



This is the 2nd affidavit
of André Joseph Bourque in this case
and was made on July 24, 2023.

No. S235026

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36**

AND

**IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985
c. C-44 and THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD.
AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

AFFIDAVIT

I, André Joseph Bourque, care of 2500-700 West Georgia Street, Director, AFFIRM THAT:

1. I am the co-founder of the Joseph Richard Group, defined herein, and as such have personal knowledge of the facts and matters hereinafter deposed to, except where same are stated to be on information and belief, and where so stated I verily believe them to be true.
2. In preparing this affidavit, I have reviewed the business records maintained by the Petitioners in respect of the matters at issue, which I believe were made in the ordinary and usual course of their business.
3. I make this affidavit in support of the Petitioners' application to seek an extension to the stay, an increase in the administration charge and directors' and officers' charge, and a claims process order. I understand that the Court raised some concerns during the application for the initial order, and I have also addressed those concerns below.

4. When I swore my first affidavit, I did not have an organizational chart of our various entities; however, now shown to me and marked as **Exhibit "A"** is an organizational chart that we have created since the initial order was granted. This is a simplified form of organizational chart (and it does not provide all of the ownership details for the entities), but it does provide a simplified overview of the companies and their relationships to each other.

Activities Since the Initial Order

5. Since the Initial Order pronounced July 17, 2023, the Petitioners have:
 - (a) met and worked with Ernst & Young Inc., in its capacity as monitor of the Petitioners (the "**Monitor**") to facilitate the monitoring of the Petitioners' and non-petitioner entities' (the "**Debtors**") businesses and operations;
 - (b) continued the businesses and operations of the Debtors in the ordinary course, including:
 - (c) meeting with staff, and answering staff questions about the CCAA process;
 - (d) responding to information requests from landlords, creditors, and other stakeholders;
 - (e) communicating with suppliers and vendors, including our largest supplier, namely Sysco; and
 - (f) initiated some discussion with Debtors' secured lenders, Canadian Western Bank (the "**CWB**") (through counsel), regarding the CCAA proceeding and the current state of the Debtors' business with a view to advancing a plan of compromise or arrangement.
6. From our discussions with them, Mr. Moreno and I believe that our suppliers and vendors are supportive of our business and our decision to seek relief under the CCAA. They understand that the hospitality industry has been going through a challenging time and that our business has been strained in recent years. Some suppliers have even gone so far as to

say that they were not surprised to learn that we had filed for protection and that they expect other customers to seek similar relief.

7. In addition to the above, we are in the process of undertaking a critical review of the debtors' various businesses with a view to disclaiming leases for unprofitable locations and closing those businesses. This process is still underway, although we have already a notice of disclaimer with respect to:
 - (a) The premises located at 111-114, 19233 Fraser Highway tenanted by Sudo Asian Kitchen Holdings (Langley) Ltd., and a copy of the notice of disclaimer is now shown to me and marked as **Exhibit "B"**.
8. In addition to the above, Mr. Moreno and I are reviewing other leases, and particularly those that have had marginal businesses since the pandemic. We have started to engage in discussions with our landlords with a view to either (i) renegotiating the terms with the respective leases; (ii) assigning the leases to a third party if possible (and if profitable), or (iii) issuing further notices of disclaimer.

Covid-19 Struggles

9. Mr. Moreno and I began the Joseph Richard Group in or about 2009. For 11 years Mr. Moreno and I (and later with Mr. Tachejian) ran a successful business and opened more than 30 locations.
10. For instance (and we only learned of this over the past weekend), Livelyhood was selected as one of Canadian Business Review Board's Best Businesses in Canada 2023, an award which highlights businesses' customer satisfaction. Attached hereto as **Exhibit "C"** is a true copy of the email announcing the award. Further, Mr. Moreno has been named by Business in Vancouver as one of 500 most influential business leaders in British Columbia. Attached hereto as **Exhibit "D"** is a true copy of the email with that announcement.
11. While not every endeavour was successful, we expanded year after year. Coming into 2020 we were continuing to grow the business and had initiated new projects (including plans to develop the Rooster building and the foodhall project at the Post building).

12. Once the pandemic hit, our businesses were immediately affected. On or about March 15, 2020, Mr. Moreno, Mr. Tachejian, and I met to discuss the pandemic and made the difficult decision to close all dine-in operations at our public house and restaurant locations effective March 17, 2020. The BC Government had not yet ordered bars and restaurants closed, however we believed that we had to uphold our social responsibility to stop the spread of Covid-19. Attached hereto as **Exhibit "E"** is a copy of the press release posted on the Joseph Richard Group website at that time.
13. In and around the same time, Mr. Moreno and I had a discussion with our then CFO (Mr. Asma) and Mr. Asma raised concerns that temporarily closing the doors on our business for Covid-19 would have a dramatic (and negative) impact on our cashflows (which was, of course true). At the time, our payroll was close to \$1.4 million dollars each month and our rent payments were approximately \$330,000. Of course, closing our businesses was a significant and difficult decision (and both Mr. Moreno and I were very aware of the problems that it would cause in our cashflow), but we did not see that we had any choice.
14. A few days later, and on March 17, 2020, the BC Government declared a public health emergency and all bars were ordered closed. On March 20, 2020, all restaurants were ordered closed. We were able to continue to operate our liquor stores and our pubs and restaurants to the extent that we were able to provide meal delivery services to our customers.
15. While restaurants were first allowed to reopen on May 19, 2020 (albeit with limited capacity and providing they had safety measures and personal protective equipment such as plexiglass barriers, which was a further cost), the hospitality businesses were faced with further shutdowns and a number of changes to regulations over the following two years. However, even when our businesses were open to the public, the required safety measures required us to limit capacity and we could not serve nearly as many as customers as before.
16. Up until around April 2022, when restaurants were allowed to operate at full capacity without Covid restrictions, we had to impose a number of costly measures to make sure that we could remain open including capacity limits, mask mandates, temperature checks, contact tracing, increased and enhanced sanitation requirements, and vaccine verification.

Furthermore, while bars were eventually allowed to reopen, and while the liquor stores remained open throughout, the BC government put into place emergency curfews on liquor stores, bars, and restaurants during a number of holidays, including the end of December 2020 for New Years Eve and in March 2021 for St. Patrick's Day. Attached hereto as **Exhibit "F"** is a news article discussing the December 2020 restrictions.

17. While I understand why these measures were necessary, they had a significant (and negative) impact on the Petitioners' businesses. As I see it, the pandemic took our business, turned it upside down, and shook it.
18. The pandemic significantly impacted our business, and Mr. Moreno and I tried to pivot the business as best as we were able. As outlined in my Affidavit #1, the Petitioners turned to meal delivery, liquor delivery, and other projects that could help prop up the hospitality businesses and provide income to our staff, including running plant sales out of our locations' parking lots.
19. We tried to keep as many people employed as possible, however we did have to lay off some of our staff, in particular our servers, bartenders, and some kitchen staff. The meal delivery done by our various hospitality businesses brought in income that we could use in combination with government subsidies to meet our reduced payroll obligations, however that left us without funds to pay our landlords and suppliers or to service our then-current debt load.
20. To make matters worse, when the hospitality businesses were permitted to re-open, we struggled to fully staff our restaurants and pubs. Many of our old employees did not return to work and remaining employees often worked overtime, which led to some of them leaving because they were overworked.
21. The Petitioners have also faced increased costs. For example, in the past year:
 - (a) the increase in minimum wage and health tax increased monthly payroll by approximately \$61,000;
 - (b) food and supply costs roughly doubled; and

(c) the cost to service our debt roughly doubled, from approximately \$240,000 to \$480,000 per month.

22. Attached hereto as **Exhibit "G"** are two articles discussing the situation facing restaurants in Canada post-pandemic.

Source Deductions and Unpaid Taxes

23. As noted in my Affidavit #1, the petitioners owe a significant amount in source deductions, GST and PST.

24. I had understood that we had been paying source deductions and GST in the ordinary course. Then I learned that we were being audited by CRA. I do not recall precisely when this audit occurred, but I believe it was in or about mid to late 2020.

25. In or about May 2022, and after the CRA audit, Mr. Asma resigned as CFO.

26. To the best of my knowledge, some of the outstanding source deductions relate to the fact that the amount we were remitting monthly for source deductions was calculated incorrectly. I understand that the miscalculation had persisted for a number of years, resulting in a large amount of arrears but a small overall percentage of payroll for the audit period.

27. Upon becoming aware of this miscalculation, we corrected the amounts we remit each month, and have also been paying down arrears.

Accounting Errors

28. In my Affidavit #1, I reported of mistakes that we had learned about in financial reporting documents shared with CWB.

29. By way of background to how we discovered these mistakes, in or about late 2022 or early 2023, I had discussions with Mr. Moreno and we noted that our cash flow situation did not appear to correspond with what we would have expected based on the financial reports that we had seen. As a result of those discussions, and in or about December 2022/January

2023, we asked Mr. Zagloul to review some of our accounts (although his role was initially limited to a few companies). In or about June 2023, we asked Mr. Zagloul to take on a more substantive role and asked him to undertake a more comprehensive review of the group's financials.

30. Mr. Zagloul told me that he initially identified the issue when he noticed that the recorded loan balances for the CWB loan had been understated. He also told me that this prompted him to start to dig into the accounts further and he learned that on three occasions in 2022, loan funds were misallocated and recorded as revenue. Mr. Zagloul has also told me that he has reviewed our accounts in detail, and he believes that this issue only arose in 2022.
31. From my discussions with Mr. Zagloul, I believe that his review has been comprehensive as he has now rebuilt our financials using the sales reports and cost reports for June 2022 to May 2023, and he has assured me that he has improved our accounting systems such that our accounting department is now recording transactions properly.
32. I have asked Mr. Zagloul to advise me of any other irregularities in our accounts, and I will provide a further update if we learn of anything further.

Use of the BCAP and CEBA Loans

33. As noted in my Affidavit #1, the Petitioners borrowed \$5.6 million by way of the BCAP program and about \$600,000 under the CEBA program.
34. We borrowed this money in the early days of COVID and when was significant uncertainty as to how we would continue to operate, We were able to generate some revenue from our meal delivery program as well as our other COVID initiatives, and this revenue helped us to pay our staff; however, we needed help to pay our bank loans, landlords and other operating costs and we used the funds from the BCAP and CEBA loans to meet those obligations.

Addition of Petitioners

35. Three of the entities in the Joseph Richard Group were excluded from the Initial Order because their directors had not yet signed resolutions approving CCAA proceedings. Those entities are:

- (a) Townhall Holdings (South Surrey) Ltd.;
- (b) Townhall Holdings (Coquitlam) Ltd.; and
- (c) Micky's Investments (Coquitlam) Ltd.

(together, the “**Additional Petitioners**”).

36. The Additional Petitioners are Former Hospitality Entities, as defined in the Petition.

37. Attached hereto and marked as **Exhibit “H”** are copies of corporate searches for each of the Additional Petitioners.

38. Attached hereto and marked as **Exhibit “I”** are copies of financial statements for each of the Additional Petitioners.

Proposed Plan of Arrangement

39. We are not yet in a position to propose a plan or plans of compromise or arrangement. If the stay is extended, we intend to spend the next two months working with the Monitor and our advisors to prepare a plan or plans that we can propose to our creditors.

40. We are seeking a claims process order to assist in the development of a plan or plans.


41. We cannot say with certainty what that any plan will provide, but we expect that the following elements will be included:


- (a) A compromise or renegotiation of the terms of CWB’s and BMO’s loans;
- (b) A vote by unsecured creditors of the Petitioners;

- (c) Convenience creditors, with claims below a defined threshold, who will be paid in full (or the convenience threshold amount) and be deemed to vote in favour of the Plan;
 - (d) Payment of a creditors' fund to all unsecured creditors, including convenience creditors; and
 - (e) Certain creditors being unaffected by the Plan, including employees, equipment lessors, and landlords of retained locations.
42. The Petitioners also recognize that our accounting and head office systems have not kept pace with the growth in our businesses. We intend to use this period of creditor protection to align our accounting and management processes with the size of our businesses to make them more robust and prevent the accounting errors that affected our operations in the past several years. We are also engaging with advisors who have more experience with business operations at our current size.
43. The Petitioners are seeking to extend the stay of proceedings and other relief provided for in the Initial Order to September 29, 2023, among other things, provide the Debtors with the necessary time to advance discussions with CWB and BMO as well as propose a plan of arrangement to their creditors.
44. The Petitioners are also seeking an order to increase the administration charge to \$750,000.
45. The Petitioners do not have directors' and officers' insurance.

46. The Petitioners' monthly costs for (i) GST is approximately \$165,000; (ii) PST is approximately \$226,000, and (iii) payroll is approximately \$1.1 million. The Petitioners are also seeking an increase in the directors and officers charge to \$1 million.

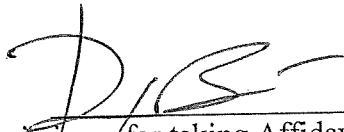
AFFIRMED BEFORE ME at Vancouver,)
British Columbia, on July 24, 2023)


_____)
A Commissioner for taking Oaths for the)
Province of British Columbia)

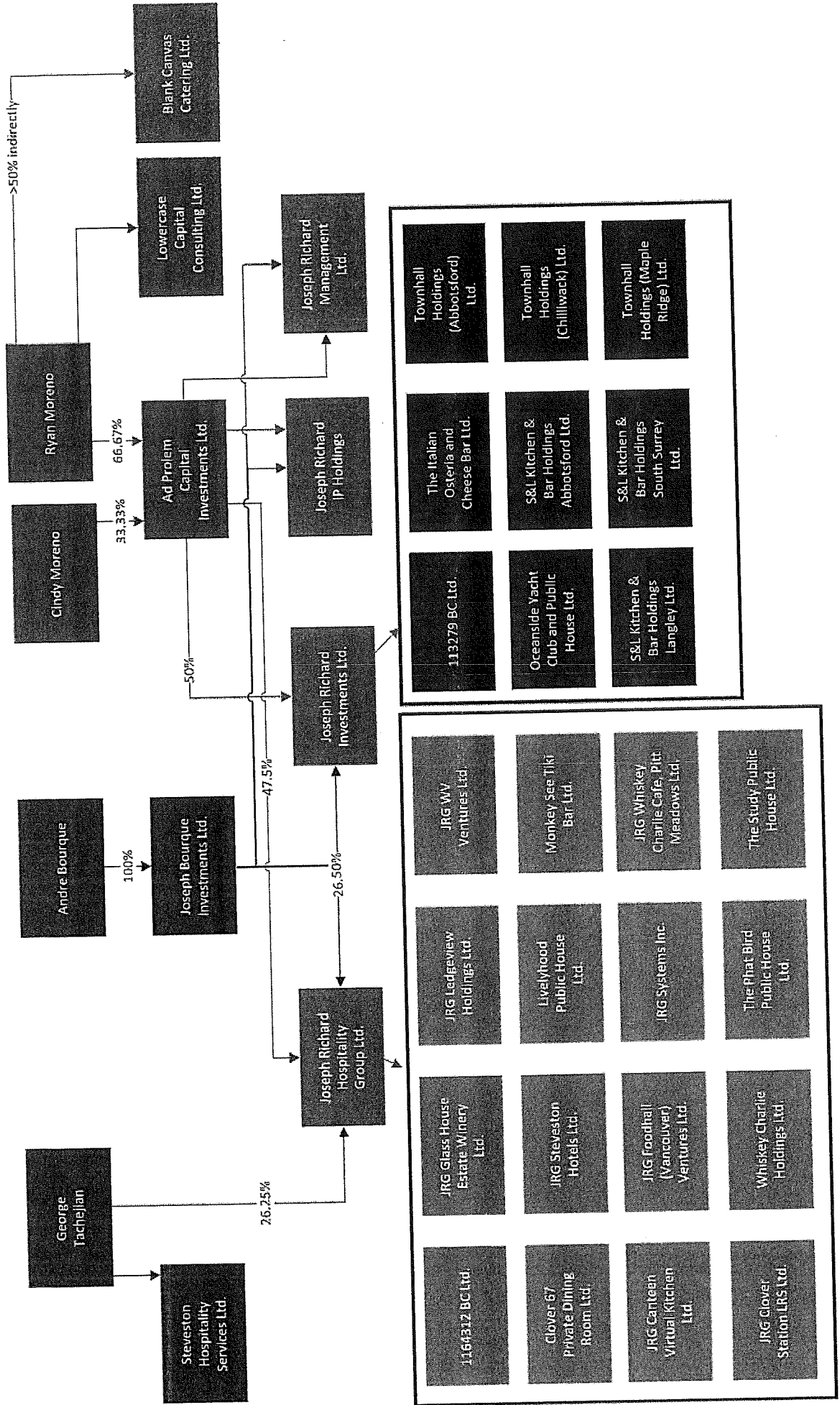

_____)
ANDRÉ JOSEPH BOURQUE)

DAXTON S. BOERÉ
Barrister • Solicitor
FARRIS LLP
2500 - 700 West Georgia Street
P.O. Box 10026, Pacific Centre
Vancouver, BC V7Y 1B3

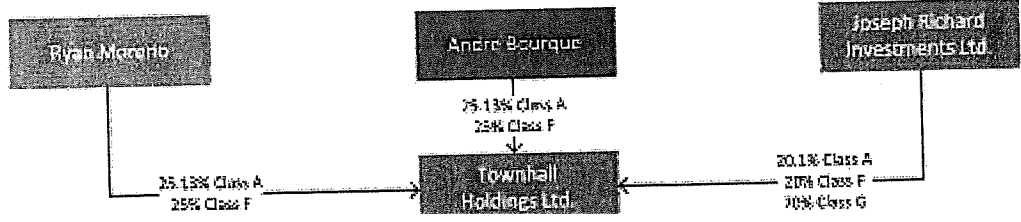
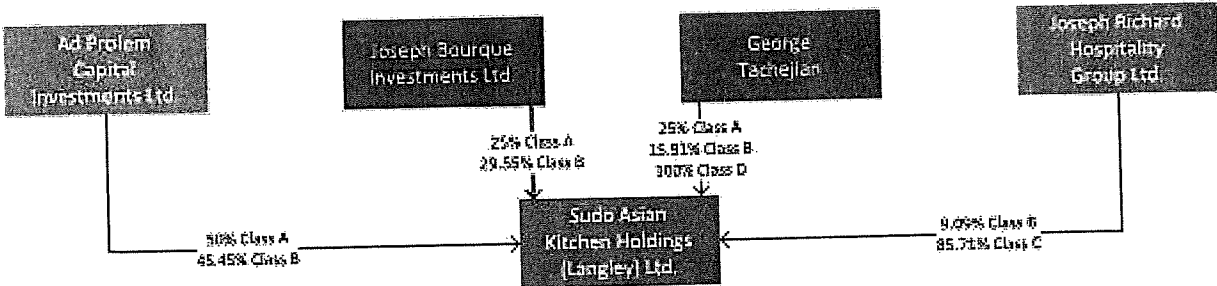
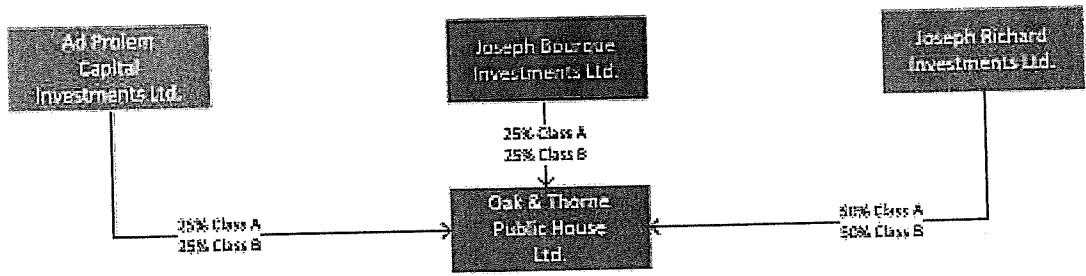
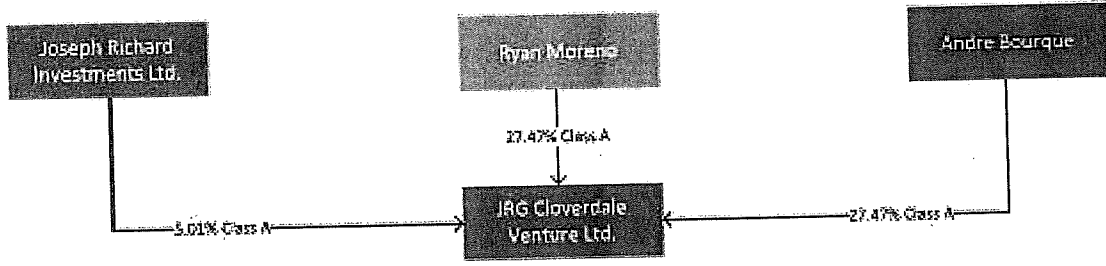
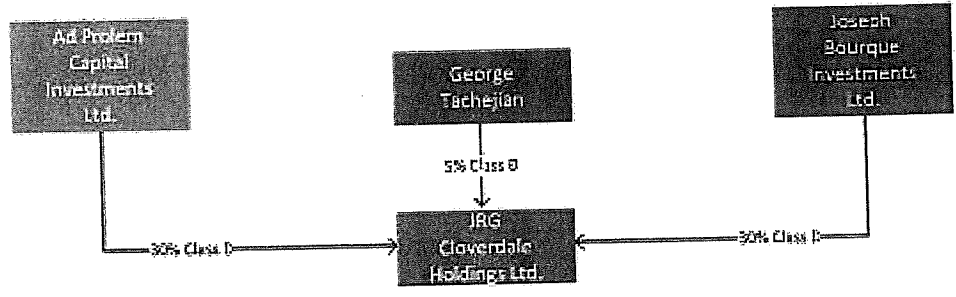
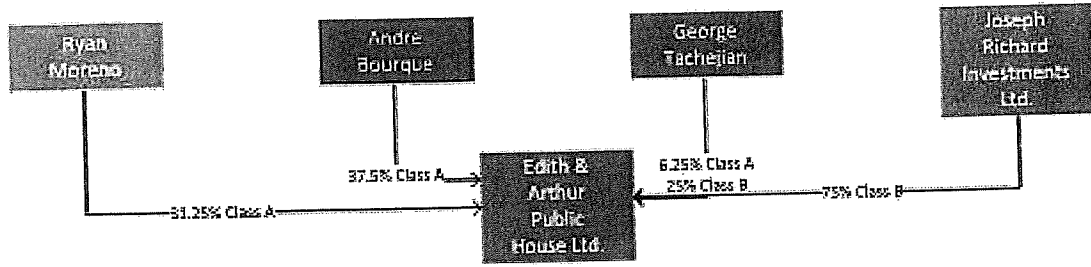
This is Exhibit "A" to the Affidavit #2 of
André Joseph Bourque affirmed July 24, 2023
before me at the City of Vancouver.



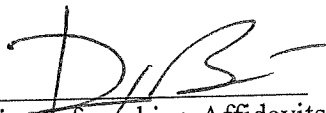
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Petitioners that cannot trace ownership or control back to a single entity



This is Exhibit "B" to the Affidavit #2 of
André Joseph Bourque affirmed July 24, 2023
before me at the City of Vancouver.

A handwritten signature in black ink, appearing to read "DJB", written over a horizontal line.

A Commissioner for taking Affidavits in and for
the Province of British Columbia.

FORM 4

NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT

To: 091110 B.C. Ltd., Ernst and Young Inc., Sudo Asian Kitchen Holdings (Langley) Ltd., and Joseph Richard Investments Ltd.

TAKE NOTICE THAT:

1. Proceedings under the *Companies' Creditors Arrangement Act* ("the Act") in respect of Sudo Asian Kitchen Holdings (Langley) Ltd. and Joseph Richard Investments Ltd. were commenced on the 17th day of July, 2023.
2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement

Focal point lease made on April 12, 2017, and modified on August 25, 2017, and on October 25, 2019, among 091110 B.C. Ltd., Sudo Asian Kitchen Holdings (Langley) Ltd., and Joseph Richard Investments Ltd., for the premises describes as follows:

Civic Address:

111-114, 19233 Fraser Hwy,
Surrey, B.C.
V3S 7C9


Legal Address:

PID: 028-911-334
Lot A Sections 10 and 15 Township 8 New Westminster District
Plan EPP21902 Except Air Space Plan EPP49579

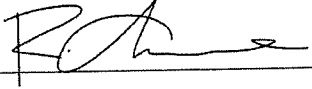
3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement is

disclaimed or resiliated on the 23rd day of August, 2023, being 30 days after the day on which this notice has been given.

Dated at Vancouver, BC, on July 24, 2023.



Ryan Moreno, director of Sudo Asian Kitchen Holdings (Langley) Ltd.



Ryan Moreno, director of Joseph Richard Investments Ltd.

The monitor approves the proposed disclaimer or resiliation.

Dated at Vancouver, BC, on July 24, 2023.



Monitor's representative responsible for the proceedings

Michael Bell, CPA, CA, CIRP, LIT
Senior Vice President

This is Exhibit "C" to the Affidavit #2 of
André Joseph Bourque affirmed July 24, 2023
before me at the City of Vancouver.

A handwritten signature in black ink, appearing to be 'DJB', written over a horizontal line.

A Commissioner for taking Affidavits in and for
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From: business@thecbrb.ca
Date: July 22, 2023 at 11:50:27 AM PDT
To: Livelyhood <livelyhood@jrg.ca>
Subject: Livelyhood selected for CBRB Best Businesses In Canada 2023

[Some people who received this message don't often get email from business@thecbrb.ca. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

Hello,

Congratulations on being selected and approved for the CBRB Best Businesses In Canada 2023.

This offer is presented only to businesses that have maintained a 4+ star Google review rating or equivalent proof of customer satisfaction.

Representing the Best Businesses in Canada, the CBRB Canadian

Business

Review Board Inc. has found that your business meets strong consumer satisfaction standards and we look forward to recommending your services.

Membership in the CBRB Best Businesses In Canada 2023 includes listing in the exclusive Best Businesses In Canada 2023 Directory, CBRB Best Businesses Canada 2023 Verification Certificate & Badge, and promotional content to promote Livelyhood commitment to upholding:

- Strong Vision
- Customer-centric Approach
- Customer Satisfaction
- Business Leadership

Following registration, you will receive:

- CBRB Best Businesses In Canada 2023 Verification Certificate
- CBRB Best Businesses In Canada 2023 Verification Badge
- CBRB Best Businesses In Canada 2023 Directory Listing & Profile Page
- CBRB Canadian Business Review Board Inc will promote your business excellence on social media and multiple marketing platforms including ads targeting specific clients in your city and surrounding areas.

To accept your CBRB Best Businesses In Canada Membership & Verification, please submit the following form:
<https://forms.gle/9yLsYYsX9YigxT1z8>

If you have any questions, feel free to let us know!

Taylor Hernandez
 CBRB Canadian Business Review Board Inc
 Membership Committee
 Best Businesses In Canada
 1-855-222-5550
www.thecbrb.ca
 @thecbrb
 @thecbrb_canada

If you would like to unsubscribe from future correspondence, please

email
your request to unsubscribe@theclub.com

This is Exhibit "D" to the Affidavit #2 of
André Joseph Bourque affirmed July 24, 2023
before me at the City of Vancouver.

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A Commissioner for taking Affidavits in and for
the Province of British Columbia.

Begin forwarded message:

From: "BIV: BC500" <bc500@biv.com>
Date: July 24, 2023 at 2:48:51 PM PDT
To: info <info@irg.ca>
Subject: BC500 Update: Congratulations from BIV

Some people who received this message don't often get email from bc500@biv.com. [Learn why this is important](#)

Good afternoon,

The following email is for Ryan Moreno, who has been named to *BIV's* BC500 list of the 500 most-influential business leaders in British Columbia.

Congratulations!

On behalf of *Business in Vancouver*, we are pleased to share that you will be featured in our third issue of BC500 as one of British Columbia's most influential business leaders.

This publication highlights British Columbians we believe to be highly accomplished, successful and engaged in one of more than 50 categories of industries and occupations. Our team has spent months gathering and refining the list, and we believe it will provide a comprehensive look at the most influential individuals in our economy.

To support the editorial accuracy of BC500, please take a minute to supply a brief, up-to-date bio and a preferred high-resolution colour headshot before July 31 at this online address: jotform.com

We will announce the full list of 500 individuals when we publish the 2023 edition of BC500 the week of October 16. For reference, the digital version of our 2022 magazine can be viewed at bc500.biv.com.

For print and digital advertising opportunities within BC500, please have a team member contact ads@biv.com as soon as possible. The deadline to include a message or your brand in the publication is August 31.

For all other questions, please email bc500@biv.com.

Thank you for your assistance. We hope you will enjoy the third edition of this publication and take pride in your presence within it.

Kirk LaPointe

Publisher and Executive Editor, BIV; Vice-President, Editorial, Glacier Media Group.

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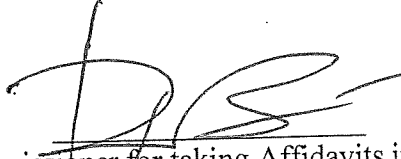
Group of Companies

#waaanjrg jrg.ca

5708 176th Street
Surrey, BC V3S 4C8

The Joseph Richard Group operates on the traditional, ancestral and unceded territories of the x^wməθk^wəyəm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish), salilwataʔt (Tseil-Waututh), k^wik^wəłəm (Kwkwetlem), ájcaý (Katzie), Kwantlen, Qayqayt, Semiahmoo, Tsawwassen, Hul'qumi'num, and Stó:lō peoples whose historical relationships with the land continue to this day. We are honored and grateful for their stewardship and preservation of the land where we live, work and provide services and we are committed to reconciliation and building relationships in our communities.

This is Exhibit "E" to the Affidavit #2 of
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A handwritten signature in black ink, appearing to be 'D. B.', written over a horizontal line.

A Commissioner for taking Affidavits in and for
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THE Steveston
CAFE & HOTEL

LIQR.CA



AIDS

TWO

Temporarily Suspending Dine-In Operations

MARCH 16, 2020 | IN BRITISH COLUMBIA, BUSINESS, COMMUNITY, IN YOUR HOME

We never thought a message like this would ever need to be written. With unexplainable sadness we find it's time to announce that we are temporarily suspending all dine-in operations at all our public house and restaurant locations effective March 17, 2020 until further notice. We certainly don't take this decision lightly but we must uphold our social responsibility in preventing the spread of COVID-19 and implement the protocol of social distancing as set forth by the Canadian Public Health Association. The health & safety of our colleagues, guests, stakeholders, friends and families are exponentially important to us and is top priority for our team as we navigate the uncertainty of the coming weeks through this fluid course we find ourselves in.

We will continue to eagerly accept your to-go orders at all of our locations and you can find our menus for delivery on SkipTheDishes, DoorDash and Uber Eats delivery platforms. Your continued support has always been greatly valued and appreciated. That is even more true now.

"With the new day comes new strength and new thoughts." - Eleanor Roosevelt

Thank you everyone, we truly can't wait to serve you soon.

Ryan, Andre, George & Andy

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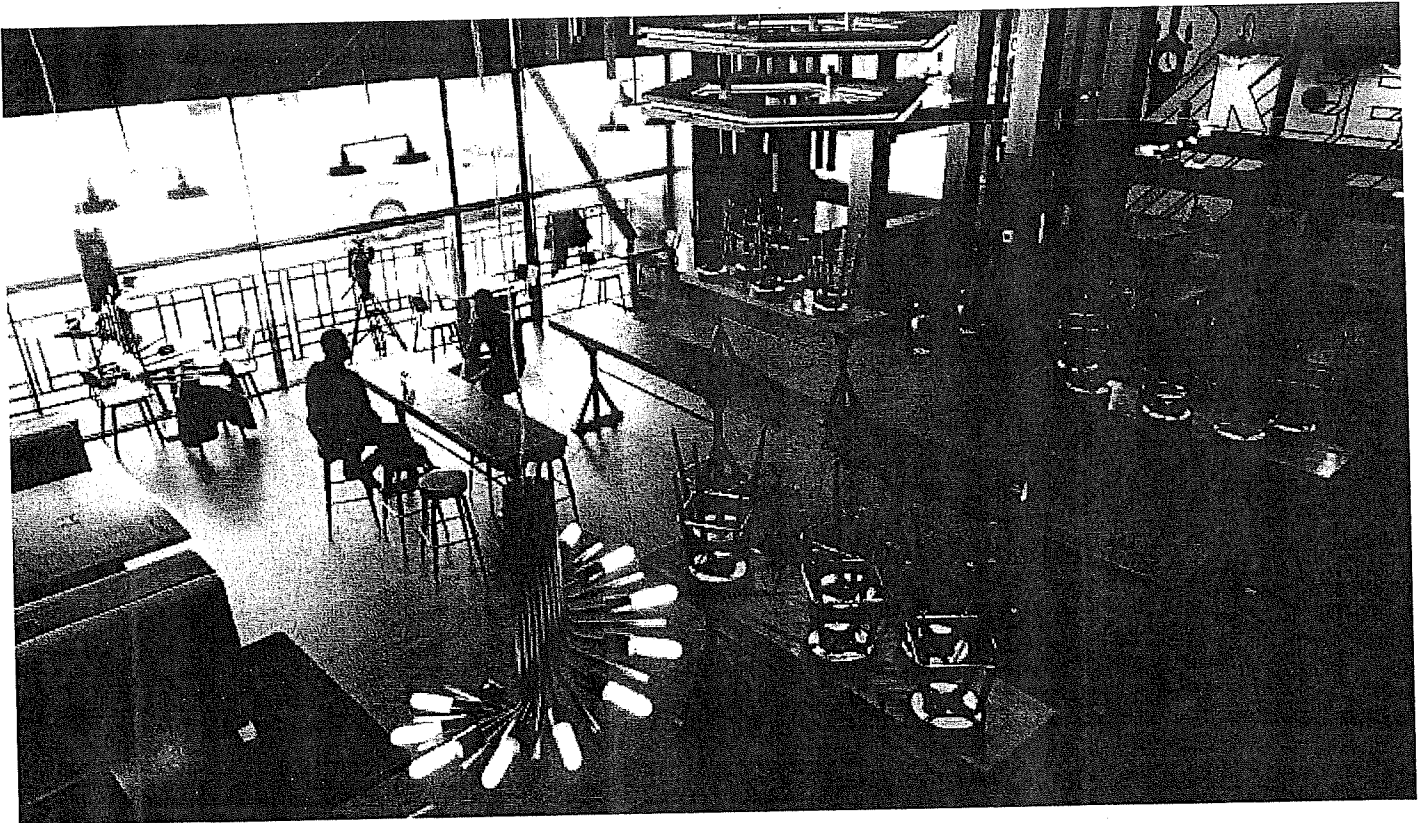
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British Columbia

Restaurants left scrambling after B.C. orders early nightcap on New Year's Eve liquor sales


'We're extremely frustrated that they're doing this at the last minute without giving anybody a heads-up'

Andrea Ross · CBC News · Posted: Dec 30, 2020 6:58 PM PST | Last Updated: December 30, 2020



The interior of Colony Bar on Granville Street in Vancouver is shown in late May. Some members of B.C.'s hospitality industry are speaking out against the province's last-minute decision to restrict alcohol sales on

New Year's Eve. (Maggie MacPherson/CBC)

comments 

Some members of B.C.'s hospitality industry say stopping liquor sales after 8 p.m. on New Year's Eve is an unfair last-minute blow to bars and restaurants.

The new rule, announced during a surprise government media availability on Wednesday afternoon, is an attempt to prevent a spike in COVID-19 cases and is only in effect for New Year's Eve. Liquor stores must also stop sales at 8 p.m., but restaurants can continue meal service into the evening and alcohol sales can resume on Jan. 1 at 9 a.m.

Provincial Health Officer Dr. Bonnie Henry and Health Minister Adrian Dix said they're concerned about parties and how alcohol could fuel poor decision-making about following COVID-19 rules.

Jeff Guignard, executive director of B.C.'s Alliance of Beverage Licensees, said the industry was not consulted and called the move "staggeringly stupid."

- **B.C. orders restaurants, bars and stores to stop liquor sales at 8 p.m. on New Year's Eve**

"We have bought all the food for special menus, we've brought in extra alcohol, we've scheduled staff, we've booked reservations," Guignard said.

"It's not like New Year's Eve hasn't been on the calendar for a while now. So we're extremely frustrated that they're doing this at the last minute without giving anybody a heads-up."

Guignard said the hospitality industry is committed to doing everything it can to stop the spread of COVID-19, but he feels that restaurants, bars and liquor stores are being singled out.

No consultation

The move caught restaurant and bar owners by surprise hours before one of the industry's biggest nights, dealing them another blow during a year in which they've had to pivot numerous times to abide by changing public health orders, Guignard said.

Had the industry been consulted in advance, Guignard said he would have argued hours should be extended so people could celebrate in a safe, controlled environment with supervision.

Ending liquor sales early poses a huge problem for restaurants that are offering two sittings on New Year's Eve, the second of which frequently begins at 8 p.m., said Ian Tostenson, president and CEO of the British Columbia Restaurant and Foodservices Association.

He said he knows of one restaurant that had 500 reservations for two sittings on New Year's Eve. Now, they're trying to contact all those patrons to bump reservations earlier so the second sitting can have liquor service.

"They think probably their second sitting is gone, that most people will not want to go out," Tostenson said.

- **Vancouver comedians unite to save Kino Cafe from pandemic death**

He worries restaurants could lose up to 50 per cent of their business on New Year's Eve because of this.

"This didn't have to happen at 8 o'clock. It's very arbitrary and it was way too quick to announce and no time to adjust," Tostenson said.

Tostenson is urging British Columbians to support restaurants by ordering takeout tomorrow night.

"We've got a really tough three months ahead of us and this is not helping the situation at all," he said.

'Support them in any way you can'

Liquor stores are also preparing for the change and are urging patrons to plan ahead.

Paul Richardson, B.C. wine buyer at Liberty Wine Merchants in Vancouver, said he understands the rule is in place for health and safety reasons, but acknowledges the impact it will have on businesses.

Liberty is increasing the number of people allowed in its store on New Years Eve to make up for having to close three hours early.

Still, he suggests people come early to avoid long lines.

"It's sort of the same thing as planting a tree. The best time to do it is 20 years ago. The next best time is now," he said.

- **B.C. eases requirements for struggling businesses applying for support**

Richardson's store is able to adjust on the fly, but he sympathizes with others in the industry left in a tough place at the end of a tough year.

"Consider ordering from a few places that do online sales," he said.

"I know a lot of restaurants are doing online sales of both liquor and food. Do that early in the day, support them in any way you can."

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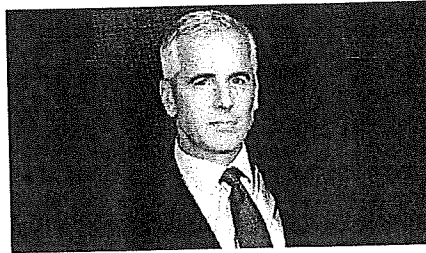


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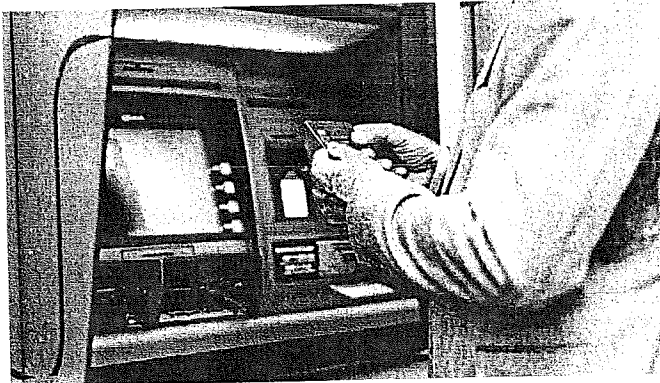
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Canadian Restaurants Facing Impending Bankruptcies As CEBA Loan Repayment Deadline Looms [Survey]

By Mario Toneguzzi May 30, 2023

Recent research released by Restaurants Canada reveals a 116 per cent increase in bankruptcies for Canadian restaurants compared to 2022, and much of this is due to the unpredictability of running a small business in Canada.

As the Canadian Emergency Business Account (CEBA) loans are nearing their Dec. 31 repayment deadline, a Restaurants Canada survey has found that nearly 20 per cent of restaurants that have yet to reimburse the government will not be able to repay it in part or at all given the state of Canadian foodservice.

The organization believes the number of bankruptcies, and local restaurant closures, will only grow.

"Thousands of small independent operators in our industry are at breaking point as a result of their CEBA debts. That's why we are calling on the Deputy Prime Minister, Chrystia Freeland to take meaningful action by adopting our CEBA repayment proposal to help ensure their survival," said Olivier Bourbeau, Vice President, Federal & Québec Affairs.

Queen Anne on Richmond Street in Toronto Shuttered (Image: Dustin Fuhs)

"We are nearing our sector's summer high season. However, with half of all foodservice companies currently operating at a loss or just breaking even and 80 per cent making less profit today compared to pre-pandemic (2019), many of our members are weighing their options to either remain open and continue incurring further debt, or close their businesses and file for bankruptcy; a decision on CEBA before the summer season is integral to providing small-businesses with predictability.

Olivier Bourbeau

"Not a lot of people know that yes the sales are back from COVID but the profitability is not there. Therefore an average restaurant only makes between two and three per cent pre-tax margin. When we see a lineup in front of a restaurant

it's not because it's full, it's because we don't have enough people to serve – the labour shortage. So we operate at 80 per cent capacity with small, small, thin margins.

"Half of the restaurants, 51 per cent, are breaking even or losing money every day – every day. What we're proposing is a win win. We want to reimburse. Restaurant owners are entrepreneurs. They are proud. They want to continue to work. They built a business. They just want more time to be able to reimburse."

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Restaurants Canada is calling on the federal government to adopt its CEBA repayment proposal from RC's 2023 Federal Pre-budget Submission. With only a few weeks until the House of Commons rises for the summer on June 2, and the repayment deadline quickly approaching on Dec. 31, 2023, time is of the essence to address the acute CEBA loan repayment challenges facing restaurants and other small businesses, said the organization.

Restaurants Canada said its CEBA recommendations ask Parliament to provide struggling small businesses with a 36-month payback extension on CEBA loans, with a scale-down model on the forgivable portion. The effective plan will ensure that taxpayer funds are paid back to the government owed while saving thousands of restaurants and other small businesses from being forced to declare bankruptcy in the near future.

For the majority of Canada's foodservice sector, the pandemic created seismic financial challenges which it is still struggling to recover from. In response, the federal government launched the CEBA program, which gave small businesses, including 83 per cent of table service and 56 per cent of quick-service restaurants, and not-for-profits interest-free loans of up to \$60,000, said the organization.

"For many restaurateurs, the December 31st repayment deadline is simply impossible to meet – which reflects the state of our industry as a whole. Post-pandemic operational challenges like inflation, labour shortages and supply chain hurdles are further diminishing the profitability of these businesses and lengthening the sector's recovery process entirely," said Bourbeau.

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He said its proposal would save thousands of restaurants in Canada and tens of thousands of small businesses in Canada.

According to Restaurants Canada:

- Canada's foodservice industry has hit the 100-billion-dollar mark, yet when adjusted for inflation, in comparison to all other Canadian business sectors, restaurants have experienced a 12 per cent drop in economic activity (GDP) from 2019 to 2022; second last to the arts, entertainment and recreation industry which is down by 19 per cent, and;
- Nearly every operational cost is on the rise due to inflation; utilities have increased by six per cent, proteins have increased by nine per cent (beef), 11 per cent (seafood), 13 per cent (chicken), and cooking oil (up 40 per cent), as well as rising labour costs, and restaurateurs have been forced to absorb as much as they can to avoid impacting consumer traffic.

Shuttered Fran's Restaurant on Front Street (Image: Dustin Fuhs)

The Canadian Federation of Independent Business said 78 per cent of small business owners report that getting extra time to repay their CEBA loan will increase the likelihood of their business' survival. The CFIB said its data shows 49 per cent of small businesses are still making below normal revenues, with those in hospitality, arts and recreation, retail and social services hit the hardest.

"Many small businesses are trying to repay their COVID-related debt, while facing an onslaught of additional challenges. High interest rates, inflation and labour costs are all making it hard for small businesses to keep their head above water, let alone make any dent in the debt they were forced to take on to survive pandemic restrictions," said Dan Kelly, CFIB president.

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"If the government helped ease their debt burden, small businesses could reinvest the money into employees or back in their business. Otherwise, we may see more business failures as businesses realize they can't afford to stay open."

The CFIB said 72 per cent of small businesses need to see CEBA repayment rules extended, with 30 per cent preferring a deferral of one year and 42 per cent preferring two years. It said only 10 per cent of businesses that took on a CEBA loan have been able to repay it entirely, while another 47 per cent say they will be able to repay it by the end of 2023. If the CEBA loan is not repaid by December 31, 2023, small business owners will lose the up to \$20,000 forgivable portion and start accruing interest.

The CFIB is calling on the federal government to extend the repayment deadline for the CEBA loan to end of December 2025 or at least end of 2024; consider additional debt forgiveness; and implement an appeal process for CEBA loan recipients that are now deemed ineligible.

7/24/23, 3:14 PM

Canadian Restaurants Facing Impending Bankruptcies as CEBA Loan Repayment Deadline Looms [Survey]

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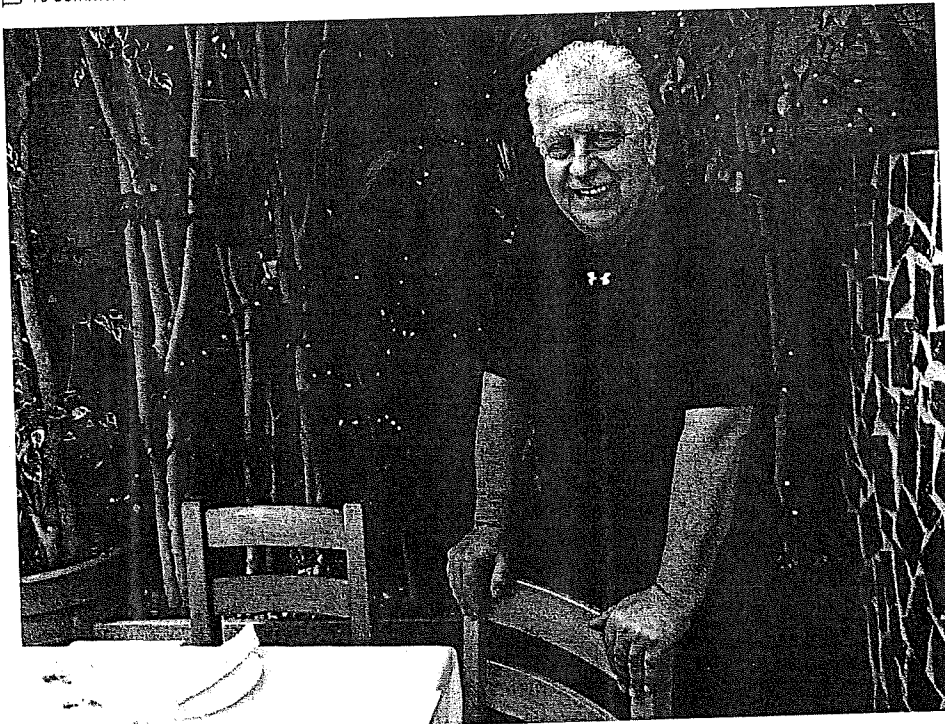
Why B.C. restaurants are still suffering post-pandemic

Most local restaurants are struggling just to keep their heads above water, with COVID-related debt, inflation, labour shortages and the switch to delivery apps.

Gordon McIntyre

Published May 07, 2023 • 3 minute read

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Nick Fikeris, chef and owner of Mythos Taverna in North Vancouver on May 3. PHOTO BY JASON PAYNE / PNG


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4 p.m.

Mythos, a charming and popular mom-and-pop fixture in North Van, has a devoted and loyal fan base and held its own during COVID-19.

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Mythos, an airy welcoming space with split-level seating that includes a large sheltered patio and a “Romeo and Juliet” romantic balcony, is owned and operated by Nick Fikeris and his wife Poppy.

He cooks, she greets.

“Actually we’ve been OK, I’d say we’re almost back to (pre-COVID) normal,” Nick Fikeris said. “But I think we are an exception, you have to look at the whole picture. I’ve heard a lot of stories from suppliers and the industry is suffering.”

The numbers back him up and aren’t reassuring.

Many restaurants don’t open until late afternoon now and even at some places there’s a lineup to get in, a quarter or third of the tables could be sitting vacant because there’s not enough staff. And anyone has had a bite out of late knows appetizers can now cost what a main cost in 2019.

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Post-pandemic challenges include inflation the likes of which haven’t been seen in decades, COVID-related debt, supply-chain problems, labour shortages, rising taxes, more red tape and the switch to delivery apps, said Mark von Schellwitz, vice-president of Western Canada with Restaurants Canada.

“It’s resulted in the worst industry profitability in history,” he said. “I was actually shocked by the number of restaurants that are losing money or just breaking even but still not making a profit.

“There’s a fourfold increase in the number of unprofitable restaurants.”

7/24/23, 3:15 PM

Why B.C. restaurants are still suffering post-pandemic | Vancouver Sun



Uber Eats delivery driver in Vancouver on May 1. PHOTO BY NICK PROCAYLO /00100898A

Between polling companies such as Angus Reid and Circana, federal resources such as Statistics Canada and the minimum wage database, and its own in-house surveys, Restaurants Canada found food sales at the province's 15,000 restaurants have almost but still not quite reached 2019 levels. Those restaurants did \$17.7 billion in sales last year: Full-service restaurants make up 49 per cent of the membership, fast-food joints 37 per cent and the remaining are made up of caterers and such.

Add that 45 per cent of the workforce now works from home most of the time, thereby making a lot more of their own lunches, the B.C. minimum wage has risen more than twice as much as the consumer price index since 2015 and those government emergency loans, known as CEBA, are coming due.

"It's a perfect storm," von Schellwitz said.

Finally, the apps: pre-COVID, pickups and deliveries at full-service restaurants accounted for 20 per cent of sales; now it's twice that.

Dine-delivery means customers don't come in, sit down, relax with drinks and perhaps be enticed by a server into having specials and dessert, but customers do pay a hefty premium to have their food and, should they choose, booze, delivered.

<https://vancouversun.com/business/local-business/why-bc-restaurants-are-still-suffering-post-pandemic>

7/24/23, 3:15 PM

"Takeout is the least-profitable part of food service sales," von Schellwitz said. "But customers want it and while restaurants might not make money on the apps it gives them much-needed cash flow just to pay their bills and keep stock moving."

Most independent restaurateurs, understandably, detest the dine-delivery apps.

"It don't like them, but I have them and I don't lose money on them," Fikeris said. "But they cost people about 25 per cent more than if they'd eaten here.

"I tell people on the phone if they come here for pickup they save almost 25 per cent. But for a lot of people (dinner delivery) is a big convenience."

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Restaurant review: An opera singing farmer creates culinary magic at Sunflower Cafe

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the Province of British Columbia.



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For
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ACTIVE

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Name of Company: TOWNHALL HOLDINGS (COQUITLAM) LTD.
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Receiver: No

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CANADA**Last Name, First Name, Middle Name:**

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CANADA**Delivery Address:**C/O 5708 176 STREET
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A handwritten signature in black ink, appearing to be 'D. B.', written over a horizontal line.

A Commissioner for taking Affidavits in and for
the Province of British Columbia.

Financial statements of
Townhall Holdings (Coquitlam) Ltd
December 31, 2022

Townhall Holdings (Coquitlam) Ltd

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Statement of income and retained earnings	3

Alexander Christopher &
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Compilation Engagement Report

To the Management of: Townhall Holdings (Coquitlam) Ltd

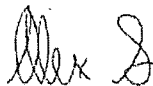
On the basis of information provided by management, we have compiled the balance sheet of Townhall Holdings (Coquitlam) Ltd as at December 31, 2022 and the statement of income and retained earnings for the year then ended, which describes the basis of accounting applied in the preparation of the compile financing information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We have not performed an audit or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that these statements may not be appropriate for their purposes.



Chartered Profesisonal Accountant
May 2, 2023

Townhall Holdings (Coquitlam) Ltd

Balance sheet

December 31

(Unaudited - see Compilation Engagement Report)

	2022	2021
Assets		
Current		
Cash	\$ 1,000	\$ 1,000
Prepaid expenses	-	-
	1,000	1,000
Due from related companies	341,972	341,972
Property, plant and equipment	73,454	73,454
	\$ 416,426	\$ 416,426
Liabilities		
Current		
Due to related companies	\$ 151,960	\$ 151,960
Due to shareholders	166,277	166,277
	318,237	318,237
Shareholders' equity		
Share capital	2	2
Retained earnings	98,187	98,187
	98,189	98,189
	\$ 416,426	\$ 416,426

Approved by the Directors

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Townhall Holdings (Coquitlam) Ltd
Statement of income and retained earnings
Year ended December 31

(Unaudited - see Compilation Engagement Report)

	2022	2021
Revenue	\$ -	\$ -
Cost of sales		
Purchases	-	-
Contract labour, wages and employee benefits	-	-
	-	-
	#DIV/0!	#DIV/0!
Expenses		
Advertising and promotion	-	-
Bank charges and interest	-	-
Business taxes, dues, memberships and licenses	-	-
Cleaning	-	-
Equipment rental	-	-
Garbage	-	-
Insurance	-	-
Office and miscellaneous	-	-
Professional fees	-	-
Rent	-	-
Repairs and maintenance	-	-
Security	-	-
Supplies	-	-
Telecommunications	-	-
Utilities	-	-
Net income for the year		
Retained earnings at beginning of the year	98,187	98,187
Retained earnings at end of the year	\$ 98,187	\$ 98,187

Financial statements of
Townhall Holdings (South Surrey) Ltd
December 31, 2022

Townhall Holdings (South Surrey) Ltd

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Statement of income and retained earnings	3

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Chartered Accountant
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alex@acataxes.com

Compilation Engagement Report

To the Management of: Townhall Holdings (South Surrey) Ltd

On the basis of information provided by management, we have compiled the balance sheet of Townhall Holdings (South Surrey) Ltd as at December 31, 2022 and the statement of income and retained earnings for the year then ended, which describes the basis of accounting applied in the preparation of the compile financing information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

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Readers are cautioned that these statements may not be appropriate for their purposes.



Chartered Professional Accountant
May 2, 2023

Townhall Holdings (South Surrey) Ltd

Balance sheet

December 31

(Unaudited - see Compilation Engagement Report)

	2022	2021
Assets		
Current		
Cash	\$ 19,442	\$ 50,591
Inventory	70,588	70,061
Prepaid expenses	10,114	10,114
	100,144	130,767
Due from related companies	383,771	-
Property, plant and equipment	194,853	216,504
	\$ 678,768	\$ 347,270
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 127,291	\$ 150,446
Due to related companies	-	267,392
Due to shareholders	50,750	50,750
	178,041	468,588
Shareholders' equity		
Share capital	3	3
Retained earnings	500,724	500,724
	500,727	500,727
	\$ 678,768	\$ 969,315

Approved by the Directors

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Townhall Holdings (South Surrey) Ltd

Statement of income and retained earnings

Year ending December 31

(Unaudited - see Compilation Engagement Report)

	2022	2021
Revenue	\$ 2,853,126	\$ 1,196,256
Cost of sales		
Purchases	660,049	288,682
Contract labour, wages and employee benefits	857,278	334,427
	1,517,327	623,109
	1,335,799	573,147
	46.82%	47.91%
Expenses		
Advertising and promotion	96,881	55,490
Bank charges and interest	35,918	30,788
Business taxes, dues, memberships and licenses	6,857	6,024
Cleaning	33,341	30,025
Delivery and freight	4,921	-
Equipment rental	13,938	16,789
Garbage	25,408	17,355
Insurance	34,951	33,789
Office and miscellaneous	29,021	17,233
Professional fees	14,448	1,885
Rent	196,492	185,476
Repairs and maintenance	37,569	18,779
Royalties	25,809	22,000
Security	1,710	-
Supplies	44,672	30,145
Telecommunications	7,914	6,887
Uniforms	4,429	256
Utilities	77,824	70,584
	692,103	543,506
Income (loss) from operations	643,696	29,641
Other income and expenses		
Amortization	21,650	8,325
Income (loss) before income taxes	622,046	21,316
Income taxes	-	-
Net income for the year	622,046	21,316
Retained earnings at beginning of the year	(121,321)	(142,638)
Retained earnings at end of the year	\$ 500,724	\$ (121,321)

Financial statements of
Mickey's Investments (Coquitlam) Ltd
December 31, 2022

Mickey's Investments (Coquitlam) Ltd

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Compilation Engagement Report

To the Management of: Mickey's Investments (Coquitlam) Ltd

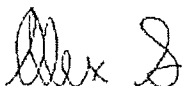
On the basis of information provided by management, we have compiled the balance sheet of Mickey's Investments (Coquitlam) Ltd as at December 31, 2022 and the statement of income and retained earnings for the year then ended, which describes the basis of accounting applied in the preparation of the compile financing information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We have not performed an audit or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that these statements may not be appropriate for their purposes.



Chartered Professional Accountant
May 2, 2023

Mickey's Investments (Coquitlam) Ltd

Balance sheet

December 31

(Unaudited - see Compilation Engagement Report)

	2022	2021
Assets		
Current		
Cash	\$ 1,000	\$ 1,000
Inventory	-	-
Prepaid expenses	-	-
	1,000	1,000
Due from related companies	152,309	152,309
Property, plant and equipment	131,900	131,900
	\$ 285,209	\$ 285,209
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ -	\$ -
Wages payable	-	-
Government remittances payable	-	-
	296,098	296,098
Due to related companies	141,464	141,464
Due to shareholders	437,562	437,562
	2	2
Shareholders' equity		
Share capital	(152,355)	(152,355)
Retained earnings	(152,353)	(152,353)
	\$ 285,209	\$ 285,209

Approved by the Directors

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Mickey's Investments (Coquitlam) Ltd

Statement of income and retained earnings

Year ended December 31

(Unaudited - see Compilation Engagement Report)

	2022		2021	
Revenue	\$	-	\$	-
Cost of sales				
Purchases		-		-
Contract labour, wages and employee benefits		-		-
		-		-
Expenses				
Advertising and promotion		-		-
Bank charges and interest		-		-
Business taxes, dues, memberships and licenses		-		-
Cleaning		-		-
Equipment rental		-		-
Garbage		-		-
Insurance		-		-
Office and miscellaneous		-		-
Professional fees		-		-
Rent		-		-
Repairs and maintenance		-		-
Supplies		-		-
Telecommunications		-		-
Utilities		-		-
		-		-
Income from operations		-		-
Other income and expenses				
Amortization		-		-
Income before income taxes		-		-
Income taxes		-		-
Net income for the year		-		-
Retained earnings at beginning of the year		(152,355)		(152,355)
Retained earnings at end of the year	\$	(152,355)	\$	(152,355)

