

CANADA
Province of Ontario

District of: Ontario
Division No.: 09 – Toronto
Court and Estate No.: 31-3102888

In the matter of the Bankruptcy of
Casa Systems Canada Ltd.
of the City of Toronto, in the Province of Ontario

**TRUSTEE’S REPORT TO THE CREDITORS
ON PRELIMINARY ADMINISTRATION**

Trustee: Albert Gelman Inc. (“**AGI**”)
Debtor: Casa Systems Canada Ltd. (“**Casa Systems Canada**” or the “**Company**”)
Date of Bankruptcy: July 11, 2024
Date of First Meeting of Creditors: July 31, 2024 at 2:00 p.m. (the “**Meeting**”)
Location: Meeting held virtually

BACKGROUND AND CAUSES OF BANKRUPTCY

Casa Systems Canada was a privately held corporation incorporated pursuant to the laws of Ontario on February 20, 2015. Its sole director is Gary Broadbent.

Casa Systems Canada is a wholly-owned subsidiary of Casa Systems, Inc. (the “**Parent**”), a United States (“**US**”) domiciled company and the ultimate parent of the Casa Systems group of companies, which comprised 16 subsidiaries located globally (collectively, the “**Casa Systems Group**”). The Parent was a public company, trading on the Nasdaq Stock Market since 2017 (NASDAQ:CASA). The Casa Systems Group operated a global communications technology business that offered end-to-end physical, virtual and cloud-native 5G broadband infrastructure and customer premise networking equipment solutions.

The Company’s primary function within the Casa Systems Group was to provide sale operations and warranty support for Casa Communications Ltd. (“**Casa Ireland**”), a Casa Systems Group subsidiary, to support Casa Ireland’s North American operations. The Company was dependent on Casa Ireland to fund the Company’s operations. Absent this critical source of funding, the Company could not continue as a going concern. The Company employed approximately fifteen (15) individuals, all of which worked remotely. The Company’s registered address was located at its local law firm, McMillan LLP, at 181 Bay Street, Suite 4400, Toronto, Ontario. The Company did not maintain a commercial lease.

On April 3, 2024, Casa Systems and its wholly-owned subsidiaries, Casa Systems Securities Corporation and Casa Properties LLC (collectively, the “**US Debtors**”), each filed a voluntary petition for relief under Chapter 11 of title 11 (the “**Chapter 11 Proceedings**”) of the US Code in the US Bankruptcy Court for the District of Delaware (the “**US Court**”). According to materials

filed in the US Court in respect of the Chapter 11 Proceedings, the Casa Systems Group experienced a significant liquidity crisis, largely due to: (i) industry-wide pressures in the cable and telecom markets, (ii) mounting debt service obligations, (iii) customer spending delays and customer losses, (iv) mounting research and development costs to bring new cloud-based technologies to the market, (v) ongoing operational and restructuring costs and (vi) unsuccessful divestiture efforts of certain of the Casa Systems Group's business units prior to the Chapter 11 Proceedings.

In light of these financial/liquidity challenges and following an evaluation of strategic options, the US Debtors, in consultation with their financial and legal advisors and key stakeholders, ultimately determined that an orderly wind-down of the Casa Systems Group's operations by way of sales of their business units encompassing all or substantially all of their assets, was the best and only path available to maximize value for stakeholders and preserve jobs for certain of the Casa Systems Group employees. In the circumstances, the US Debtors commenced the Chapter 11 Proceedings to implement the orderly wind-down.

By June 2024, substantially all of the Casa Systems Group's assets were sold as part of the Chapter 11 Proceedings, and the Casa Systems Group ceased operations and commenced various processes to wind-down its global subsidiaries, including Casa Ireland and Casa Systems Canada.

With limited assets and no remaining business operations (especially in light of the closure/wind-down of Casa Ireland), the Company decided to voluntarily assign itself into bankruptcy to provide for an efficient mechanism to distribute its remaining assets (i.e. cash) to the Company's creditors.

On July 11, 2024 (the "**Date of Bankruptcy**"), the Casa Systems Canada filed an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). AGI was appointed as Licensed Insolvency Trustee (in such capacity, the "**Trustee**") of the Company's bankrupt estate by the Office of the Superintendent of Bankruptcy, subject to affirmation by the Company's creditors at the Meeting.

On July 16, 2024, the Trustee sent a notice to all known creditors of the Company advising of the Company's bankruptcy and the date and time of the Meeting, together with, among other things, a list of creditors, proof of claim form and proxy form. The Trustee also published a notice of the Company's bankruptcy in the National Post on July 16, 2024.

The activities of the Trustee since its appointment have primarily consisted of statutory work in accordance with the provisions of the BIA.

FINANCIAL POSITION/ASSETS

Set out below is a summary of the assets listed by the Company on the Statement of Affairs sworn July 10, 2024 (the “SOA”).

Casa Systems Canada Ltd.		
Summary of Assets on SOA		
(in CAD\$; unaudited)		
Asset	Book Value	Est. Realizable Value
Cash	139,161	139,161
Intercompany receivable	445,784	-
Prepaid expenses	20,336	-
Total	605,281	139,161

Cash

1. Included on the SOA is the Company’s cash in its bank account as of the Date of Bankruptcy. The Trustee has arranged for these funds to be transferred to the estate bank account maintained by the Trustee.

Intercompany Receivable

2. Included on the SOA is the Company’s receivable due from Casa Ireland. The SOA indicates that this intercompany receivable has no realizable value.

Prepaid Expenses

3. Included on the SOA is the Company’s prepaid expenses, which, according to the Company’s books and records, relates to prepaid income taxes. The SOA indicates that the prepaid expenses have no realizable value.

SECURED CREDITORS

According to the SOA, the Company does not have any secured obligations or other potential priority claims.

SECURITY FOR UNPAID WAGES – S.81.3 CLAIMS

The Trustee is in the process of reviewing the Company’s records to determine what, if any, amounts are owed to the Company’s former employees for wages and vacation pay that would qualify as claims pursuant to section 81.3 of the BIA.

The Trustee, where applicable, will comply with the requirements of the *Wage Earner Protection Program Act*.

PREFERRED CREDITORS

The SOA indicates that, as at the date of bankruptcy, there were no known preferred creditors.

UNSECURED CREDITORS

The SOA indicates that there are unsecured creditors with claims totalling approximately \$2.1 million. The unsecured creditors listed on the SOA include: (i) the Parent, (ii) Canada Revenue Agency and (iii) ten (10) of the Company's former employees in respect of termination and severance pay.

CLAIMS FILED

As at 12:00 p.m. on the date of this report, the Trustee has recorded Proof of Claims filed, as follows:

	Claims Filed (#)	Amount (CAD)	Proxies in Favour of Trustee (#)	Amount (CAD)
Secured	-	\$ -	Nil	\$ Nil
Preferred	-	-	Nil	Nil
Unsecured	3	311,512.17	Nil	Nil
TOTAL	3	\$ 311,517.22	Nil	\$ Nil

PREFERENCE PAYMENTS AND TRANSFERS UNDER VALUE

The Trustee has not performed a review of the Company's books and records with respect to potential fraudulent preferences, settlements or transfers at undervalue, as defined in the BIA. It is the intention of the Trustee to discuss the scope of its review with any Inspectors appointed at the Meeting.

TRUSTEE'S FEES

The Trustee has not received any third-party deposit towards its fees. The Trustee's fees and disbursements, including, if necessary, the fees and disbursements of any legal counsel retained by the Trustee, are to be funded from the Company's estate.

OTHER

There are no other matters to report at this time.

DATED at Toronto this 31st day of July, 2024

ALBERT GELMAN INC.,
In its capacity as Trustee of the Estate of
Casa Systems Canada Ltd.
And not in its personal or corporate capacity

Per:

A handwritten signature in blue ink, consisting of stylized, overlapping letters that appear to be 'AG'.

Adam Zeldin, *CPA, CA, CIRP, LIT*