



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-36F

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**

**SUPPLEMENT TO THE THIRD MONITOR REPORT OF THE MONITOR**

**ERNST & YOUNG INC.**

**October 30, 2023**

## INTRODUCTION AND PURPOSE OF THIS REPORT

1. The purpose of this supplement (the “**Explanatory Supplement**”) to the Third Report of the Monitor dated September 27, 2023 (the “**Third Report**”) is to provide this Honourable Court with greater context to the basis of the Petitioners’ request for an extension of the Stay of Proceedings from September 28, 2023 to November 30, 2023.
2. Capitalized terms not defined in this Explanatory Supplement to the Third Report are as defined in the Third Report. All references to dollars are in Canadian currency.

## THE REQUEST OF AN EXTENSION OF THE STAY OF PROCEEDINGS

3. Paragraphs 20 and 21 of the Third Report noted that the Petitioners presented a restructuring plan concept (the “**Restructuring Concept**”) to CWB, which is the Petitioners’ primary secured creditor. The Third Report further noted that:
  - a) The Restructuring Concept that had been presented is complex and seeks, *inter alia*, amendments to repayment terms, the inclusion of new entities as borrowers under the proposed revised repayment terms, and the sale of some or all of the Petitioners’ real property;
  - b) the Petitioners and CWB had maintained a continuous dialogue and productive exchange of ideas;
  - c) the Petitioners were fine-tuning the Restructuring Concept based on a recently prepared forecast for 2024; and
  - d) CWB asked the Petitioners to seek an extension of the Stay Period to November 30, 2023 to continue the discussions and allow the parties the necessary time to arrive at the proper outcome for all stakeholders.

4. The Monitor assisted the Petitioners in the development of a "DRAFT" Restructuring Concept which was sent to CWB on August 3, 2023. Representatives of the Petitioners, the Monitor and CWB met at the offices of CWB's legal counsel, Fasken Martineau DuMoulin LLP, on August 10, 2023 to discuss, amongst other things, the "DRAFT" Restructuring Concept (the "**Restructuring Concept**").
5. CWB had retained MNP Inc. ("**MNP**") as a financial advisor in this matter, who also attended the meeting on August 10, 2023.
6. MNP commenced its review of the Restructuring Concept in late August, and, on August 31, 2023, MNP asked for a list of information and documents to allow it to review and assess the viability of the Restructuring Concept.
7. There was a delay in delivering some of the requested information and documents to MNP, which was due primarily to personal schedules of key personnel of the Petitioners. As well, some of the items requested, including a financial forecast for the next fiscal year, had not been prepared by that time.
8. As of September 14, 2023, the Petitioners had not fully responded to MNP's information request list and counsel for CWB wrote the Petitioners (copying the Monitor) suggesting that, in light of the delay in the provision of information, the Petitioners would need to seek an extension of the Stay of Proceedings in order for the Petitioners to present a final restructuring proposal to CWB, and to afford time for MNP to provide its advice to CWB so that it could respond to any such proposal. CWB suggested that the extension be to November 30, 2023. The email also outlined suggested dates for, among other things, the delivery of documents and a final restructuring proposal.
9. Following receipt of the Third Report, CWB requested through counsel that the Monitor prepare this Explanatory Supplement in order to dispel any misapprehension that might arise

from paragraphs 20 and 21 of the Third Report to the effect that CWB at that time had a final restructuring proposal and all necessary information from the Petitioners but required and requested additional time to consider that information and proposal. The Monitor confirms that the communications referred to in those paragraphs occurred in a context where, a) the Restructuring Concept was still presented in DRAFT, and b) MNP was waiting on key documents and information in order to undertake a review of the Restructuring Concept. CWB suggested (not asked) that the Petitioners' application for an extension of the Stay of Proceedings be to November 30, 2023 on the expectation that outstanding information requests would be responded to in accordance with a timeline proposed by CWB.

10. The Monitor notes that it delivered the forecast MNP requested on September 19, 2023. The Monitor subsequently delivered (on behalf of the Petitioners) an update to the Restructuring Concept on September 29, 2023. The Monitor understands that no material information requests are outstanding at this point.

All of which is respectfully submitted this 30<sup>th</sup> day of October, 2023.

**ERNST & YOUNG INC.**  
in its capacity as Monitor  
of Joseph Richard Hospitality Group  
and those Petitioners listed in Appendix "A"  
and not in its personal or corporate capacity

Per:



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

**APPENDIX A –  
List of Petitioners**

**Schedule "A"**  
**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.
Lowercase Capital Consulting 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.

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.