Proposal Trustee understands that Igloo has advanced more than approximately \$1.0 million to NDG to support a US expansion, including to fund rent, wages and other operating costs (which is still being funded by the Company). In addition, NDG purchased the NDG Inventory (approximately \$0.9 million) from the Company, which the Company financed at cost plus 30%. As NDG does not earn revenue and is without liquidity (other than as provided by the Company), NDG has not yet paid Igloo for the NDG Inventory.

The foregoing has put pressure on the Company's cashflow, which, when compounded with the reduced sales volume discussed above, led to the Company's current financial challenges; and

- c. **The RBC Company Demands** – as noted above, RBC issued the RBC Company Demands on February 12, 2024. The Company was without the liquidity required to pay the amounts claimed in the RBC Company Demands within the time specified. As noted in the Snieg Affidavit, to protect the going-concern nature of the Company's business, the Company filed an NOI on an urgent basis on February 21, 2024, before expiry of the statutory 10-day period from the date the Company 244 Notice was issued.

The Individuals

42. The personal financial circumstances of the Individuals are closely tied to the Company's. As noted in the Snieg Affidavit and above, Maria and Stan have each personally guaranteed the Company's obligations to RBC in the amount of \$3.3 million and \$3.3 million, respectively (the "**Individuals' Guarantees**"), representing approximately 85% and 94%, respectively, of the Individuals' known liabilities. The Proposal Trustee understands that the Individuals' Guarantees are secured by a collateral mortgage on the Tecumseth Property.
43. As further noted in the Snieg Affidavit, the Individuals' only other significant debt consists of approximately \$550,000 owing to Bank of Montreal relating to home equity line of credit ("**HELOC**"). The Proposal Trustee understands that the funds advanced to Individuals pursuant to the HELOC were subsequently loaned to the Company to finance inventory purchases.
44. Pursuant to the RBC Individual Demands, RBC demanded payment of the full amount of the Individuals' Guarantees by no later than February 22, 2024, failing which, RBC would commence legal proceedings to enforce the guarantees and enforce its mortgage over the Tecumseth Property.
45. As a result, the Individuals also filed NOIs on February 21, 2024, appointing AGI as Proposal Trustee. Copies of the creditors lists for each of the Individuals are attached hereto as **Appendix "B"**.

V. ACTIVITIES OF THE COMPANY

46. In addition to operating its business and dealing with matters in connection with the NOI Proceedings, the Company's activities since the filing date have largely been focused on implementing certain restructuring measures with a view to control costs and improve liquidity. As noted in the Snieg Affidavit and discussed below, those measures include reducing Igloo's lease portfolio by terminating certain leases and selling non-core assets.

Lease Terminations

47. As discussed above, the Company operates from four leased premises. As part of its restructuring efforts prior to and following the Filing Date, the Company engaged in discussions with the respective landlords for each of the 375 Norfinch Lease, the Concord Lease and the Barrie Lease. As of the date of this First Report, the Proposal Trustee understands the following with respect to those leases:
- a. **375 Norfinch Lease** – pursuant to a lease termination agreement dated January 25, 2024, the 375 Norfinch Lease was terminated as of February 28, 2024, without penalty (the “**375 Norfinch Lease Termination Agreement**”). In addition, the 375 Norfinch Lease Termination Agreement provided that the Company may use the facility until March 15, 2024 to remove any assets, and the landlord would pay the Company a \$50,000 departing fee, of which, \$30,000 was paid to the Company on signing, with the balance payable on March 15, 2024;
 - b. **Concord Lease** – pursuant to a letter agreement between Condor Properties Ltd. (the “**Concord Landlord**”) and Igloo dated January 25, 2024 (the “**Concord Lease Letter Agreement**”), the Concord Landlord agreed to retain a listing agent to market and find a new tenant and, if successful, terminate the Concord Lease and release Igloo of all obligations under the Concord Lease. A copy of the Concord Lease Letter Agreement is attached hereto as **Appendix “C”**. Following additional discussions among Igloo, the Concord Landlord and their counsels, the Proposal Trustee understands that on March 14, 2024, the parties reached an agreement whereby (i) the Company will vacate the Concord Facility by April 15, 2024 (ii) the Concord Landlord will apply the security deposit held, less \$5,000 to cover maintenance and repair expenses, against rent owing for the period after the Filing Date, (iii) the Company will pay the Concord Landlord any rent balance owing for the period after the Filing Date and (iv) the Company’s pre-Filing Date arrears will not be compromised and will be dealt with as part of these proceedings; and
 - c. **Barrie Lease** – the Company determined that was necessary to disclaim this lease. As such on March 11, 2024, the Company issued a notice of disclaimer to the Barrie Lease landlord (the “**Barrie Lease Disclaimer**”), which disclaimer will be effective April 10, 2024. A copy of the Barrie Lease Disclaimer is included as Exhibit “Q” to the Snieg Affidavit.

Sale of Non-Core Assets

48. As noted in the Snieg Affidavit, prior to issuance of the RBC Demands, the Company had identified non-core assets which it intended to sell in order to generate cash, including (i) inventory and equipment located at the Concord and Barrie locations, (ii) inventory and equipment related to terminated business lines and (iii) other redundant and non-core assets. The Company then proceeded to communicate with multiple prospective auctioneers for the purposes of administering the February Auction, and ultimately decided to move forward with the Auctioneer. As further noted in the Snieg Affidavit, prior to the issuance of the RBC Demands, the Company and the Auctioneer

- immediately proceeded to make arrangements for the February Auction, including the marketing/advertising of same.
49. The Auction Agreement was subsequently formalized on February 16, 2024. The key terms of the Auction Agreement, a copy of which is attached hereto as **Appendix “D”**, include:
 - a. the subject assets are to be sold via an online public auction;
 - b. the Auctioneer will charge a commission of 20% of gross sales inclusive of advertising and setup, not including taxes, credit card charges or premiums;
 - c. the Auctioneer has the right to supplement items into the auction; and
 - d. the auction will take place from February 9, 2024 to February 22, 2024.
 50. The Proposal Trustee has reviewed a copy of the Auction Agreement and is of the view that the terms are commercially reasonable, having regard to the nature of the assets subject to the auction, the experience of the Auctioneer and market rates for similar type auctions.
 51. Recognizing that the Company was now subject to the NOI Proceedings, it considered postponing the February Auction so that it could obtain Court-approval prior to proceeding with the auction. However, as noted in the Snieg Affidavit, the Auctioneer advised the Company that, given the specialized nature of the assets subject to auction and the small pool of potential purchasers, cancelling or delaying the February Auction after advertising same could negatively impact attendance and sales. In light of the foregoing, Igloo, after informing both the Proposal Trustee and RBC, proceeded with the February Auction.
 52. The Proposal Trustee discussed the February Auction with the Auctioneer, including preparations for and results of the February Auction. An overview of the February Auction is as follows:
 - a. the Company’s initial outreach to the Auctioneer was in late-January 2024 and the parties immediately commenced making arrangements for the February Auction, including preparing marketing materials and identifying which assets would be included;
 - b. the Auctioneer sent its first email blast marketing the February Auction on February 12, 2024 to its network comprising more than 11,500 unique email addresses. The Auctioneer sent an additional nine email blasts regarding the February Auction. The Proposal Trustee also understands that Stan sent emails to his contacts to market the February Auction;
 - c. the Auctioneer published an advertisement in the Toronto Star regarding the February Auction on February 18, 2024 and also marketed the February Auction through its social media channels (Facebook and Instagram);
 - d. the February Auction was conducted through HiBid, an online auction platform. The Auctioneer advised that HiBid also marketed the February Auction on its website and to its subscriber base;

- e. a total of 315 parties registered for the February Auction. Of the registrants, 267 different parties made bids for the subject assets; and
 - f. the February Auction generated more than approximately 83,000 “lot views” and approximately 17,000 bids for the subject assets.
53. As noted in the Snieg Affidavit, the February Auction generated net proceeds of approximately \$0.3 million, subject to final reconciliation (the “**Net Auction Proceeds**”), which the Proposal Trustee understands were paid by the Auctioneer to Igloo on March 8, 2024. The Proposal Trustee further understands that Igloo will hold the Net Auction Proceeds pending Court approval of its actions/activities in connection with the February Auction and authorization to use same in accordance with the Revised Cash Flow Forecast or otherwise with the prior approval of the Proposal Trustee. As discussed below, if the Court grants the requested relief, the Net Auction Proceeds will provide critical funding to support the Company during the Forecast Period.
54. The Proposal Trustee recognizes, and has advised the debtor and its counsel, that the February Auction was not conducted in accordance with s. 65.13(1) of the BIA. The Proposal Trustee further acknowledges that it is not the role of the Proposal Trustee to usurp the function of the Court by granting its approval to the February Auction, and it has not done so at any point.
55. Notwithstanding the foregoing, in consideration of the factors set out in s. 65.13(4) of the BIA, which sets out the factors to be taken into consideration by the Court in approving a sale outside the ordinary course, the Proposal Trustee is of the view that the actions and activities of the Company as it relates to the February Auction were reasonable in the circumstance and supports the Company’s use of the Net Auction Proceeds, as contemplated in the proposed Consolidation, Stay Extension and Ancillary Relief Order, for the following reasons:
- a. the February Auction was conducted by an experienced liquidator in a commercially reasonable manner, including the timelines, breadth of the Auctioneer’s marketing of the February Auction and accessibility for prospective parties to participate in the February Auction;
 - b. based on discussions with the Auctioneer, the Proposal Trustee understands that the February Auction was well attended, garnered significant interest from prospective bidders and generated reasonable proceeds in light of the specialized nature of the assets;
 - c. the Company took appropriate steps to inform the Proposal Trustee and its senior secured creditor, RBC, of the February Auction, including that the Company would proceed with the February Auction on advice from the Auctioneer, as postponing same could have negatively impacted attendance and sales;

- d. the Company agreed to hold the Net Auction Proceeds pending further order from the Court authorizing the Company's use of same; and
 - e. the February Auction provided an opportunity to monetize certain non-core and redundant assets that, subject to Court approval, will provide critical funding to facilitate the Company's restructuring for the benefit of its creditors without the need for the Company to procure interim financing and seek a priming charge over its property.
56. As more fully described in the Snieg Affidavit, prior to issuance of the RBC Demands, the Company and the Auctioneer made arrangements for a further auction, with a completion date of March 7, 2024 (the "**March Auction**"). Consistent with the February Auction, the Auctioneer advised the Company not to delay the March Auction notwithstanding that the Company was subject to the NOI Proceedings, and, after informing the Proposal Trustee, the Company proceeded with the March Auction.
57. Ultimately, the offers received in the March Auction did not materialize into a transaction the Company wished to pursue.

Other Activities of the Company

58. In addition to the foregoing, since the Filing Date, the Company has undertaken, among other things, the following activities:
- a. corresponding with various stakeholders, including management, employees, its landlords and suppliers regarding the NOI Proceedings;
 - b. corresponding with Recon regarding all aspects of the NOI Proceedings;
 - c. attending meetings with the Proposal Trustee to discuss the Company's objectives and options in respect of the NOI Proceedings;
 - d. preparing the Revised Cash Flow Forecast with the assistance of the Proposal Trustee; and
 - e. providing the Proposal Trustee, on an ongoing basis, with financial and other information in order to allow the Proposal Trustee to monitor the Company's cash receipts and disbursements.

VI. ACTIVITIES OF THE PROPOSAL TRUSTEE

59. The Trustee's activities since the Filing Date have included, *inter alia*, the following:
- a. sending a notice, within five days of the Filing Date, of the NOI Proceedings to all known creditors of the Debtors with claims of \$250 or more, in accordance with the BIA. Notice was

- also sent to certain other persons, including creditors with claims less than \$250, applicable tax authorities and any other party that requested a copy of the notice;
- b. establishing and maintaining a website at <https://www.albertgelman.com/corporate-solutions/other-engagements/>, where material documents pertaining to the NOI Proceedings are available in electronic form;
 - c. assisting Igloo with preparing the Initial Cash Flow Forecast (as defined below) and the Revised Cash Flow Forecast, as well as Stan and Maria in respect of their cash flow forecasts prepared in accordance with Section 50.4(2) of the BIA, and filing same with the Official Receiver pursuant to the BIA;
 - d. implementing procedures for the monitoring the Company's cash flows and for ongoing reporting of variances to the Revised Cash Flow Forecast;
 - e. meeting and corresponding with the Debtors regarding, among other things;
 - i. the business, financial affairs and future prospects of the Company;
 - ii. the options available to the Debtors in the context of these NOI Proceedings; and
 - iii. the Revised Cash Flow Forecast (and those of Stan and Maria), the February Auction, the March Auction, cash management, creditor matters and various other matters in connection with Igloo's operations and the Debtors' NOI Proceedings;
 - f. corresponding with RBC and its legal and financial advisors, including in respect of the Initial Cash Flow Forecast, the Revised Cash Flow Forecast, the February Auction and the Administration Charge;
 - g. reviewing the Barrie Lease Disclaimer and corresponding with the Company and Recon regarding same and various matters concerning Igloo's leases;
 - h. responding to enquiries from creditors, including landlords and their counsels, and other stakeholders in connection with the NOI Proceedings;
 - i. corresponding with the Auctioneer regarding the February Auction;
 - j. corresponding regularly with Recon and Torkin Manes regarding all aspect of the NOI Proceedings;
 - k. reviewing materials filed with the Court in respect of the March 20 Motion; and
 - l. preparing this First Report.

VII. EXTENSION OF THE PROPOSAL PERIOD

60. The Debtors are seeking the Stay Extension pursuant to subsection 50.4(9) of the BIA.
61. Igloo, with the assistance of the Proposal Trustee, prepared its initial cash flow forecast, which, in accordance with Section 50.4(2) of the BIA, was filed with the Official Receiver on March 1, 2024 (the “**Initial Cash Flow Forecast**”). Following discussions among the Company and the Proposal Trustee regarding the Initial Cash Flow Forecast, the Initial Cash Flow Forecast had to be revised to incorporate certain disbursements not initially forecasted. As such, Igloo, with the assistance of the Proposal Trustee, prepared the Revised Cash Flow Forecast, a copy of which, as well as the corresponding reports of both the Company and the Proposal Trustee, is attached hereto as **Appendix “E”**. The Revised Cash Flow Forecast is summarized as follows:

Igloo Industries Group Ltd.	
Revised Cash Flow Forecast	
For the 13-Week Period Ending June 9, 2024	
(In CAD\$; unaudited)	
Cash receipts	
Collections from sales	3,275,051
Net Auction Proceeds	300,000
Total cash receipts	3,575,051
Cash disbursements	
Material and supplies	1,432,520
Salaries, wages and benefits	722,986
Sub-contractor consulting fees	229,254
Rent	168,854
Restructuring professional fees	155,000
Operating expenses	152,279
HST payable	110,882
Merchant fees	81,876
Commissions	65,501
Machinery leases	38,309
Sales people vehicle lease buyout	35,694
EDC guarantee fee	22,180
Trailer Purchase	12,500
NDG North America disbursements	-
Rent	168,000
Wages	98,000
Utilities and telecommunications	11,225
Total cash disbursements	3,505,061
Net cash-flow	69,990
Cash balance - beginning of period	9,463
Net cash-flow	69,990
Cash balance - end of period	79,453

62. The Revised Cash Flow Forecast indicates that, if the Net Auction Proceeds are made available to the Company as contemplated in the proposed Consolidation, Stay Extension and Ancillary Relief Order, Igloo will have sufficient liquidity to fund both operating costs and the costs of these NOI proceedings for the period of the Stay Extension, if granted.

63. The Proposal Trustee supports the Stay Extension for the following reasons:
- a. the Stay Extension will provide the Debtors, with the assistance of legal counsel and the Proposal Trustee, with the time needed to (i) stabilize the Igloo operations and (ii) implement restructuring initiatives that will improve the Company's financial position and ability to support a viable proposal;
 - b. the Debtors are acting in good faith and with due diligence; and
 - c. it is the Proposal Trustee's view that the Stay Extension will not materially prejudice or adversely affect any group of creditors.
64. While it is too early to determine whether a viable proposal will be presented by the Debtors to their creditors, in the Proposal Trustee's view, it is possible that the Company can devise a going-concern solution that provides more value to stakeholders than a forced liquidation of the Debtors' assets at this time.
65. In consideration of the foregoing, the Proposal Trustee is of the view that the Debtors' request for the Stay Extension is appropriate in the circumstances. Consequently, the Proposal Trustee also supports the Company's request for authorization to use the Net Auction Proceeds in accordance with the Revised Cash Flow Forecast or otherwise with prior approval of the Proposal Trustee.

VIII. ADMINISTRATIVE CONSOLIDATION

66. The Company is seeking an order administratively consolidating the NOI proceedings of each of the Company, Maria and Stan and authorizing / directing the Proposal Trustee of the consolidated NOI proceedings to administer the Debtors' NOI proceedings as if they were a single proceeding for the purpose of carrying out its duties and obligations under the BIA.
67. As noted in the Snieg Affidavit, the NOI proceedings of each of the Debtors are closely intertwined and largely related to the same creditors and circumstances.
68. It is the Debtors' belief (and that of the Proposal Trustee) that the administrative consolidation of the Debtors is appropriate, as it would avoid duplication of efforts in reporting and be more efficient and cost effective.
69. The Proposal Trustee understands that the Company's largest and senior secured creditor, RBC, does not object to the proposed consolidation and the proposed consolidation will not result in any prejudice to the creditors of the Debtors.
70. For the above reasons, the Proposal Trustee is supportive of the Company's request for administrative consolidation of the Debtors' NOI proceedings.

IX. PROPOSED ADMINISTRATION CHARGE

- 71. The Company seeks the Administration Charge over all the Property to secure the fees and disbursements incurred in connection with services rendered to the Debtors before and after the Filing Date by the Proposal Trustee, its counsel and counsel to the Company.
- 72. The quantum of the Administration Charge sought by the Debtors was determined in consultation with the Proposal Trustee and RBC's counsel.
- 73. The Administration Charge will rank in priority to all other security interests. The Proposal Trustee understands that RBC has not, as of the date of this report, objected to the Administration Charge and its priority ranking.
- 74. A super-priority charge to secure the fees and disbursements of the professionals involved with the debtor company is common in insolvency proceedings to ensure that such professionals continue to provide their services to the debtor. The Proposal Trustee is of the view that the amount and the priority of the Administration Charge is required and reasonable in the circumstances. The Proposal Trustee supports the granting and the proposed ranking of the Administration Charge.

X. PROPOSAL TRUSTEE'S RECOMMENDATION

- 75. Based on all of the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court grant the relief sought by the Company in the March 20 Motion.

All of which is respectfully submitted this 15th day of March 2024

**ALBERT GELMAN INC., solely in its capacities as
Trustee in re the Notices of Intention to Make a Proposal of
Igloo Industries Group Ltd, Maria Snieg and Stanislaw Snieg
and not its personal or any other capacity**



Per:

Adam Zeldin, CPA, CA, CIRP, LIT
Vice President

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 - Toronto
Court No. 31-3046358
Estate No. 31-3046358

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

Igloo Industries Group Ltd.

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

February 21, 2024

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: February 22, 2024, 10:55

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-3046353
Estate No. 31-3046353

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

Stanislaw Snieg

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

February 21, 2024

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: February 22, 2024, 10:46

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 03 - Barrie
Court No. 31-3046342
Estate No. 31-3046342

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

Maria Snieg

Insolvent Person

ALBERT GELMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

February 21, 2024

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: February 22, 2024, 10:40

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX “B”

District of: Ontario
Division No. 03 - Barrie
Court No. 31-3046342
Estate No. 31-3046342

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

In the Matter of the Proposal of
Maria Snieg
of the City of Beeton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
BMO Financial Group c/o BankruptcyHighway.com Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2		37,500.00
BMO Financial Group c/o BankruptcyHighway.com Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2	LOC 2219 1869 215	547,000.00
Royal Bank of Canada	c/o Fogler Rubinoff LLP Attn: Rachel Moses Toronto ON	Personal Guarantee	3,250,000.00
Total			3,834,500.00

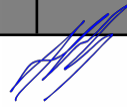
Maria Snieg
Insolvent Person

District of:
 Division No. -
 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
 Stanislaw Snieg
 of the City of Vaughan, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
BMO Financial Group c/o BankruptcyHighway.com Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2		37,500.00
BMO Financial Group c/o BankruptcyHighway.com Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2	LOC 2219 1869 2158	547,000.00
Canadian Tire Financial Bankruptcies c/o FCT Default Solutions Insolvency Department	PO Box 2514, Stn B London ON N6A 4G9	5446147915884134	3,000.00
Home Depot c/o Citi Cards Canada (Acct 603529)	PO Box 2052, Stn B Mississauga ON L4Y 0B4	6035294418262007	4,000.00
MBNA C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9	5234652106022499	5,000.00
MBNA C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9	5234619606601734	45,000.00
RBC Royal Bank Visa c/o BankruptcyHighway.com Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	4646912340016037	25,000.00
Royal Bank of Canada	c/o Fogler Rubinoff Toronto ON	Personal Guarantee	3,250,000.00
Scotiabank c/o Canaccede International Management Ltd.	PO Box 758 Stn B London ON N6A 4Y8	4537385620528017	16,000.00
Scotiabank c/o Canaccede International Management Ltd.	PO Box 758 Stn B London ON N6A 4Y8	45374726811930112	17,300.00
Total			3,949,800.00



Stanislaw Snieg
 Insolvent Person

APPENDIX “C”



January 25, 2024

VIA: EMAIL: stan@igloo.com

Igloo Industries Group Ltd.
2866 20th Side Road, R.R. 1
Beeton, Ontario
L4K 1A0

Attention: Stan Snieg

Dear Stan:

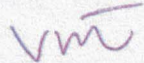
Re: Lease Agreement between Condor Properties Ltd. (the "Landlord") and Igloo Industries Group Ltd. (the "Tenant"), for Premises at 89A Connie Crescent, Unit 3, Concord, Ontario

As per the above-mentioned Lease Agreement between the Landlord and Tenant, your Lease Term will expire on April 30, 2029. Further to discussions with John Powell (the "Agent"), the Landlord has entered into a Listing Agreement with the Agent to market and find a prospective tenant (the "Third Party") to lease your Premises.

Should the Landlord successfully enter into a binding lease agreement with the Third Party, the Landlord will agree to release the Tenant of all its Lease obligations. Until such time, the Tenant acknowledges it is liable for all Lease obligations, including but not limited to the payment of Basic and Additional Rent.

Kindly sign your acknowledgement below and return as soon as possible. Should you have any questions regarding this matter, please do not hesitate to contact the undersigned.

Yours truly,
CONDOR PROPERTIES LTD.


Vivian Voo
Senior Director of Leasing

Dated this 29 day of January, 2024.

I, Stan Snieg of Igloo Industries Group Ltd. hereby acknowledge and agree to the above.

Per: 



APPENDIX “D”

BENACO

February 16, 2024

Igloo Food Equipment
124 Norfinch Dr.,
Toronto, Ontario
M3N 1X1

TEL: 416 676-7682
FAX:
EMAIL:

Re: Auction Contract Re: IGLOO Food Equipment assets (Barrie, Ontario location only)

Dear Sir,

We have inspected the kitchen equipment and supplies located at 204 Mapleview Dr. West, Barrie, Ontario, and hereby offer to sell all assets on your behalf by "Online Public Auction" based upon the following conditions;

- 1) -- All goods must be free and clear of all liens and encumbrances.
- 2) - We must have full use of the premises commencing upon acceptance of this offer until completion of all sales and removal of assets.
- 3) - The commission rate will be 20% of gross sales inclusive of advertising and setup, not including taxes, credit card charges or premiums. Commissions will be deducted from gross sales. No commission will be charged for items that did not sell in the online auction.
- 4) - Benaco Sales Ltd. will be responsible for all aspects of the sale, including advertising, conduction of sale, collection of monies. IGLOO Food Equipment will provide all labor for setup of auction & removal of goods. You will receive final payment along with a detailed computerized sales report within 10 days of completion of final sales.
- 5) - Any sales concluded after acceptance of this offer, regardless of vendor or sales agent will be subject to the same commissions and expenses rates as stated, payable to Benaco Sales Ltd. Benaco has the right to supplement items into the auction.
- 6) - The sale will take place commencing Friday February 9th, 2024 & Close on Thursday February, 22nd. 2024. There will be a 1 day viewing prior to closing of bids. IGLOO Food Equipment will provide persons to supervise the viewing which will be by appointment only. Customer pickup will commence Monday, February 26th, 2024 by appointment for a duration of 1-2 weeks.
- 7) - Both Benaco Sales Ltd and IGLOO Food Equipment will be responsible for maintaining separate and proper insurance of the subject property including fire, theft, liability & other perils until completion of the auction sale and removal of the assets.

Per Benaco Sales

David Sisak

Date - February 16, 2024

IGLOO Food Equipment

Stan Snieg

Date - February 16, 2024

APPENDIX “E”

IGLOO INDUSTRIES GROUP LTD.
REVISED STATEMENT OF PROJECTED CASH FLOWS
FOR THE 13 WEEK PERIOD ENDED JUNE 9, 2024
(IN CAD\$, UNAUDITED)

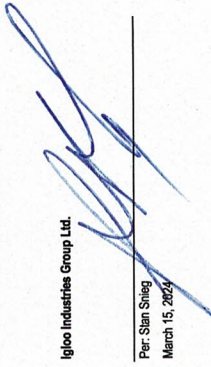
Week starting Week ending	11-Mar-24 Week 1	14-Mar-24 Week 2	17-Mar-24 Week 3	20-Mar-24 Week 4	23-Mar-24 Week 5	26-Mar-24 Week 6	29-Mar-24 Week 7	31-Mar-24 Week 8	3-Apr-24 Week 9	5-Apr-24 Week 10	8-Apr-24 Week 11	11-Apr-24 Week 12	14-Apr-24 Week 13	Total
Cash receipts	248,550	255,320	257,425	236,690	246,550	260,320	284,425	252,749	242,844	258,965	260,321	245,446	245,446	3,775,051
Collections from sales			300,000											300,000
February Audion net proceeds														3,475,051
Total cash receipts	248,550	255,320	557,425	236,690	246,550	260,320	284,425	252,749	242,844	258,965	260,321	245,446	245,446	3,775,051
Cash disbursements	114,420	102,128	102,970	114,676	138,620	104,128	105,770	110,600	135,138	103,596	104,128	98,178	98,178	1,432,620
Material and supplies	59,084	43,555	65,555	48,176	65,555	43,555	65,555	48,176	65,555	43,555	65,555	43,555	65,555	722,886
Salaries, wages and benefits	17,388	17,872	18,020	16,568	17,259	18,222	18,510	17,692	16,999	16,128	16,222	17,181	17,181	229,254
Sub-contractor consulting fees			9,717	40,350	8,971	31,654		40,350				40,350		188,854
Rent	5,000	5,000	35,000	5,000	5,000	5,000	35,000	5,000	5,000	5,000	5,000	5,000	5,000	155,000
Restructuring professional fees	8,249	14,170	23,197	5,980	6,925	13,343	48,942	17,270	6,051	10,004	42,120			152,279
Operating expenses			19,821		6,164	6,508	6,319	6,071	6,474	5,179	6,508	6,136	6,136	81,876
HST payable	6,214	6,383	6,436	5,917	6,164	6,508	6,071	6,164	6,474	5,179	6,508	6,136	6,136	65,501
Merchant fees	4,971	5,106	5,149	4,931	4,931	5,206	5,055	4,857	4,857	3,993	5,206	4,908	4,908	38,509
Commissions	3,993			15,894		3,993								35,694
Machinery leases														22,180
Sales people vehicle lease buyout														12,500
EDC guarantee fee														
Trailer Purchase														
NDG North America disbursements														
Rent														
Wages														
Utilities and telecommunications														
Total cash disbursements	233,657	229,612	355,725	260,351	267,751	232,062	371,791	299,638	253,988	196,401	358,065	234,325	211,637	3,545,061
Net cash-flow from operations	14,893	25,708	201,700	(23,661)	(21,201)	28,228	(107,366)	(46,889)	(11,154)	62,564	(97,764)	11,121	33,809	69,990
Cash balance - beginning of period	9,463	24,356	50,064	251,764	228,103	206,902	235,130	127,765	80,976	68,721	132,286	34,522	45,643	9,463
Net cash-flow from operations	14,893	25,708	201,700	(23,661)	(21,201)	28,228	(107,366)	(46,889)	(11,154)	62,564	(97,764)	11,121	33,809	69,990
Cash balance - end of period	24,356	50,064	251,764	228,103	206,902	235,130	127,765	80,976	68,721	132,286	34,522	45,643	79,453	79,453

NOTICE TO READER:
This statement of projected cash-flow dated March 15, 2024 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 Igloo Industries Group Ltd. and not in its personal or any other capacity



Per: Adam Zeldin, CPA, CA, CRFP, LIT
March 15, 2024


Per: Stan Shag
March 15, 2024

Igloo Industries Group Ltd.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-3046358
Estate No. 31-3046358

- 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 Consultation of
Igloo Industries Group Ltd.
of the City of North York, in the Province of Ontario

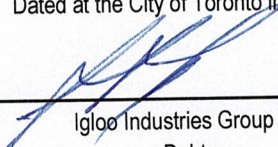
The Management of Igloo Industries Group Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 15th day of March 2024, consisting of Revised Cash Flow Projection for the 15-week period of March 11, 2024 to June 9, 2024.

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.

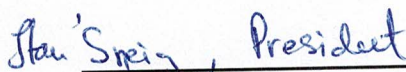
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

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 Toronto in the Province of Ontario, this 15th day of March 2024.



Igloo Industries Group Ltd.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Toronto
Court No. 31-3046358
Estate No. 31-3046358

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 Consultation of
Igloo Industries Group Ltd.
of the City of North York, in the Province of Ontario

Purpose:

The purpose of this projection is to present the projected cash flow of the Debtor as required pursuant to the Bankruptcy and Insolvency Act.

Projection Notes:

As above

Assumptions:

1. Igloo Industries Group Ltd. (the "Company") will continue to operate in the ordinary course during the cash flow projection period.
2. Projected cash receipts are estimated by management, based upon (i) historical results discounted to reflect current market factors and (ii) the collection experience of the Company.
3. Existing vendors or suitable alternatives will continue to supply the Company with goods and services in a timely manner necessary to meet customer obligations.
4. Expenses and purchases will be paid on a COD or near-COD basis.
5. Remittances for source deductions and sales taxes are included in the disbursement assumptions based on projected expenditures.
6. Cash disbursements do not contemplate the payment of pre-filing amounts.
7. Restructuring professional fees includes the fees of the Proposal Trustee, its counsel and counsel to the Company.

Dated at the City of Toronto in the Province of Ontario, this 15th day of March 2024.



Igloo Industries Group Ltd.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-3046358
Estate No. 31-3046358

-- 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 Consultation of
Igloo Industries Group Ltd.
of the City of North York, in the Province of Ontario

The attached statement of projected cash flow of Igloo Industries Group Ltd., as of the 15th day of March 2024, consisting of Revised Cash Flow Projection for the 15-week period of March 11, 2024 to June 9, 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 15th day of March 2024.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Adam Zeldin - Licensed Insolvency Trustee
403-250 Ferrand Drive
Toronto ON M3C 3G8
Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario
Division No. 09 - Toronto
Court No. 31-3046358
Estate No. 31-3046358

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 Consultation of
Igloo Industries Group Ltd.
of the City of North York, in the Province of Ontario

Purpose:

The purpose of this projection is to present the projected cash flow of the Debtor as required pursuant to the Bankruptcy and Insolvency Act.

Projection Notes:

As above

Assumptions:

1. Igloo Industries Group Ltd. (the "Company") will continue to operate in the ordinary course during the cash flow projection period.
2. Projected cash receipts are estimated by management, based upon (i) historical results discounted to reflect current market factors and (ii) the collection experience of the Company.
3. Existing vendors or suitable alternatives will continue to supply the Company with goods and services in a timely manner necessary to meet customer obligations.
4. Expenses and purchases will be paid on a COD or near-COD basis.
5. Remittances for source deductions and sales taxes are included in the disbursement assumptions based on projected expenditures.
6. Cash disbursements do not contemplate the payment of pre-filing amounts.
7. Restructuring professional fees includes the fees of the Proposal Trustee, its counsel and counsel to the Company.

Dated at the City of Toronto in the Province of Ontario, this 15th day of March 2024.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:



Adam Zeldin - Licensed Insolvency Trustee
403-250 Ferrand Drive
Toronto ON M3C 3G8
Phone: (416) 504-1650 Fax: (416) 504-1655