



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, AS AMENDED**

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

MONITOR'S FIFTH REPORT TO COURT

November 28, 2024

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I. INTRODUCTION AND PURPOSE OF THE REPORT

Introduction

1. On July 17, 2023, the Joseph Richard Hospitality Group Ltd. and the other petitioners listed on **Appendix A** (the “**Petitioners**”) and the entities listed in **Appendix B** (the “**Non-Petitioners**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order granted by the Supreme Court of British Columbia (the “**Court**”). Ernst & Young Inc. was originally appointed as the court-appointed monitor of the Petitioners.
2. The background to these CCAA proceedings, including the various orders granted, is attached as **Appendix C**.
3. On May 9, 2024, the Court granted orders that, among other things:
 - i. substituted MNP Ltd. as the court-appointed monitor of the Petitioners (the “**Monitor**”) in place of Ernst & Young Inc.;
 - ii. granted the Monitor enhanced powers;
 - iii. extended the stay of proceedings to August 30, 2024;
 - iv. granted a new administration charge in the amount of \$250,000 to secure the fees of the Monitor and its legal counsel (the “**New Administration Charge**”);
 - v. increased the interim financing facility from Canadian Western Bank (“**CWB**”) and corresponding interim finance charge from \$500,000 to \$750,000; and,
 - vi. authorized and directed the Monitor to implement a sales process for the sale of substantially all of the Petitioners’ assets (the “**Sales Process**”).
4. On June 7, 2024, the Court granted an order that approved the engagement of MNP Corporate Finance Inc. (“**MNPCF**”) to assist with the Sales Process and inclusion of MNPCF’s fees in the New Administration Charge.
5. The Monitor, with the assistance of MNPCF, conducted the Sales Process in accordance with this Court’s Orders.
6. The Monitor negotiated the offer from 1174869 B.C. Ltd. and its related entities (collectively “**117 BC**”). On October 23, 2024, the Monitor and 117 BC finalized a purchase agreement on October 23, 2024 (the “**Asset Purchase Agreement**”), subject to Court approval.

7. On October 28, 2024, the Court granted orders that, among other things:
- i. extended the stay of proceedings to December 2, 2024;
 - ii. increased the New Administrative Charge to \$400,000;
 - iii. authorized the Monitor to repay all amounts outstanding under the interim financing facility secured by the Interim Financing Charge;
 - iv. approved the sale of the businesses contemplated in the Asset Purchase Agreement to 117 BC (the “**Asset Transaction**”); and,
 - v. approved the sale of the real estate property located at 5708 176 Street and 5747 176A Street, Surrey, British Columbia (the “**Clover Building**”) to 117 BC (the “**Real Estate Transaction**”).

Purpose of Report

8. The purpose of this Fifth Report to Court (the “**Fifth Report**”) is to provide the Court with:
- i. an update on the Monitor’s activities since its Fourth Report to Court dated, October 24, 2024 (the “**Fourth Report**”);
 - ii. an update with respect to the Asset Transaction;
 - iii. an update with respect to the Real Estate Transaction;
 - iv. a request for the Monitor to seek the power to assign the Petitioners and Non-Petitioner into bankruptcy;
 - v. a comparison of the actual cash flow to the forecast cash flow for the period October 7 to November 24, 2024;
 - vi. the cash flow forecast for the period November 25, 2024 to January 31, 2025; and,
 - vii. information and the Monitor’s recommendation in respect of its application for an extension of the Stay Period to January 31, 2025.

Terms of Reference

9. In preparing this Fifth Report, the Monitor has been provided with and relied upon information received from the Petitioners including financial information prepared by the Petitioners, none of which has been audited. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Fifth Report.

10. Certain information referred to in this Fifth Report consists of forecasts and projections. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the information.
11. This Fifth Report has been prepared for the use of this Court and the Petitioners' stakeholders as general information relating to the restructuring proceedings. Accordingly, this Fifth Report may not be appropriate for any other purpose. The Monitor assumes no responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Fifth Report contrary to the provisions of this paragraph.
12. For the purposes of this Fifth Report, "**Management**" refers to Mr. Andre Bourque, Mr. Ryan Moreno, Mr. Alfred Zagloul and Mr. George Tachejian.
13. This Fifth Report should be read in conjunction with the previous reports of Ernst & Young Inc. and the Monitor filed in these CCAA proceedings.

II. UPDATE ON MONITOR'S ACTIVITIES SINCE ITS PREVIOUS REPORT

14. Since the Fourth Report, the Monitor has performed the following:
 - i. corresponded and liaised with various stakeholders, including:
 - a. Management;
 - b. CWB;
 - c. BMO Bank of Montreal;
 - d. Canada Revenue Agency;
 - e. other creditors; and
 - f. landlords;
 - ii. held discussions and correspondence with the realtor and 117 BC regarding the Real Estate Transaction;
 - iii. liaised with 117 BC and landlords to complete the Asset Transaction;
 - iv. assisted 117 BC and the Petitioners with the transition of the businesses to 117 BC;
 - v. liaised with the Petitioners to reconcile the payment of the post-filing obligations;

- vi. monitored the Petitioners' operations; and,
- vii. prepared this Fifth Report.

III. UPDATE ON THE ASSET TRANSACTION

- 15. The Monitor closed the Asset Transaction as per the Asset Purchase Agreement on October 31, 2024.
- 16. The calculation of the post-closing adjustments as per the Asset Purchase Agreement (the "**Post-Closing Adjustments**") and reconciliation of the post-filing obligations has taken longer than expected. Accordingly, the Monitor is seeking a stay extension (the "**Stay Extension**") to January 31, 2025 to, among other things, complete these tasks.
- 17. Once the Post-Closing Adjustments and post-filing obligations amounts are finalized, the operating entities will continue to be, and meet the test for, insolvency as defined in the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 ("**BIA**"), including an inability to meet their obligations as they become due and owing and, after accounting for the distribution of the Asset Transaction sale proceeds, unsecured creditors having claims in excess of \$1,000 . Given the Petitioners no longer have ongoing business operations, there is no remaining business to restructure. Accordingly, the Monitor seeks the authority where appropriate to assign various Petitioner and Non-Petitioner entities into bankruptcy to avoid the costs associated with bringing a petition.

IV. SALE OF THE CLOVER BUILDING

- 18. On October 28, 2024, the Court approved the sale of the Clover Building to 117 BC for \$7.25 million (the "**Approved Offer**").
- 19. The closing date contemplated in the Approved Offer was November 27, 2024, however 117 BC has advised the Monitor that additional time is required to finalize its financing and complete the sale.
- 20. The revised estimated closing date is December 17, 2024. To account for the additional costs that will be incurred as a result of this delayed closing date, the Monitor has negotiated an Addendum to the Contract of Purchase and Sale, which increases the purchase price by \$75,000 and requires an additional deposit of \$150,000 (the

“Addendum”), subject to Court approval. The Addendum is attached hereto as **Appendix D**.

V. FORECAST CASH FLOW

Actual vs. Forecast Cash Flow

21. The table below is a summary of actual versus forecast cash flows for the period of October 7, 2024 to November 24, 2024:

	\$000's		
	Actual	Forecast	Variance
Receipts			
Estimated Net Proceeds from Sale of Businesses	4,407	4,050	357
Estimated Proceeds from Sale of Inventory	-	300	(300)
Restaurants and operations	1,689	2,003	(314)
Sales Taxes	173	200	(28)
	6,268	6,553	(285)
Disbursements			
Labour	(1,328)	(1,395)	67
Cost of Goods Sold	(529)	(600)	71
G&A	(590)	(438)	(152)
Rent	(305)	(350)	45
Sales Tax	(459)	(655)	196
Professional Fees	-	(150)	150
Interim Financing	-	(435)	435
Contingency	-	(15)	15
	(3,210)	(4,037)	827
Net Cash Flow	3,058	2,516	542
Opening Cash Position	303	303	-
Forecast Closing Position	3,361	2,819	542

22. The following are key variances for the period October 7, 2024 to November 24, 2024:

- i. The estimated net proceeds from the sale of the businesses are higher due to the higher than forecast post-closing adjustment negotiated as part of the Asset Transaction. In addition, the fees of \$250,000 payable to MNPCF in connection with the Asset Transaction had previously been netted from the projected sales proceeds, and now is not. It is instead included as part of the forecasted disbursements for the period November 25, 2024 to January 31, 2025;
- ii. The receipts from the restaurants and operations were lower than the forecast by \$314,000 due to the continued decline in the hospitality industry; and,

- iii. The actual sales taxes paid are lower than forecast by \$196,000 due to unpaid sales taxes relating to October 2024, which are due November 30, 2024 and will be paid from the sales proceeds prior to the due date.

Forecast Cash Flow

- 23. Management, with the assistance of the Monitor, has prepared forecast cash flow on a weekly basis for the period November 25, 2024 to January 31, 2025 (the “**Forecast Cash Flow**”), which is summarized below:

	\$000's
Receipts	
Estimated Net Proceeds from Proposed Sale of Clover Building	6,619
	<u>6,619</u>
Disbursements	
Repayment of Interim Financing	(800)
Professional Fees	(650)
Sales Tax	(185)
Labour	(100)
Post-Filing Payments	(275)
Contingency	-
	<u>(2,010)</u>
Net Cash Flow	4,609
Opening Cash Position	<u>3,361</u>
Forecast Closing Position	<u>7,970</u>

- 24. A copy of the weekly Forecast Cash Flow including notes and assumptions is attached hereto as **Appendix E**.
- 25. The Forecast Cash Flow includes the estimated net proceeds to be received from the Real Estate Transaction.
- 26. The post-filing payments in the Forecast Cash Flow relate to outstanding invoices relating to the ongoing costs of the businesses incurred prior to the sale / winddown of the entities post-CCAA filing (the “**Post Filing Payments**”). The Monitor is in the process of reconciling the amounts with the Petitioners, however, the Monitor estimates that the amount of the Post-Filing Payments may be in excess of the \$275,000.

27. Based on the Monitor's view of the Forecast Cash Flow, and the assumptions set out in the notes thereto, the Monitor believes that in all material respects:
- i. the probable and hypothetical assumptions set forth therein are consistent with the purposes of the Forecast Cash Flow;
 - ii. the probable and hypothetical assumptions developed by Management are suitably supported and consistent with the plans of the Petitioners or provide a reasonable basis for the Forecast Cash Flow; and
 - iii. the Forecast Cash Flow reflects the probable and hypothetical assumptions.
28. Since the Forecast Cash Flow 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, the Monitor expresses no assurance as to the accuracy of the Forecast Cash Flow. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Fifth Report, or relied upon by us in preparing this Fifth Report.
29. The Forecast Cash Flow has been prepared solely for the purpose described above and may not be appropriate for other purposes.

VI. EXTENSION OF STAY OF PROCEEDINGS

30. The stay of proceedings currently expires on December 2, 2024. A stay extension is being sought to January 31, 2025 (the "**Stay Extension**").
31. The Monitor supports the Stay Extension to allow the Petitioners sufficient time to:
- i. finalize the amounts for the Post-Closing Adjustments and post-filing obligations;
 - ii. complete the Real Estate Transaction; and
 - iii. prepare an application to Court to distribute the remaining proceeds.
32. The Monitor does not believe any of the Petitioners' creditors will be materially prejudiced by the Stay Extension, in particular given that operations have ceased.
33. The Monitor believes that the Petitioners have continued to act in good faith and with due diligence during the course of these CCAA proceedings. The Petitioners' Management have continued to assist the Monitor with the Sales Process.

VII. RECOMMENDATIONS

34. The Monitor recommends that the Court:

- i. approve the Stay Extension to January 31, 2025; and
- ii. authorize the Monitor to assign the Petitioner and Non-Petitioner entities into bankruptcy where appropriate.

All of which is respectfully submitted to this Court this 28th day of November, 2024.

MNP Ltd.

in its capacity as Monitor of the Joseph Richard Hospitality Group and those Petitioners listed on **Appendix A** and not in its personal capacity.

Per:



Mario Mainella, CPA, CA, CIRP, LIT

Per:



Kevin Koo, CPA, CIRP, LIT

Appendix A
List of Petitioners

List of Petitioners

1138279 B.C. Ltd.
1164312 B.C. Ltd.
Ad Prolem Capital Investments Ltd.
Clover 67 Private Dining Room Ltd.
Edith & Arthur Public House Ltd.
Joseph Bourque Investments Ltd.
Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
JRG Canteen Virtual Kitchen Ltd.
JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
JRG Foodhall (Vancouver) Ventures Ltd.
JRG Glass House Estates Winery Ltd.
JRG Ledgeview Holdings Ltd.
JRG Steveston Hotels Ltd.
JRG Systems Ltd.
JRG Whiskey Charlie Cafe, Pitt Meadows Ltd.
Livelyhood Public House Ltd.
Micky's Investments (Coquitlam) Ltd.
Monkey See Tiki Bar Ltd.
Oak & Thorne Public House Ltd.
Oceanside Yacht Club And Public House Ltd.
S & L Kitchen & Bar Holdings Abbotsford Ltd.
S & L Kitchen & Bar Holdings Langley Ltd.
S & L Kitchen & Bar Holdings South Surrey Ltd.
Steveston Hospitality Services Ltd.
Sudo Asian Kitchen Holdings (Langley) Ltd.
The Italian Osteria and Cheese Bar Ltd.
The Phat Bird Public House Ltd.
The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.
Townhall Holdings (Chilliwack) Ltd.
Townhall Holdings (Coquitlam) Ltd.
Townhall Holdings (Maple Ridge) Ltd.
Townhall Holdings (South Surrey) Ltd.
Townhall Holdings Ltd.
Whiskey Charlie Holdings Ltd.

Appendix B
Non – Petitioner Entities

Non-Petitioner Entities:

Blank Canvas Catering Ltd.
JRG Queens LRS Ventures Ltd.
JRG Chilliwack Holdings Ltd.
JRG Growth Ventures Ltd.
JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.

Appendix C
Background to these CCAA Proceedings

**IN THE MATTER OF THE CCAA PROCEEDINGS OF
JOSEPH RICHARD HOSPITALITY GROUP LTD.**

MONITOR'S FIFTH REPORT TO COURT – APPENDIX C

1. On July 17, 2023 (the “**Filing Date**”), this Honourable Court made an order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”) granting the Joseph Richard Hospitality Group Ltd. and the 38 other petitioners listed at **Appendix A** (each a “**Petitioner**”, and collectively, the “**Petitioners**” or “**JRG**”) protection under the CCAA. The Initial Order appointed Ernst & Young Inc. (“**EYI**”) as monitor of JRG.

2. On July 27, 2023, the Court granted:
 - i. A Claims Process Order to approve a claims process; and
 - ii. An Amended and Restated Initial Order (“**ARIO**”) that:
 - a. Extended the Stay period to September 29, 2023 (the “**Stay Period**”);
 - b. Increased the Administration Charge to \$400,000 to secure the fees of the Petitioners’ legal counsel, EYI, and EYI’s legal counsel;
 - c. Increased the Directors’ Charge to \$1,000,000 to secure against potential claims against the Petitioners’ directors and officers;
 - d. Created an Intercompany Charge to secure against payments or obligations incurred between Petitioners; and,
 - e. Included Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky’s Investments (Coquitlam) Ltd. as Petitioners in the proceeding.

3. On August 30, 2023, the Court granted an order that:
 - i. Approved an interim financing facility and a correspondence Interim Financing Charge to a maximum of \$500,000 to be provided by Canadian Western Bank ("**CWB**");
 - ii. Amended ARIO to limit the Administration Charge to a maximum amount of \$250,000; and,
 - iii. Stated the priority of charges granted as follows:
 - a. First: Administration Charge (to a maximum of \$250,000);
 - b. Second: Interim Financing Charge;
 - c. Third: Intercompany Charge; and
 - d. Fourth: Directors' Charge (to a maximum of \$1,000,000).
4. On September 28, 2023, the Court granted an order extending the Stay Period to November 30, 2023.
5. On November 30, 2023, the Court granted an order extending the Stay Period to December 22, 2023.
6. On December 14, 2023, the Court pronounced several Orders, including a "**Creditors' Meeting Order**", establishing a process for a meeting of creditors to vote on a Plan of Compromise and Arrangement (the "**Plan**"). The meeting was originally set for February 29, 2024, but was postponed on two occasions. On April 26, 2024, the meeting was postponed indefinitely as it was unlikely that the Petitioners would be able to file a Plan that would be approved by its creditors. The Court also granted an order extending the Stay Period to March 8, 2024.
7. On March 8, 2024, the Court granted an order that:
 - i. approved the sale of the strata property located at 19040 Lougheed Highway, Pitt Meadows (the "**Roosters Building**"). This sale closed on April 12, 2024. After deducting conveyancing fees, commissions, and property taxes, the net sales proceeds of \$2,927,924.57 were transferred to EYI's trust account; and,
 - ii. extended the Stay Period to May 8, 2024.
8. On May 9, 2024, the Court granted orders that among other things:
 - i. substituted MNP Ltd. as the court-appointed monitor of the Petitioners (the "**Monitor**") in place of EYI;

- ii. granted the Monitor enhanced powers;
 - iii. extended the stay of proceedings to August 30, 2024;
 - iv. granted a new administration charge in the amount of \$250,000 to secure the fees of the Monitor and its legal counsel (the “**New Administration Charge**”);
 - v. increased the interim financing facility from CWB and corresponding interim finance charge from \$500,000 to \$750,000; and,
 - vi. authorized and directed the Monitor to implement a sales process (the “**Sales Process**”).

9. On May 9, 2024, the Court also granted an order that approved the distribution of those net sales proceeds from the sale of the Roosters Building (the “Distribution Order”) as follows:
 - i. Payment to Farris LLP, EYI, and Bennett Jones LLP (collectively the “**Administration Charge Beneficiaries**”) in the amount of \$250,000 in respect of the Administration Charge;
 - ii. Payment to the Administration Charge Beneficiaries in the amount of \$75,000 for final satisfaction of amounts owed to the Administration Charge Beneficiaries;
 - iii. Payment to the Administration Charge Beneficiaries for costs incurred in relation to the application for the Distribution Order; and
 - iv. Payment of the remaining balance to CWB for their secured debt against the Roosters Building.

10. On June 7, 2024, the Court granted an order that approved the engagement of MNP Corporate Finance Inc. (“**MNPCF**”) to assist with the Sales Process and inclusion of MNPCF’s fees in the New Administration Charge.

11. On August 26, 2024, the Monitor sought and obtained an extension of the stay of proceedings to November 1, 2024 as additional time was required to finalize the purchase agreement.

12. On October 28, 2024, the Court granted an order that, among other things:
 - i. extended the stay of proceedings to December 2, 2024;
 - ii. increased the New Administrative Charge to \$400,000;
 - iii. authorized the Monitor to repay all amounts outstanding under the interim financing facility secured by the Interim Financing Charge;

- iv. approved the sale of the businesses contemplated in the Asset Purchase Agreement to 117 BC; and,
- v. approved the sale of the real estate property located at 5708 176 Street and 5747 176A Street, Surrey, British Columbia to 117 BC.

Appendix D
Addendum to Contract of Purchase and Sale for
Clover Building to Extend the Closing Date



BCrea
British Columbia
Real Estate Association



THE CANADIAN
BAR ASSOCIATION
British Columbia Branch

CONTRACT OF PURCHASE AND SALE ADDENDUM / AMENDMENT

MLS® NO: C8058133 DATE: November 25 2024

RE: ADDRESS: 5708 176 St & 5747 176A St Surrey BC V3S 4C8

LEGAL DESCRIPTION: PARCEL G, PLAN NWP53379, SECTION 8, TOWNSHIP 8, NEW WESTMINSTER LAND DISTRICT, EXCEPT PLAN PT SUB'D BY PL BCP27714
PARCEL F. PLAN NWP53379. SECTION 8. TOWNSHIP 8. NEW WESTMINSTER LAND DISTRICT

PID: 001-592-602 OTHER PID(S): _____

ADDENDUM TO / AMENDMENT MADE FURTHER TO AND FORMING PART OF THE CONTRACT OF PURCHASE AND SALE DATED August 14 2024 MADE BETWEEN 1192528 BC Ltd.

_____ AS BUYER(S), AND
JRG Cloverdale Holdings Ltd.

AS SELLER(S) AND COVERING THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

IN REFERENCE TO THE CONTRACT MENTIONED ABOVE DATED AUGUST 14, 2024;

Both the Purchaser and Vendor mutually agree to amend the Agreement as follows:

1. Extension of Completion Date:
 - The completion date is extended from the original date of November 27, 2024 to the new date of December 17, 2024.
2. Fee for Extension:
 - A fee of \$75,000.00 will be added to the adjustments to cover rent and other expenses related to the extension.
3. Second Deposit:
 - A second deposit of \$150,000.00 will be due and payable within 48 hours of the full execution of this addendum.
 - This second deposit, along with the initial deposit of \$50,000.00, will form part of the purchase price at completion.
4. Time Remains of the Essence:
 - Except as amended herein, all other terms and conditions of the Agreement remain unchanged, and time remains of the essence.

This addendum shall be binding upon execution by both parties and shall form part of the Contract of Purchase and Sale.

AuthenticSign

 BUYER

11/26/24



BUYER

PRINT NAME

WITNESS

1192528 BC Ltd.

PRINT NAME

WITNESS

Signed by:

SELLER

11/27/2024



AM PST

SELLER

PRINT NAME

WITNESS

JRG Cloverdale Holdings Ltd.

PRINT NAME

WITNESS

_____ BUYER

PRINT NAME

WITNESS

SELLER

PRINT NAME

WITNESS

Appendix E
Forecast Cash Flow
For the Period November 25, 2024 to January 31, 2025

In the matter of the CCAA Proceedings of Joseph Richard Group
 Cash Flow Forecast For the Period from November 25, 2024 to January 31, 2025
 SCAD

	Actuals	Forecast												Total Actual / Forecast		
		Total Forecast														
		Apr 29, 2024 to Nov 24, 2024	01-Dec-24	08-Dec-24	15-Dec-24	22-Dec-24	29-Dec-24	05-Jan-25	12-Jan-25	19-Jan-25	26-Jan-25	31-Jan-25	Nov 25, 2024 to Jan 31, 2025			
Receipts																
Net Proceeds from Proposed Sale of Clover Building	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,619,000
Net Proceeds from Proposed Sale of the Businesses	2	4,406,870	-	-	-	6,619,000	-	-	-	-	-	-	-	-	-	4,406,870
Restaurants and operations		14,344,739	-	-	-	-	-	-	-	-	-	-	-	-	-	14,344,739
Sales Taxes		1,438,171	-	-	-	-	-	-	-	-	-	-	-	-	-	1,438,171
Total Receipts		20,189,780				6,619,000										26,808,
Operating Disbursements																
Cost of Goods Sold		(4,842,658)	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,842,
Labour		(5,880,162)	(100,000)	-	-	-	-	-	-	-	-	-	-	-	-	(5,980,
G&A	3	(3,432,048)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,432,
Rent		(1,999,031)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,999,
Sales Tax		(1,027,253)	(185,000)	-	-	-	-	-	-	-	-	-	-	-	-	(1,212,
Contingency		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(275,
Post-Filing Payments		-	(285,000)	(275,000)	-	-	-	-	-	-	-	-	-	-	-	(775,
Total Operating Disbursements	4	(17,181,151)														(17,741,
Restructuring Disbursements																
Professional Fees	5	(172,500)	-	(400,000)	(250,000)	-	-	-	-	-	-	-	-	-	-	(822,
Total Restructuring Disbursements		(172,500)		(400,000)	(250,000)											(822,
Financing Receipts / (Disbursements)																
DIP Facility - principal draw / (repayment)	6	450,000	-	-	(800,000)	-	-	-	-	-	-	-	-	-	-	(350,
DIP Facility - fees		(15,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,
Total Financing Receipts / (Disbursements)		435,000			(800,000)											(365,
Net Cash Flow	7	3,271,129				6,619,000										7,880,
Opening Balance		89,507				1,350,636										89,
Closing Cash Balance		3,360,636				7,969,636										7,969,636

Notes

- Sales proceeds from sale of the Clover Building (subject to Court approval) for \$7.325 million, net of realtor commissions of \$230K and property taxes of \$475K.
- Sales proceeds from sale of the Operating Businesses for \$4.15 million plus an estimated post closing adjustment of \$250,000.
- Labour consists of all Joseph Richard Group salaries and wages, including insurance and benefits and includes anticipated payment of final payroll, post-filing source deductions and any payroll related obligations.
- The Post-Filing Payments relate to outstanding invoices relating to the ongoing costs of the businesses incurred prior to the sale / winddown of the entities post-CCAA filing. The Monitor is in the process of reconciling the amounts with the Petitioners. However, the Monitor estimates this amount to be in excess of \$275,000.
- Professional Fees are estimated costs of the Monitor, its legal counsel and MNPCF.
- DIP financing relates to the principal amounts borrowed from CWB during the period April 29, 2024 to August 11, 2024. Prior to April 29, 2024, JRG had borrowed \$300,000. As at the date of this Report, JRG has borrowed the full amount of the DIP financing of \$750,000. The Forecast Cash Flow includes full repayment of the DIP Facility of approximately \$600,000 including interest.
- The disbursements do not include distribution of the remaining proceeds which will be completed following a distribution order being granted.