



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

THIRD MONITOR'S REPORT

ERNST & YOUNG INC.

September 27, 2023

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INTRODUCTION

1. On July 17, 2023 (the “**Filing Date**”), pursuant to an order (the “**Initial Order**”) granted by the Supreme Court of British Columbia (the “**Court**”), the Joseph Richard Hospitality Group Ltd. and those 38 other petitioners listed hereto at **Appendix “A”** (each a “**Petitioner**”, and collectively, the “**Petitioners**” or “**JRG**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and Ernst & Young Inc. (“**EYI**”) was appointed monitor of the Petitioners (in such capacity, the “**Monitor**”).
2. Following the issuance of the Initial Order and a temporary stay of proceedings, the Petitioners made an application to Court seeking various relief, which included request to make certain amendments to the Initial Order.
3. On July 27, 2023, this Honourable Court pronounced the following orders:
 - a) an amended and restated initial order (“**ARIO**”) which, among other things,
 - i. granted an extension to the Initial Stay of Proceedings until and including September 29, 2023;
 - ii. increased the Administration Charge to \$400,000 to secure payment of the fees and disbursements of the Petitioners’ legal counsel, the Monitor, and the Monitor’s legal counsel;
 - iii. increased the Directors’ Charge to \$1,000,000 as security for claims that may be brought against the Petitioners’ directors and officers;
 - iv. created an Intercompany Charge as security for any payment or obligation incurred between any Petitioner;
 - v. elevated the priority of the Administration Charge and the Directors’ Charge in respect of the secured creditors who did not receive notice of the initial

order hearing, but who were provided notice of the July 27, 2023 application; and

vi. added Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky's Investments (Coquitlam) Ltd. (together, the "**Additional Petitioners**") as Petitioners to this proceeding.

b) a Claims Process Order approving a claims process (the "**Claims Process**") to identify and quantify creditors' claims against the Petitioners.

4. On August 30, 2023, this Honourable Court issued an Interim Financing Order which, among other things:

a) authorized the Petitioners to obtain and borrow under a credit facility (the "**Interim Financing Credit Agreement**") from Canadian Western Bank ("**CWB**" or, the "**Interim Lender**"), provided that borrowings under such credit facility do not exceed \$500,000;

b) granted a charge (the "**Interim Financing Charge**") to a maximum amount of \$500,000 plus interest and applicable fees, costs and other amounts payable under the Interim Financing Credit Agreement;

c) amended the ARIO such that the maximum amount of the Administration Charge is limited to \$250,000;

d) clarified the priority of the charges granted under the ARIO and Interim Financing Order as follows:

i. First: Administration Chare (to a maximum amount of \$250,000);

- ii. Second: Interim Financing Charge (to a maximum amount of \$500,000 plus interest and all applicable fees, costs and other amounts payable under the Interim Financing Credit Agreement);
 - iii. Third: Intercompany Charge; and
 - iv. Fourth: Directors' Charge (to a maximum amount of \$1,000,000).
5. On September 21, 2023, the Petitioners filed a Notice of Application returnable September 28, 2023 (the "**September 21 Notice of Application**") seeking this Honourable Court's approval to:
- a) extend the Stay of Proceedings to November 30, 2023;
 - b) remove Lowercase Capital Consulting Ltd. as a Petitioner in these proceedings; and
 - c) increase the maximum amount of pre-filing payments for goods and services supplied to the Petitioners prior to the date of the ARIO, as set out in paragraph 10(d) of the ARIO, to \$100,000.

PURPOSE OF THIS REPORT

6. The purpose of this Third Report is to provide this Honourable Court with:
- a) an update on the Monitor's activities since the Second Report of the Monitor, dated August 29, 2023 (the "**Second Report**");
 - b) a forecast-to-actual analysis comparing the Petitioners' forecasted cash flow statement filed in connection with the Second Report (the "**Second Cash Flow Forecast**") to actual results;

- c) the Petitioner's statement of projected cash flow (the "**Third Cash Flow Forecast**") for the period of September 18, 2023 to December 3, 2023 (the "**Third Forecast Period**");
 - d) the Monitor's comments with respect to the relief sought in the September 21 Notice of Application; and
 - e) the Monitor's conclusions with respect to same.
7. EYI is filing this report (the "**Third Report**") in its capacity as court-appointed Monitor of the Petitioners. Court materials filed in these proceedings, including the materials filed by the Petitioners in support of the ARIO, are available at the website established by the Monitor in respect of these proceedings at: www.ey.com/ca/JRG (the "**Monitor's Website**").
8. Capitalized terms not otherwise defined in this Third Report have the meanings given to them in the Initial Order, the ARIO, the First Report, the Second Report or the Comeback Application and the various materials filed by the Petitioners in support thereof, including, a) Affidavit #1 Mr. André Joseph Bourque sworn July 14, 2023 (the "**First Bourque Affidavit**"), b) Affidavit #2 of Mr. André Joseph Bourque sworn July 24, 2023 (the "**Second Bourque Affidavit**"), and c) Affidavit #3 of Mr. André Joseph Bourque sworn August 23, 2023.
9. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

TERMS OF REFERENCE

10. In preparing this Third Report and making the comments herein, the Monitor has been provided with, and has herein relied upon, unaudited financial information, books, records and financial information prepared by the Petitioners, discussions with management of the Petitioners, and information from other third party sources (collectively, the "**Information**").

11. Except as described in this Third Report, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian auditing standards pursuant to the Chartered Professional Accountants of Canada Handbook.
12. Future oriented financial information referred to in this Third Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.
13. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Third Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.
14. For the purposes of this report, "**Management**" means Mr. André Bourque ("**Mr. Bourque**") and Mr. Ryan Moreno ("**Mr. Moreno**"), both founders of JRG, as well as Mr. Alfred Zagloul (the current Fractional Financial Officer "**CFO**") and Mr. George Tachejian ("**Mr. Tachejian**") (Vice President).

CONDENSED BACKGROUND INFORMATION

15. The Petitioners operate a series of restaurants, pubs, liquor stores, events and hospitality businesses, and wineries in the Lower Mainland region of British Columbia. They are collectively known as the "**Joseph Richard Group**" which was founded by Mr. Bourque and Mr. Moreno in 2009. JRG is known throughout the lower mainland for their style of upscale-casual pub restaurants.

16. In particular, the First Bourque Affidavit describes that the Petitioners operate 22 establishments and ventures (the “**Hospitality Entities**”), which are primarily held in companies owned in whole or part by Joseph Richard Investments Ltd. (“**JRIL**”) and Joseph Richard Hospitality Group Ltd. (“**Hospitality**”).
17. The list of the Hospitality Entities together with their secured creditors is provided on paragraph 23 of the First Report and is not replicated herein.
18. Additional background information on JRG and the CCAA Proceedings is available on the Monitor’s Website.

ACTIVITIES SINCE THE FILING OF THE SECOND REPORT OF THE MONITOR

19. Since the Second Report, the activities of the Monitor include, among other things:
 - a) monitoring the Petitioners’ operations and financial affairs;
 - b) assisting the Petitioners with the preparation of weekly forecast-to-actual variance reports (which compare actual financial performance of the Petitioners relative to prepared forecasts);
 - c) engaging extensively with the Petitioners’ management team, the Petitioners’ counsel, and its own counsel regarding all aspects of these CCAA Proceedings;
 - d) participating in discussions with the Petitioners’ primary secured creditor, Canadian Western Bank (“**CWB**”), CWB’s financial advisor, and Bank of Montreal (“**BMO**”) regarding the CCAA proceedings and the current state of the Petitioners’ business with a view to advancing a plan of compromise or arrangement (a “**Plan**”);
 - e) responding to various creditor and stakeholder inquiries;

- f) assisting Management with preparing a revised cash flow forecasts including the Third Cash Flow Forecast, which is described in further detail below; and
- g) administering the Claims Process including receiving and reviewing proofs of claim and communicating with creditors in this regard.

20. In particular, the Petitioners have presented a restructuring plan concept (the “**Restructuring Concept**”) to CWB being the Petitioners’ primary secured creditor. The plan that has 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 estate property.
21. The Monitor notes that Petitioners and CWB have maintained a continuous dialogue and productive exchange of ideas. The Petitioners have also been in dialogue with BMO, their other secured creditor regarding restructuring ideas applicable to the assets over which BMO has security. The Petitioners are fine-tuning the Restructuring Concept based on recently prepared forecast for 2024 and 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.

FORECAST-TO-ACTUAL ANALYSIS

22. The Monitor has continuously reviewed the operations and cash flows of the Petitioners since the Filing Date.
23. The actual cash flow results for the Petitioners from the Filing Date through to September 17, 2023 (the “**Reporting Period**”) is presented in Exhibit 1.0. These actual results have been compared to the forecasts outlined in the First Cash Flow Forecast for the period of July 17,

2023 to August 20, 2023 and the forecasts outlined in the Second Cash Flow Forecast for the period of August 21, 2023 to September 17, 2023 (collectively, the “Forecasts”).

In the matter of the CCAA Proceedings of Joseph Richard Group					
Consolidated Forecast-to-Actual					Exhibit 1.0
For the Period July 17, 2023 to September 17, 2023 (the "Reporting Period")					
\$CAD					
	Notes	Forecast Period total	Actual Period total	Variance (\$) Period total	Variance (%) Period total
Opening Balance		180,135	146,740	(33,395)	
Receipts					
Restaurants	A	4,938,318	4,839,303	(99,015)	-2%
Other Ventures	A	1,451,682	2,061,157	609,475	42%
Total Receipts		6,390,000	6,900,460	510,460	8%
Disbursements					
Cost of Goods Sold - Restaurants	B	(1,382,731)	(1,458,981)	(76,250)	6%
Cost of Goods Sold - Other Ventures	B	(602,659)	(908,016)	(305,357)	51%
Labour - Restaurants	C	(2,464,964)	(1,414,179)	1,050,785	-43%
Labour - Other Ventures	C	(606,679)	(404,218)	202,461	-33%
Source Deductions	C	-	(510,389)	(510,389)	0%
G&A	D	(585,000)	(1,087,583)	(502,583)	86%
Rent		(600,000)	(659,433)	(59,433)	10%
VAT Remitted		-	(120,152)	(120,152)	0%
Contingency		(135,000)	-	135,000	-100%
Total Operating Disbursements		(6,377,034)	(6,562,951)	(185,917)	3%
Restructuring Disbursements					
Professional Fees	E	(375,000)	-	375,000	-100%
Marketing Agent Fee		-	-	-	
Total Restructuring Disbursements		(375,000)	-	375,000	-100%
Financing Receipts / (Disbursements)					
DIP Facility - principal draw / (repayment)		200,000	-	(200,000)	-100%
Total Financing Receipts / (Disbursements)		200,000	-	(200,000)	-100%
Net Cash Flow		(162,034)	337,509	499,543	
Closing Cash Balance		197,160	484,249	466,148	236%

24. Broadly speaking, the variances noted above are attributable to either timing differences or increased costs attributable to gross revenue exceeding forecast. Regarding some of the more significant variances, the Monitor reports that:

- a) receipts were higher than anticipated. The variance is primarily attributed to the actual receipts being inclusive of GST/PST, whereas receipts in the Forecast are net of GST/PST;
- b) cost of goods sold was higher than anticipated, primarily due to, a) the replenishment of inventory levels that were unusually low in the period immediately prior to the Filing Date, and the actual cost of goods sold include GST/PST, whereas the Forecast do not;
- c) labour related disbursements were lower than anticipated, primarily due to timing differences;
- d) G&A expenses were higher than anticipated, largely due to higher than anticipated seasonal bottling costs at JRG Glass House Estates Winery and timing differences resulting from a significant amount of mid-month payments and orders; and
- e) Professional fees were lower than anticipated, due to a timing difference in the payment of invoices.

THE THIRD CASH FLOW FORECAST

25. Management, with the assistance of the Monitor, has prepared the Third Cash Flow Forecast for the Third Forecast Period. A copy of the Third Cash Flow Forecast is attached hereto as **Appendix "B"** and is summarized below:

In the matter of the CCAA Proceedings of Joseph Richard Group **Exhibit 2.0**
Third Cash Flow Forecast
For the Period September 18, 2023 to December 3, 2023 (the "Revised Forecast Period")
\$CAD

		11-Week Total
Opening Balance		484,249
Receipts		
Restaurants	1	6,645,723
Other Ventures	2	1,774,277
Total Receipts		8,420,000
Operating Disbursements		
Cost of Goods Sold - Restaurants	3	(1,860,802)
Cost of Goods Sold - Other Ventures	3	(736,585)
Labour - Restaurants	4	(2,516,021)
Labour - Other Ventures	4	(581,678)
G&A	5	(1,540,000)
Rent	6	(900,000)
August Sales Taxes to Remit		(250,000)
Contingency	7	(110,000)
Total Operating Disbursements		(8,495,086)
Restructuring Disbursements		
Professional Fees	8	(500,000)
Total Restructuring Disbursements		(500,000)
Financing Receipts / (Disbursements)		
DIP Facility - principal draw / (repayment)	9	200,000
Total Financing Receipts / (Disbursements)		200,000
Net Cash Flow		(375,085)
Closing Cash Balance		109,164

26. Based on the Monitor's view of the Third Cash Flow Forecast and the assumptions set out in the notes thereto, nothing has come to its attention that causes it to believe that, in all material respects:
- a) the probable and hypothetical assumptions set forth therein are not consistent with the purposes of the Third Cash Flow Forecast;

- b) as at the date of this Third Monitor's Report, the probable and hypothetical assumptions developed by Management are not suitably supported and consistent with the plans of the Petitioners or do not provide a reasonable basis for the Third Cash Flow Forecast; and
- c) the Third Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

27. As described in the Terms of Reference section above, since the Third Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the probable and hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Third Cash Flow Forecast will be achieved.
28. The Third Cash Flow Forecast has been prepared solely for the purposes described above and readers are cautioned that it may not be appropriate for other purposes.

STAY EXTENSION

29. The Stay of Proceedings is currently set to expire on September 30, 2023. JRG is requesting the Stay Extension up to and including November 30, 2024 (the "**Stay Extension**"), to allow JRG to focus on the following activities:
- a) continuing operations at the various locations within the JRG;
 - b) continuing the administration of the Claims Process; and
 - c) continuing to explore other restructuring initiatives including discussions surrounding a plan of arrangement or other initiatives that will provide value to stakeholders.

30. The Monitor has considered the burden of evidence that resides with JRG to demonstrate that an extension of the stay of proceedings by this Honourable Court is warranted, having regard to:

- a) the circumstances that justify the making of a stay extension order;
- b) the good faith efforts of JRG to effect the restructuring; and
- c) the due diligence with which JRG is advancing the restructuring.

31. The Monitor has concluded that this burden has been met.

Circumstances that justify Extension Orders

32. In the Monitor’s view, the extension of the stay of proceedings is necessary in order to advance the within restructuring proceedings for the benefits of JRG’s stakeholders and to afford JRG the time to continue discussions with its major stakeholders.

33. Moreover, as is depicted in the Third Cash Flow, JRG projects that they will have sufficient liquidity and cash to fund ongoing obligations until at least November 30, 2023.

Good faith efforts and due diligence

34. JRG has complied with all of the requirements under the Initial Order and is working in good faith and with due diligence on restructuring initiatives for the benefit of its stakeholders.

35. The Monitor does not believe that any creditor will be materially prejudiced if the Stay Extension is granted.

REMOVAL OF LOWERCASE AS A PETITIONER

36. The Petitioners are of the view that it is no longer necessary to include Lowercase Capital Consulting Ltd. (“**Lowercase**”) within these CCAA proceedings for the following reasons:

- a) Lowercase is not a borrower or guarantor to the CWB facilities;
- b) Lowercase is not a borrower or guarantor to the BMO facilities;
- c) Lowercase does not have any business operations; and
- d) Lowercase does not own any significant assets.

37. Accordingly, the Petitioners are seeking the approval of this Honourable Court to remove Lowercase as a Petitioner within these CCAA proceedings.

38. The Monitor has consulted with the Petitioners and the Secured Creditors and notes the following:

- a) Lowercase is a company that is owned by the family of one of the principals of JRG which is used to make family investments;
- b) These investments are not financed by either of the Secured Creditors or from cash flows derived directly from the Petitioners; and the investments are separate from the Petitioners;
- c) Lowercase is not insolvent;
- d) Lowercase has a loan with a separate financial institution and that institution will not accept payments (even from non-petitioner persons) against those loans on account of the Stay that currently applies to Lowercase;
- e) The primary purpose of removing Lowercase as a Petitioner is to allow loan payments to resume; and
- f) Neither of the Secured Creditors has noted an objection to removing Lowercase as a Petitioner in these proceedings.

39. The Monitor does not believe that any creditor will be materially prejudiced if Lowercase ceases to be a Petitioner within these CCAA proceedings.

INCREASE TO MAXIMUM PAYMENT ON ACCOUNT OF PRE FILING AMOUNTS

40. The Petitioners are seeking this Honourable Court's approval to increase the maximum amount payable to vendors on account of pre-filing arrears for goods and services supplied to the Petitioners prior to the date of the Initial Order. The Petitioners seek an amendment to paragraph 10(d) of the ARIO increasing the aggregate limit from \$80,000, to \$100,000.
41. To date, the Monitor notes that the Petitioners have made very few payments on account of pre-filing payables. The largest of these payments was made to Export Development Canada ("**EDC**") for \$24,855 based on an invoice sent by EDC to CWB for approximately \$25,000 in respect of the guarantee fee that EDC charges on the BCAP loans. This fee had to be paid if EDC was to continue to guarantee the Petitioners' BCAP loans, and CWB asked that the Petitioners pay this fee. The Monitor had various discussions with the Petitioners and counsel for CWB, and ultimately, the Petitioners agreed and paid the amounts owing to EDC
42. The Monitor believes the increased flexibility afforded to the Petitioners by increasing the maximum in paragraph 10(d) of the ARIO will allow the Petitioners to negotiate the continued supply from vendors that are considered critical, and where there is no alternative, and the vendors require payment to continue supplying. Additionally, the Monitor does not believe that any creditor will be materially prejudiced by the proposed increase.
43. The Monitor notes that pursuant to the ARIO, consultation with the Monitor is required prior to payment of any vendor for amounts owing prior to the Initial Order.

CONCLUSION AND RECOMMENDATIONS

44. For the reasons stated herein, the Monitor supports the relief sought by the Petitioners as set out in the September 21 Notice of Application and recommends that this Honourable Court grant the relief sought.

All of which is respectfully submitted this 27th day of September, 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.

APPENDIX B – Third Cash Flow Forecast

In the matter of the CCAA Proceedings of Joseph Richard Group
 Third Cash Flow Forecast
 For the Period September 18, 2023 to December 3, 2023 (the "Revised Forecast Period")
 SCAD

Exhibit 2.0

	1 24-Sep-23	2 01-Oct-23	3 08-Oct-23	4 15-Oct-23	5 22-Oct-23	6 29-Oct-23	7 05-Nov-23	8 12-Nov-23	9 19-Nov-23	10 26-Nov-23	11 03-Dec-23	11-Week Total
Opening Balance	484,249	730,850	264,176	250,177	81,756	374,958	156,537	246,338	23,550	277,751	54,962	484,249
Receipts												
Restaurants	558,702	568,702	578,702	588,702	588,702	588,702	618,702	638,702	638,702	638,702	638,702	6,645,723
Other Ventures	161,298	161,298	161,298	161,298	161,298	161,298	161,298	161,298	161,298	161,298	161,298	1,774,277
Total Receipts	720,000	730,000	740,000	750,000	750,000	750,000	780,000	800,000	800,000	800,000	800,000	8,420,000
Operating Disbursements												
Cost of Goods Sold - Restaurants	(156,437)	(159,237)	(162,037)	(164,837)	(164,837)	(164,837)	(173,237)	(178,837)	(178,837)	(178,837)	(178,837)	(1,960,802)
Cost of Goods Sold - Other Ventures	(66,962)	(66,962)	(66,962)	(66,962)	(66,962)	(66,962)	(66,962)	(66,962)	(66,962)	(66,962)	(66,962)	(736,585)
Labour - Restaurants	(75,000)	(459,140)	-	(475,287)	-	(475,287)	-	(515,654)	-	(515,654)	-	(2,516,021)
Labour - Other Ventures	(25,000)	(111,336)	-	(111,336)	-	(111,336)	-	(111,336)	-	(111,336)	-	(581,678)
G&A	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(1,540,000)
Rent	-	-	(300,000)	-	-	-	(300,000)	-	-	-	(300,000)	(900,000)
August Sales Taxes to Remit	-	(250,000)	-	-	-	-	-	-	-	-	-	(250,000)
Contingency	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(110,000)
Total Operating Disbursements	(473,399)	(1,196,674)	(676,999)	(968,421)	(381,799)	(968,421)	(690,199)	(1,022,788)	(395,799)	(1,022,788)	(695,799)	(8,495,086)
Restructuring Disbursements												
Professional Fees	-	-	(75,000)	(150,000)	(75,000)	-	-	-	(150,000)	-	(60,000)	(500,000)
Total Restructuring Disbursements	-	-	(75,000)	(150,000)	(75,000)	-	-	-	(150,000)	-	(60,000)	(500,000)
Financing Receipts / (Disbursements)												
DIP Facility - principal draw / (repayment)	-	-	-	200,000	-	-	-	-	-	-	-	200,000
Total Financing Receipts / (Disbursements)	-	-	-	200,000	-	-	-	-	-	-	-	200,000
Net Cash Flow	246,601	(466,674)	(13,999)	(168,421)	293,201	(218,421)	89,801	(222,788)	254,201	(222,788)	54,201	(375,085)
Closing Cash Balance	730,850	264,176	250,177	81,756	374,958	156,537	246,338	23,550	277,751	54,962	109,164	109,164

Notes:

- Restaurants includes Joseph Richard Group restaurants and the Ledgeview Golf Course.
- Other Ventures includes hotel operations, liquor stores, winery operations, and Black Canvas Catering.
- Cost of Goods Sold primarily consists of food and beverage costs.
- Labour consists of all Joseph Richard Group salaries and wages, including insurance and benefits.
- G&A consists of administrative and operational costs.
- Rent consists of operating location rent and lease payments.
- The Cash Flow Forecast incorporates a contingency in the amount of \$15K per week to account for unascertained expenditures or lower receipts during the 11-week forecast period.
- Professional Fees are estimates of the cost of the Proposed Monitor, the Proposed Monitor's Counsel, and the Debtor Companies Counsel.
- The Petitioners anticipate drawing \$200,000 from their DIP Facility.