

ONTARIO  
SUPERIOR COURT OF JUSTICE  
BANKRUPTCY AND INSOVLENCY

IN THE MATTER OF THE PROPOSAL OF 1732427 ONTARIO INC. OF THE CITY OF ST.  
THOMAS, IN THE PROVINCE OF ONTARIO

**MOTION RECORD**

(Returnable July 31, 2018)

Dated: July 23, 2018

**SWANICK & ASSOCIATES**

Barristers and Solicitors  
Suite 101  
225 Duncan Mill Road  
Don Mills, Ontario  
M3B 3K9  
ATTN: BRUCE SIMPSON 18977E  
(416) 510-1888 - phone  
(416) 510-1945 - fax  
Lawyers for 1732427 Ontario Inc.

TO: The Superintendent of Bankruptcy  
451 Talbot Street  
Suite 303  
London, ON N6A 5C9

TO: MNP Ltd.  
111 Richmond Street West  
Suite 300  
Toronto, ON M5H 2G4  
ATTN: SHELDON TITLE  
416-323-5240 – phone  
416-573-5320 – Cell Phone  
Trustee of 1732427 Ontario Inc.

TO: 1787930 Ontario Inc.  
150 Denis Road  
St. Thomas, ON N5P 0B6

TO: Bank of Nova Scotia  
Tim Hogan  
c/o Harrison Pensa LLP  
450 Talbot Street  
P.O. Box 3237  
London, ON N6A 4K2

TO: Corporation of the City of St. Thomas  
Tracy Johnson  
P.O. Box 520  
545 Talbot Street  
St. Thomas, ON N5P 3V7

TO: Shareholder Loan  
150 Dennis Road  
St. Thomas, ON N5P 0B6

ONTARIO  
SUPERIOR COURT OF JUSTICE  
BANKRUPTCY AND INSOVLENCY

IN THE MATTER OF THE PROPOSAL OF 1732427 ONTARIO INC. OF THE CITY OF ST.  
THOMAS, IN THE PROVINCE OF ONTARIO

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF 1732427 ONTARIO INC. OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

**NOTICE OF MOTION**

(Returnable July 31, 2018)

1732427 Ontario Inc. ("**173**") will make a motion pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**Act**") for an order extending the time for filing a proposal, before the Court on Tuesday, the 31<sup>st</sup> day of July, 2018, at 80 Dundas Street, London, Ontario, N6A 6A3 at 10:00 a.m. or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** orally

**THIS MOTION IS FOR:**

1. an Order, if necessary, dispensing or abridging the time for service of the within Motion;
2. An Order extending the time for 173 to file its proposal to its creditors to September 14, 2018.
3. Such further and other Orders as this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. 173 filed a Notice of Intention to Make a Proposal to its creditors under the provisions of the Act.

2. 173 and related parties have been negotiating in an effort to restructure their business affairs. These negotiations are complex and 173 requires further time to formulate its proposal.
3. The relief sought is required on an urgent basis as the time for the filing of a proposal with the Official Receiver in these proceedings expires on August 1, 2018.
4. 173 has acted, and is acting, in good faith and with due diligence in performing its current and ongoing services in order to maximize the funds available to submit a viable proposal.
5. An extension of time is required to allow 173 to complete the current and ongoing negotiations to support a viable proposal.
6. With assistance being provided by MNP Ltd., 173 is likely to present a viable proposal to its creditors if it is granted an extension of time.
7. The resolution of matters for the submission of a viable proposal are for the benefit of the creditors and there will be no material prejudice to any creditor on the granting of the extension sought.
8. Sections 50.4(7)(b)(ii) and 50.4(9) of the Act.
9. Rules 3.02 and 37 of the Rules of Civil Procedure.
10. Such further and other grounds as this Honourable Court may deem just.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this Motion:

1. Affidavit of Louise Vonk, together with Exhibits.
2. Such further and other relief as this Honourable Court may deem just.

Dated: July 23, 2018

**SWANICK & ASSOCIATES**

Barristers and Solicitors

Suite 101

225 Duncan Mill Road

Don Mills, Ontario

M3B 3K9

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451 Talbot Street  
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ONTARIO  
SUPERIOR COURT OF JUSTICE  
BANKRUPTCY AND INSOVLENCY

IN THE MATTER OF THE PROPOSAL OF 1732427 ONTARIO INC. OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

**AFFIDAVIT**  
(sworn July 12, 2018)

I, Louise Vonk (also known as Louise Vonk-Hiddink), of the City of St. Thomas, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the sole officer, director, and the controlling mind of 1732427 Ontario Inc. ("173") and as such have personal knowledge of the matters hereinafter deposed to. Where my knowledge is stated to be on information and belief, I verily believe such information to be true.

2. On July 2, 2018, 173 filed a Notice of Intention to Make a Proposal ("NOI") under the Bankruptcy and Insolvency Act (the "BIA"). Annexed hereto and marked as Exhibit "A" to this my affidavit is a true copy of the Notice of Intention to Make a Proposal.

3. MNP Ltd of 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4 ("MNP") has consented to Act as Trustee under the Proposal. I have been advised by Sheldon Title a Licenced Insolvency Trustee who works at MNP and who is acquainted with 173's NOI that MNP does not oppose the grant of the extension being requested herein.

4. In accord with the provisions of the BIA, I have caused a cash flow statement to be filed with MNP. Annexed hereto and marked as Exhibit "B" to this my affidavit is a true copy of the Cash Flow statement as filed.

5. 173 has good and valid contracts which will permit it to submit a viable proposal which will maximize its payments to its creditors.



6. If the extension requested herein is not granted, 173 will cease to carry on business and the proceeds of the contracts will be lost.

7. 173 is acting in good faith and with due diligence in completing its current and ongoing projects in order to maximize the funds available to submit a viable the Proposal.

8. The matters in issue to finalize a viable proposal are complex. An extension of time is required to allow 173 to perform the current and ongoing services to submit a viable proposal.

9. 173 will likely be able to make a viable proposal if the extension sought is granted.


10. The ongoing actions of 173 are for the benefit of 173's creditors and there will be no material prejudice to any creditor on the granting of the extension sought.


11. The requested extension will allow 173 to submit a proposal which will result in the highest financial recoveries for the benefit of 173's creditors

12. The grant of the requested extension will not materially prejudice any of 173's creditors.

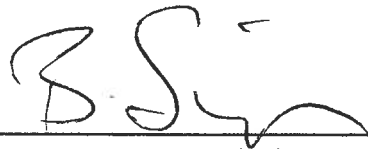
13. This affidavit is filed in support of a motion seeking the extension of the time within which 173 may file its proposal, and for no improper purpose.

SWORN before me in the City of  
Toronto in the Province of Ontario,  
this 12 day of July, 2018

)  
)  
)  
)  
  
\_\_\_\_\_  
Louise Vonk

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
B. SIMPSON

This is Exhibit "A" Referred to in the  
Affidavit of Louise Vonk (aka Louise Vonk-Hiddink)  
sworn before me this 12 day  
of July, 2018



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A commissioner, etc.

B. SIMPSON

District of: Ontario  
Division No. 05 - London  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
1732427 Ontario Inc.  
of the City of St. Thomas  
in the Province of Ontario

Take notice that:

1. 1732427 Ontario Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Bankruptcy and Insolvency Act (the "Act"), that we intend to make a proposal to our creditors.
2. MNP LTD. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of July 2018.



1732427 Ontario Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date


\_\_\_\_\_  
Official Receiver

District of: Ontario  
Division No. 05 - London  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
1732427 Ontario Inc.  
of the City of St. Thomas  
in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1787930 Ontario Inc.	150 Dennis Road St. Thomas ON N5P 0B6		687,429.00
Bank of Nova Scotia Tim Hogan	c/o Harrison Pensa LLP 450 Talbot Street PO Box 3237 London ON N6A 4K2		6,069,173.41
Corporation of the City of St. Thomas Tracy Johnson	PO Box 520 545 Talbot St. St Thomas ON N5P 3V7		725,000.00
Shareholder Loan	150 Dennis Road St. Thomas ON N5P 0B6		1,658,947.00
<b>Total</b>			<b>9,140,549.41</b>

  
 \_\_\_\_\_  
 1732427 Ontario Inc.  
 Insolvent Person



Industry Canada

Industrie Canada

Office of the Superintendent  
of Bankruptcy Canada

Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 05 - London  
Court No. 35-2395487  
Estate No. 35-2395487

In the Matter of the Notice of Intention to make a  
proposal of:

**1732427 Ontario Inc.**  
Insolvent Person

**MNP LTD / MNP LTÉE**  
Licensed Insolvency Trustee

Date of the Notice of Intention: July 02, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: July 03, 2018, 09:30

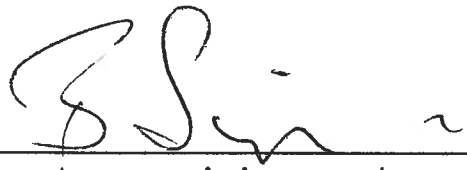
E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902



This is Exhibit "B" Referred to in the  
Affidavit of Louise Vonk (aka Louise Vonk-Hiddink)  
sworn before me this 12 day  
of July, 2018



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A commissioner, etc.

B. SIMPSON

1787990 Ontario Inc. and 1732427 Ontario Inc.  
 Projected Weekly Statements of Cash Flows  
 For the 13 weeks ended September 28, 2018

	Weekly												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	06/12/2018	13/07/2018	20/07/2018	27/07/2018	03/08/2018	10/08/2018	17/08/2018	24/08/2018	31/08/2018	07/09/2018	14/09/2018	21/09/2018	28/09/2018
<b>Income Statement</b>													
<b>REVENUE</b>	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692
Total Revenue	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692	407,692
<b>COST OF GOODS SOLD</b>													
Wages and Benefits	86,858	129,600	129,600	129,600	129,600	129,600	129,600	129,600	129,600	129,600	129,600	129,600	129,600
Fuel	137,827	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000
SubContract	63,386	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Contract Labour	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortisation - Cost of Trucking	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Equipment Rental	-	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Truck & Trailer Repairs Mize	-	-	-	-	-	-	-	-	-	-	-	-	-
Towing	-	-	-	-	-	-	-	-	-	11,096	11,096	11,096	11,096
Vehicle Insurance	-	25	25	25	25	25	25	25	25	25	25	25	25
Communications	3,348	8,178	8,178	8,178	8,178	8,178	8,178	8,178	8,178	8,178	8,178	8,178	8,178
Licenses and Permits	-	50	50	50	50	50	50	50	50	50	50	50	50
Travel Expense	500	650	650	650	650	650	650	650	650	650	650	650	650
Shop Supplies	-	320	320	320	320	320	320	320	320	320	320	320	320
Warehouse Supplies	1,800	-	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Postage Expense	-	677	677	677	677	677	677	677	677	677	677	677	677
Building and Yard Maintenance	-	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208
Road Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	48,538	44,560	44,560	44,560	44,560	44,560	44,560	44,560	44,560	44,560	44,560	44,560	44,560
Inventory Stock Rental	342,254	355,268	357,068	355,268	357,068	355,268	357,068	355,268	357,068	355,268	357,068	355,268	357,068
<b>Total COGS</b>	65,438	52,424	50,624	52,424	50,624	52,424	50,624	52,424	50,624	41,328	39,528	41,328	39,528
<b>GROSS PROFIT</b>	16%	13%	12%	13%	12%	13%	12%	13%	12%	10%	10%	10%	10%
<b>OPERATING EXPENSES</b>													
Advertising & Promotion	-	200	200	200	200	200	200	200	200	200	200	200	200
Amortization - Office & Admin	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts	-	2,333	2,333	2,333	1,867	1,867	1,867	1,867	1,867	2,333	2,333	2,333	2,333
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense - Scotia second mortgage	30	50	50	250	50	50	50	50	250	50	50	50	250
Bank Charges	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275
Interest on Capital Leases	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064
Interest on Factoring Loan	-	1,000	1,358	1,200	800	900	1,200	1,200	1,100	1,100	1,500	1,250	1,300
Office & General	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	250	250	250	200	200	200	200	200	250	250	250	250
WSIB	-	1,750	1,750	1,750	1,400	1,400	1,400	1,400	1,400	1,750	1,750	1,750	1,750
Professional Fees	-	-	-	58,346	-	-	-	-	-	-	-	-	-
Property tax arrears payments	-	-	48,000	-	-	-	48,000	-	-	-	48,000	-	-
Scotia First Mortgage	-	-	-	10,270	-	-	-	-	10,270	-	-	-	-
Rental Expense - Cambridge	10,270	500	500	500	500	500	500	500	500	500	500	500	500
Repairs and Maintenance	500	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100
Salaries and Wages Admin & Indirect Labour	13,761	404	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799
Utilities	-	-	-	4,500	-	-	-	-	4,500	-	-	-	-
Telephone	34,900	36,523	85,285	114,837	25,456	25,556	83,756	46,126	45,384	16,629	85,023	38,535	56,591
<b>Earnings from operations</b>	30,538	15,901	(34,861)	(62,413)	15,168	16,868	(33,132)	6,298	4,639	4,706	(6,824)	419	(2,559)
Provision for Income taxes	4,581	2,385	(5,199)	(9,367)	2,275	2,530	(4,970)	945	696	705	(6,824)	2,375	(14,504)
<b>Net earnings for the period</b>	25,957	13,516	(29,662)	(53,051)	12,893	14,338	(28,162)	5,353	3,944	4,000	(8,670)	2,911,466	2,913,841
Retained earnings - Beginning	2,980,811	3,006,768	3,020,284	2,990,823	2,937,771	2,950,664	2,965,002	2,936,840	2,942,193	2,946,136	2,950,136	2,911,466	2,913,841
Retained earnings - End	3,006,768	3,020,284	2,990,823	2,937,771	2,950,664	2,965,002	2,936,840	2,942,193	2,946,136	2,950,136	2,911,466	2,913,841	2,899,337


1787930 Ontario Inc. and 1732427 Ontario Inc.  
 Projected Weekly Statements of Cash Flows  
 For the 13 weeks ended September 28, 2018

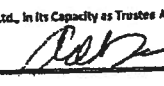
	Weekly												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	04/07/2018	13/07/2018	20/07/2018	27/07/2018	03/08/2018	10/08/2018	17/08/2018	24/08/2018	31/08/2018	07/09/2018	14/09/2018	21/09/2018	28/09/2018
<b>Statement of Cash Flows</b>													
<b>Operating</b>													
Net Earnings	25,957	13,516	(29,462)	(53,051)	12,893	14,338	(28,182)	5,358	3,944	4,000	(38,670)	2,375	(14,504)
<b>Items not affecting cash</b>													
PIX Interest	5,611	5,619	5,635	5,651	5,667	5,684	5,700	5,716	5,733	5,749	5,766	5,783	5,799
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Changes in non-cash NWC</b>													
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll taxes arrears	2,800	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes arrears	5,000	-	-	-	-	-	-	-	-	-	-	-	-
WSIB arrears	(0)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash from Operating Activities</b>	<b>39,368</b>	<b>19,135</b>	<b>(23,827)</b>	<b>(47,400)</b>	<b>18,560</b>	<b>20,021</b>	<b>(22,462)</b>	<b>11,070</b>	<b>5,677</b>	<b>9,749</b>	<b>(32,904)</b>	<b>8,157</b>	<b>(8,704)</b>
<b>Investing</b>													
<b>Cash from Investing Activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financing</b>													
Increase (decrease) in short-term debt, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholder loan repayment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in obligations under capital le	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)	(18,803)
<b>Cash from Financing Activities</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>	<b>(18,803)</b>
<b>Net (decrease)/increase in cash</b>	<b>20,565</b>	<b>332</b>	<b>(42,630)</b>	<b>(66,204)</b>	<b>(243)</b>	<b>1,218</b>	<b>(41,265)</b>	<b>(7,738)</b>	<b>(9,127)</b>	<b>(9,054)</b>	<b>(51,707)</b>	<b>(10,646)</b>	<b>(27,508)</b>
<b>Cash/(indebtedness) - Beg</b>	<b>89,616</b>	<b>110,381</b>	<b>110,713</b>	<b>66,083</b>	<b>1,879</b>	<b>1,656</b>	<b>2,854</b>	<b>(38,411)</b>	<b>(46,145)</b>	<b>(55,271)</b>	<b>(64,325)</b>	<b>(116,033)</b>	<b>(126,679)</b>
<b>Cash/(indebtedness) - End</b>	<b>110,181</b>	<b>110,713</b>	<b>68,083</b>	<b>1,879</b>	<b>1,656</b>	<b>2,854</b>	<b>(38,411)</b>	<b>(46,145)</b>	<b>(55,271)</b>	<b>(64,325)</b>	<b>(116,033)</b>	<b>(126,679)</b>	<b>(154,186)</b>



1787930 Ontario Inc. and 1732427 Ontario Inc.  
 Projected Weekly Statements of Cash Flows  
 For the 13 weeks ended September 28, 2018

	Weekly												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	04/07/2018	13/07/2018	20/07/2018	27/07/2018	03/08/2018	10/08/2018	17/08/2018	24/08/2018	31/08/2018	07/09/2018	14/09/2018	21/09/2018	28/09/2018
<b>Balance Sheet</b>													
<b>ASSETS</b>													
<b>Current</b>													
Cash (overdraft)	110,281	110,713	68,083	1,879	1,636	2,854	(8,411)	(46,145)	(55,271)	(64,325)	(116,033)	(126,679)	(154,188)
Accounts receivable	32,187	32,187	32,187	32,187	32,187	32,187	32,187	32,187	32,187	32,187	32,187	32,187	32,187
Prepaid Expenses	142,568	142,900	100,270	34,066	33,823	35,041	(6,224)	(13,958)	(23,084)	(32,338)	(69,846)	(94,492)	(121,999)
<b>Total current assets</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>	<b>1,998,059</b>
Due from related parties	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203	5,454,203
Property, plant and equipment	7,594,830	7,595,162	7,592,532	7,486,328	7,486,085	7,487,303	7,448,038	7,438,304	7,429,178	7,420,124	7,368,416	7,357,770	7,330,263
<b>Total assets</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>	<b>14,247,922</b>
<b>LIABILITIES</b>													
<b>Current</b>													
Accounts payable and accrued liabilities	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Due to shareholder	176,397	176,397	176,397	176,397	176,397	176,397	176,397	176,397	176,397	176,397	176,397	176,397	176,397
Payroll taxes payable	281,546	281,546	281,546	281,546	281,546	281,546	281,546	281,546	281,546	281,546	281,546	281,546	281,546
Income taxes payable	28,540	28,540	28,540	28,540	28,540	28,540	28,540	28,540	28,540	28,540	28,540	28,540	28,540
W3B errors	9,852	9,852	9,852	9,852	9,852	9,852	9,852	9,852	9,852	9,852	9,852	9,852	9,852
BNS Second Mortgage	1,984,611	1,956,229	1,981,864	1,967,515	1,973,183	1,978,866	1,984,566	1,990,283	1,996,016	2,001,765	2,007,531	2,013,314	2,019,113
Current portion of capital lease obligations	387,228	387,228	387,228	387,228	387,228	387,228	387,228	387,228	387,228	387,228	387,228	387,228	387,228
<b>Total current liabilities</b>	<b>4,534,173</b>	<b>4,519,792</b>	<b>4,525,427</b>	<b>4,531,078</b>	<b>4,536,745</b>	<b>4,542,428</b>	<b>4,548,129</b>	<b>4,553,845</b>	<b>4,559,578</b>	<b>4,565,328</b>	<b>4,571,094</b>	<b>4,576,877</b>	<b>4,582,676</b>
Long Term Debt													
Obligations under capital leases	1,503,861	1,485,058	1,466,255	1,447,451	1,428,648	1,409,845	1,391,042	1,372,239	1,353,435	1,334,632	1,315,829	1,297,026	1,278,223
<b>Total liabilities</b>	<b>6,038,034</b>	<b>6,004,850</b>	<b>5,991,681</b>	<b>5,978,529</b>	<b>5,965,393</b>	<b>5,952,274</b>	<b>5,939,171</b>	<b>5,926,084</b>	<b>5,913,014</b>	<b>5,899,960</b>	<b>5,886,923</b>	<b>5,873,902</b>	<b>5,860,898</b>
<b>SHAREHOLDER'S EQUITY</b>													
Capital Stock	100	100	100	100	100	100	100	100	100	100	100	100	100
Retained Earnings Opening	1,550,739	1,576,696	1,590,212	1,560,750	1,507,899	1,520,592	1,534,929	1,506,767	1,512,121	1,516,064	1,520,064	1,481,894	1,483,768
Add: Net Income/(Loss)	25,957	13,516	(29,462)	(53,051)	12,899	14,338	(20,162)	5,353	3,944	4,000	(38,670)	2,875	(14,504)
<b>Total shareholder equity</b>	<b>1,576,796</b>	<b>1,590,312</b>	<b>1,560,850</b>	<b>1,507,799</b>	<b>1,520,692</b>	<b>1,535,029</b>	<b>1,506,867</b>	<b>1,512,221</b>	<b>1,516,164</b>	<b>1,520,164</b>	<b>1,481,894</b>	<b>1,483,868</b>	<b>1,469,365</b>
<b>Total liabilities and equity</b>	<b>7,594,830</b>	<b>7,595,162</b>	<b>7,592,532</b>	<b>7,486,328</b>	<b>7,486,085</b>	<b>7,487,303</b>	<b>7,448,038</b>	<b>7,438,304</b>	<b>7,429,178</b>	<b>7,420,124</b>	<b>7,368,416</b>	<b>7,357,770</b>	<b>7,330,263</b>

1787930 Ontario Inc. and 1732427 Ontario Inc.  
  
 Per Louise Vonk

MNP Ltd., in its Capacity as Trustees Acting in Re: The Proposal of 1787930 Ontario Inc. and 1732427 Ontario Inc.  
  
 Per Sheldon Title

District of: Ontario  
Division No. 05 - London  
Court No. 35-2395487  
Estate No. 35-2395487

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-- FORM 29 --  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of  
1732427 Ontario Inc.  
of the City of St. Thomas  
in the Province of Ontario

The attached statement of projected cash flow of 1732427 Ontario Inc., as of the 12th day of July 2018, consisting of Statement of Weekly Projected Cash Flow for the Period ending September 28, 2018, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

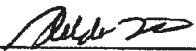
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection 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, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 12th day of July 2018.

MNP LTD. - Licensed Insolvency Trustee  
Per:

  
\_\_\_\_\_  
Sheldon Title - Licensed Insolvency Trustee  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario  
Division No. 05 - London  
Court No. 35-2395487  
Estate No. 35-2395487

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**\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

In the matter of the proposal of  
1732427 Ontario Inc.  
of the City of St. Thomas  
in the Province of Ontario

**Purpose:**

1. The Statement of Weekly Projected Cash Flow has been prepared for the period commencing July 2, 2018, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

**Projection Notes:**

**2. Hypothetical Assumptions**

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the Statement of Projected Cash Flow.

**3. Probable Assumptions**

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the Statement of Projected Cash Flow.

**Assumptions:**

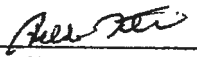
4. The Statement of Weekly Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

- a) These cash flow projections have been prepared on a consolidated basis as the operations of 1787930 Ontario Inc. cob Messenger Freight Systems and 1732427 Ontario Inc. (collectively, the "Companies") are inter-dependent.
- b) Revenues are based on historical results reflecting increases in transportation rates recently negotiated by the Companies with certain of its customers. 1787930 Ontario Inc. will continue to obtain financing from Baron Financing Incorporated ("Baron") by selling and assigning to Baron certain accounts receivable pursuant to the terms of a Full Factoring Agreement, dated January 26, 2018.
- c) The supply of goods and services are assumed to be on a cash on delivery basis.
- d) Pursuant to Section 69(1) of the Act, all creditors' claims are subject to a stay of proceedings.
- e) No provision has been made for payment of obligations incurred prior to July 2, 2018, the filing date of the NOI.
- f) Wages, salaries and benefits - Based on current payroll and contract requirements.

Dated at the City of Toronto in the Province of Ontario, this 12th day of July 2018.

MNP LTD. - Licensed Insolvency Trustee  
Per:

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Sheldon Title - Licensed Insolvency Trustee  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario  
Division No. 05 - London  
Court No. 35-2395487  
Estate No. 35-2395487

- FORM 30 -  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of  
1732427 Ontario Inc.  
of the City of St. Thomas  
in the Province of Ontario

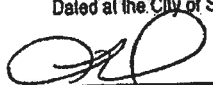
The Management of 1732427 Ontario Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 12th day of July 2018, consisting of Statement of Weekly Projected Cash Flow for the Period ending September 28, 2018.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of St. Thomas in the Province of Ontario, this 12th day of July 2018.

  
\_\_\_\_\_  
1732427 Ontario Inc.  
Dablor

  
\_\_\_\_\_  
Name and title of signing officer

\_\_\_\_\_  
Name and title of signing officer

District of: Ontario  
Division No. 05 - London  
Court No. 35-2395487  
Estate No. 35-2395487

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of  
1732427 Ontario Inc.  
of the City of St. Thomas  
in the Province of Ontario

Purpose:

1. The Statement of Weekly Projected Cash Flow has been prepared for the period commencing July 2, 2018, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

2. Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the Statement of Projected Cash Flow.

3. Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the insolvent Person and provide a reasonable basis for the Statement of Projected Cash Flow.

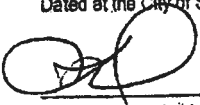
Assumptions:

4. The Statement of Weekly Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

- a) These cash flow projections have been prepared on a consolidated basis as the operations of 1787930 Ontario Inc. cob Messenger Freight Systems and 1732427 Ontario Inc. (collectively, the "Companies") are inter-dependent.
- b) Revenues are based on historical results reflecting increases in transportation rates recently negotiated by the Companies with certain of its customers. 1787930 Ontario Inc. will continue to obtain financing from Baron Financing Incorporated ("Baron") by selling and assigning to Baron certain accounts receivable pursuant to the terms of a Full Factoring Agreement, dated January 26, 2018.
- c) The supply of goods and services are assumed to be on a cash on delivery basis.
- d) Pursuant to Section 69(1) of the Act, all creditors' claims are subject to a stay of proceedings.
- e) No provision has been made for payment of obligations incurred prior to July 2, 2018, the filing date of the NOI.
- f) Wages, salaries and benefits - Based on current payroll and contract requirements.

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Dated at the City of St. Thomas in the Province of Ontario, this 12th day of July 2018.



\_\_\_\_\_  
1732427 Ontario Inc.

IN THE MATTER OF THE PROPOSAL OF 1732427 ONTARIO INC. OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

Court File No. 35-2395487

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY

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**MOTION RECORD**  
(Returnable July 31, 2018)

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**SWANICK & ASSOCIATES**  
Barristers and Solicitors  
Suite 101  
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Don Mills, Ontario  
M3B 3K9  
ATTN: BRUCE SIMPSON 18977E  
(416) 510-1888 - phone  
(416) 510-1945 - fax  
Lawyers for the 1732427 Ontario Inc.