

Court File No. 32-2720193
Estate File No. 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
[IN BANKRUPTCY AND INSOLVENCY]
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO

MOTION RECORD OF PROPOSAL TRUSTEE
(RE: APPROVAL OF PROPOSAL)
(returnable June 7, 2021 @ 10:30am via “ZOOM” videoconference)

May 27, 2021

LOOPSTRA NIXON LLP
Barristers & Solicitors
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix (LSUC # 52650N)
Tel: (416) 748-4776
Fax: (416) 746-8319
Email: gphoenix@loonix.com

Lawyers for MNP Ltd., the Proposal Trustee

TO: **Office of the Superintendent of Bankruptcy**
25 St Clair Ave E, 6th Floor
Toronto, ON
M4T 1M2

AND TO: **TORKIN MANES LLP**
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Stewart Thom (LSO# 55695C)
Email: sthom@torkinmanes.com
Tel.: (416) 777-5197

Jeffrey J. Simpson (LSO# 39663M)
Email: jsimpson@torkinmanes.com
Tel.: (416) 777-5413

Lawyers for Travel Superstore Inc.

ZOOM VIDEOCONFERENCE DETAILS

Join Zoom Meeting

<https://us02web.zoom.us/j/88234935097?pwd=NTNFCXZQQmhyRWgvYjc0eFNLaldtQT09>

Meeting ID: 882 3493 5097

Passcode: 913276

One tap mobile

+17789072071,,88234935097# Canada

+12042727920,,88234935097# Canada

INDEX

ONTARIO
SUPERIOR COURT OF JUSTICE
[IN BANKRUPTCY AND INSOLVENCY]
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO

INDEX

TAB	DOCUMENT	PAGE #
1	Notice of Hearing of Application for Court Approval of a Proposal, dated May 18, 2021 and returnable June 7, 2021	6
2	Draft Order	8
A	Appendix “A” to Draft Order – Proposal	10
3	Report of the Trustee on Proposal, dated May 19, 2021 (the “ <u>Report</u> ”)	26
A	Exhibit “A” to the Report – Notice of Intention to Make a Proposal, dated March 11, 2021	37
B	Exhibit “B” to the Report – Proposal Trustee’s Consent to Act	46
C	Exhibit “C” to the Report – Certificate of Filing of NOI, dated March 12, 2021	49
D	Exhibit “D” to the Report – First Report to Court of the Proposal Trustee dated April 5, 2021 (without appendices)	52
E	Exhibit “E” to the Report – Order of the Court, dated April 6, 2021 re: First Extension to NOI	69
F	Exhibit “F” to the Report – Proposal of the Travel Superstore Inc., dated April 27, 2021	74

TAB	DOCUMENT	PAGE #
G	Exhibit “G” to the Report – Certificate of Filing a Proposal, dated April 29, 2021	89
H	Exhibit “H” to the Report – Affidavit of Mailing with regards to the Notice of Proposal to Creditors, sworn May 13, 2021; together with Notice of Proposal to Creditors dated Creditors Package April 30, 2021, including Notice of Proposal to Creditors, copy of the Proposal, Statement of Assets and Liabilities of the Debtor, List of Creditors, Report of Trustee to Creditors, Proof of Claim Form, Form Voting Letter, etc.	92
I	Exhibit “I” to the Report – Minutes of the Meeting of Creditors, held on May 12, 2021	147
J	Exhibit “D” to the Report - Affidavit of Mailing with regards to the Notice of the Application for Court Approval, sworn May 19, 2021 and Notice of Hearing of Application for Court Approval of a Proposal, dated May 18, 2021	152

TAB 1

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

In Ontario Superior Court of Justice (in Bankruptcy and Insolvency) [Commercial List]

In the matter of the proposal of Travel Superstore Inc., a debtor.

Take notice that an application will be made to the court, via ZOOM video conference (<https://us02web.zoom.us/j/88234935097?pwd=NTNFcXZQQmhyRWgvYjc0eFNLaldtQT09>), on the 7th day of June 2021, at 10:30 AM, to approve the proposal of Travel Superstore Inc., accepted by the creditors at a meeting held on the 12th day of May 2021.

Dated at the City of Toronto in the Province of Ontario, this 18th day of May 2021.

MNP Ltd. - Licensed Insolvency Trustee



300 - 111 Richmond Street West

Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

TAB 2

Court File No. 32-2720193
Estate File No. 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
[IN BANKRUPTCY AND INSOLVENCY]
(COMMERCIAL LIST)

THE HONOURABLE)	MONDAY, THE 7 TH
)	
JUSTICE HAINEY)	DAY OF JUNE, 2021

IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO

ORDER APPROVING PROPOSAL

UPON THE APPLICATION of MNP. Ltd. trustee (the “**Trustee**”) *in re* the Proposal of Travel Superstore Inc. (the “**Proponent**”), filed on April 29, 2021 (the “**Proposal**”), upon reading the Report of Trustee on Proposal, dated May 19, 2021; and upon hearing submissions of the Trustee and of counsel to those other parties present as indicated on the counsel sheet; and the Court being satisfied that the required majority of creditors duly accepted the Proposal and the terms thereof; a complete copy of which Proposal is marked as Appendix "A" and annexed hereto, and being satisfied that the said terms are reasonable and calculated to benefit the general body of creditors and that no offences or facts have been proved to justify the Court in withholding its approval:

1. **THIS COURT HEREBY ORDERS** that the Proposal be and is hereby approved.

TAB 2-A

SCHEDULE "A"

PROPOSAL OF TRAVEL SUPERSTORE INC.

(see attached)

Court and Estate File No. 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.,
OF THE CITY OF HAMILTON IN THE PROVINCE OF ONTARIO

PROPOSAL

Travel Superstore Inc. (the "**Debtor**"), hereby submits the following Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, C B-3.

PART I

Interpretation

Definitions

- 1.1 In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
- (a) "**Act**" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as it may be amended from time to time;
 - (b) "**Administrative Fees and Expenses**" means the proper fees and expenses and legal fees and disbursements of the Trustee, and the Debtor on and incidental to the preparation, presentation, consideration and implementation of the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom;
 - (c) "**Approval Order**" means an Order of the Court approving this Proposal pursuant to the provisions of the Act;
 - (d) "**Assets**" means the assets, property and undertakings of the Debtor;
 - (e) "**Business Day**" means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (f) "**Canada Pension Plan**" means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
 - (g) "**Claim**" means any right of any person against the Debtor in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Debtor to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal,



equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date, where such claims are proved and allowed, and "Claims" has a corresponding meaning;

- (h) "**Court**" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (i) "**Creditor**" means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and "Creditors" has a corresponding meaning;
- (j) "**Creditors' Meeting**" means the meeting of the Unsecured Creditors called for the purpose of considering and voting on the Proposal;
- (k) "**Crown Creditors**" means Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under.
 - (i) subsection 244(1.2) of the Income Tax Act;
 - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 244(2.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (iii) any provision of provincial legislation that has a similar purpose to subsection 244(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - A. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - B. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (l) "**Effective Date**" means the date upon which the Approval Order becomes final and non-appealable;
- (m) "**Employee Creditors**" means employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under subsection 136(1)(d) of the Act if the Debtor had become a bankrupt on the Filing Date, as well as wages,

salaries, commissions or compensation for services rendered after that date and before Court approval of the Proposal;

- (n) **“Employment Insurance Act”** means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (o) **“Filing Date”** means March 11, 2021, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under the Act;
- (p) **“Income Tax Act”** means *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (q) **“Inspector”** means an inspector appointed pursuant to the Proposal in accordance with the provisions of the Act;
- (r) **“MNP”** means MNP Ltd.;
- (s) **“Ordinary Creditor”** means a Creditor with a Proven Claim, except for those Claims that:
 - (i) the Trustee determines not to be a provable claim in accordance with subsection 135(1.1) of the Act;
 - (ii) have been finally and conclusively disallowed in accordance with the Act;
 - (iii) are Claims by Preferred Creditors;
 - (iv) are Claims by Employee Creditors;
 - (v) are Claims by Crown Creditors;
 - (vi) are Claims by a Related Party Creditor;
 - (vii) are Claims by Secured Creditors; or
 - (viii) are Claims in respect of the Administrative Fees and Expenses;and **“Ordinary Creditors”** has a corresponding meaning;
- (t) **“Performance of the Proposal”** means full performance of this Proposal as set out in Part III, section 3.3 hereof;
- (u) **“Post-Filing Goods and Services”** means the goods and services purchased by the Debtor subsequent to the Filing Date;
“Preferred Creditor” means a Creditor with a Proven Claim that is required by the Act to be paid in priority to all other Claims under a proposal made by a debtor, save and except for Employee Creditors and Crown Creditors, and **“Preferred Creditors”** has a corresponding meaning;
- (v) **“Proposal”** means this Proposal and any amendments thereto;



- (w) “**Proposal Fund**” means the payments to be made to the Trustee pursuant to the provisions of Part III of this Proposal;
- (x) “**Proposal Funder**” means Richard Vanderlubbe and Paul Foster in their capacity as Secured Creditors;
- (y) “**Proof of Claim**” means the proof of claim required by the Act to be provided to each known Creditor prior to the Creditors' Meeting;
- (z) “**Proven Claim**” of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (aa) “**Related Party Creditors**” means any claims by Richard Vanderlubbe, Paul Foster or their respective immediate family members, that is not a claim by a Secured Creditor, and any Creditor related to the Debtor within the meaning of Section 4 of the Act.
- (bb) “**Secured Creditor**” means any person holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Debtor or any part thereof as security for a Claim, and “**Secured Creditors**” has a corresponding meaning;
- (cc) “**Trustee**” means MNP, or its duly appointed successor;
- (dd) “**Unsecured Creditors**” means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (ee) “**Voting Letter**” shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Headings

- 1.2 The division of this Proposal into Parts and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms “this Proposal”, “hereof”, “hereunder” and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

- 1.3 In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

- 1.4 If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day unless precluded by statute.

Stay of Proceedings

- 1.5 During the Proposal each Unsecured Creditor will be stayed from commencing or continuing any proceeding or remedy against the Debtor or the Assets based upon a Claim existing on or before the Filing Date.

Currency

- 1.6 Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

Statutory References

- 1.7 Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

PART II**Classification of Creditors****Classes of Creditors**

- 2.1 For the purposes of voting on the Proposal, only Ordinary Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors.

PART III**Proposal****Purpose and Implementation of Proposal**

- 3.1 The purpose of this Proposal is to affect a restructuring of the business and affairs of the Debtor with the expectation that all Creditors and other stakeholders will derive a greater benefit from the continued operation of the business and affairs of the Debtor than would result from a forced liquidation of the Assets.
- 3.2 The Proposal Fund shall be the sum of \$300,000 paid by the Proposal Funder to the Trustee within three (3) Business Days of the date of the issuance of the Approval Order.
- 3.3 The Proposal Fund shall be distributed by the Trustee pursuant to Part IV of this Proposal and the provisions of the Act and upon payment of the Proposal Fund to the Trustee and the Administrative Fees and Expenses retainer as set out below in 4.1, the Debtor's obligations

under the Proposal shall be fully performed and the Trustee shall issue a certificate of full performance to the Debtor in accordance with section 65.3 of the Act.

- 3.4 In the event that the Proposal is not accepted by the Unsecured Creditors or the Court refuses to issue the Approval Order, the Debtor shall become a bankrupt and the Proposal Fund shall not be advanced by the Proposal Funder nor will it be available to the Unsecured Creditors in accordance with their respective priorities.

PART IV

Treatment of Creditors

Payment of Administrative Fees and Expenses

- 4.1 Within three (3) Business Days of the issuance of the Approval Order, the Debtor shall pay any outstanding Administrative Fees and Expenses and shall deliver a retainer of \$50,000 (or such other amount as the Debtor and the Trustee may agree) to the Trustee. The Administrative Fees and Expenses shall not be deducted from the Proposal Fund available for distribution to the Unsecured Creditors.

Secured Creditors

- 4.2 The Claims of Secured Creditors shall not be compromised by this Proposal and Secured Creditors shall be paid in accordance with the respective agreement(s) between each Secured Creditor and the Debtor or as otherwise agreed between each Secured Creditor and the Debtor.

Unsecured Creditors May Elect

- 4.3 Any Ordinary Creditor with a Proven Claim, which is greater than one thousand dollars (\$1,000.00), may elect in writing, on or before June 30, 2021, to, instead of participating in a pro rata distribution as set out below, receive \$1,000.00 (an "**Electing Creditor**").

Distribution to Employee Creditors

- 4.4 The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtor's business.

Distribution to Crown Creditors

- 4.5 Unless Her Majesty in Right of Canada or a Province agrees otherwise, the Proven Claims, if any, of Crown Creditors shall be paid within six (6) months after the making of the Approval Order using proceeds from the operation of the Debtor's business.

Distribution to Preferred Creditors

- 4.6 The Proven Claims of Preferred Creditors shall be paid by the Trustee in full from the Proposal Fund in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the Act.

No Distribution to Related Party Creditors

- 4.7 If this Proposal is accepted by the creditors, approved by the Court, and not subsequently annulled, the Related Party Creditors shall postpone payment of all amounts owing to them by the Debtor and shall not participate in the distribution of the Proposal Fund paid over to the Trustee pursuant to this Proposal.

Distribution to Ordinary Creditors

- 4.8 The Proven Claims of Ordinary Creditors shall be paid from the balance of the Proposal Fund after payment of the Claims set out in Paragraph 4.6 above as follows:
- (a) the value of their Proven Claim where such claim is equal or less than \$1,000 (the "**Small Claims**");
 - (b) \$1,000 to each of the Electing Creditors (the "**Electing Creditor Claims**"); or
 - (c) their pro rata share of the Proposal Fund, after deductions of the Small Claims, the Electing Creditor Claims and the Proven Claims noted in Paragraph 4.6 above.

Disclaimer or Resiliation of Leases

- 4.9 If a lease is disclaimed or resiliated under subsection 65.2(1) of the Act, (a) the lessor has no claim for accelerated rent in the Proposal and the lessor may file a claim for an amount equal to the lesser of (i) the aggregate of (A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and (B) fifteen percent (15%) of the rent for the remainder of the term of the lease after that year, and (ii) three (3) years' rent.

Claims Against Directors

- 4.10 Any Claims against the Debtor by any Creditor that are also Claims against the directors and officers of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Unsecured Creditors and approval by the Court.

PART V

Procedure for Validation and Valuation of Claims

Allowance or Disallowance of Claims by the Trustee

- 5.1 Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the Act.

Valuation of Claims

- 5.2 The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VI Meeting of Creditors

Creditors' Meeting

- 6.1 On May 12, 2021 the Debtor shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

Notice of Creditors' Meeting

- 6.2 The Trustee shall provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meetings.

Conduct of Meetings

- 6.3 The Official Receiver, or any nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors and legal counsel of the Debtor together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

Adjournment of Meetings

- 6.4 The Creditors' Meetings may be adjourned in accordance with section 52 of the Act or by ordinary resolution of the Creditors in attendance at the Creditors' Meeting, including any creditors who are in attendance by proxy, or by the Trustee.

Voting by Creditors

- 6.5 To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor. The chair reserves the right to reject any claim in accordance with section 108 (1) of the Act and to deny such person the right to vote at the Creditors' Meeting.

Approval by Creditors

- 6.6 In order for the Proposal to be binding on all of the Unsecured Creditors in accordance with the Act, it must first be accepted by the Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

Appointment of Inspectors

- 6.7 At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims;
 - (b) the power to waive any default in the performance of any provisions of the Proposal; and
 - (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

The authority and term of office of the Inspectors will terminate upon the Performance of the Proposal.

PART VII

Post-Filing Date Payments

Payment of Post-Filing Goods and Services

- 7.1 All Post-Filing Goods and Services shall be paid in full in the ordinary course of the Debtor's business and on terms agreed to between the Debtor and its respective creditors from funds other than the Proposal Fund. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post-Filing Goods and Services.

Payment of Post-Filing Crown Claims

- 7.2 During the period between the Filing Date and the Effective Date, the Debtor shall pay and keep current Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or otherwise as provided for in subsection 60(1.1) of the Act or any substantially similar provision of Ontario legislation.

PART VIII
Miscellaneous

Affect of Payment of Proposal Fund

- 8.1 Preferred Creditors, and Unsecured Creditors will accept the payments provided for in this Proposal in complete satisfaction of all of their Claims, and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the Assets. Upon distribution of the Proposal Fund as provided for in this Proposal, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Debtor.

Amendment to Proposal

- 8.2 This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the filing date of the Proposal.

Performance Certificate

- 8.3 The Trustee will give the Debtor and the Official Receiver the certificate provided for in section 65.3 of the Act on the date that payment of the Proposal Fund and the Administrative Fee and Expenses retainer noted in 4.1 has been made by the Debtor to the Trustee.

Court Approval

- 8.4 After the Creditors' acceptance of the Proposal, the Debtor will proceed to seek approval by the Court to have the Court make the Approval Order.

Binding Effect

- 8.5 The provisions of this Proposal will be binding on the Creditors, the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.

Conduct of Debtor's Business

- 8.6 Subject to any Order made by the Court, the Debtor shall remain in possession and control of the Assets at all times, both before and after implementation of this Proposal.

PART IX

Event of Default

- 9.1 The failure of the Proposal Funder to pay the Proposal Fund to the Trustee will constitute



an Event of Default for purposes of section 63 of the Act and otherwise under this Proposal.

Trustee

- 9.2 MNP, of the City of Toronto, in the Province of Ontario, shall be the Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 9.3 MNP is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of MNP shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Debtor.
- 9.4 Any payments made by the Trustee to the Unsecured Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 9.5 Upon payment by the Trustee of the amounts contemplated in Part IV of this Proposal, the Trustee shall have discharged its duties as Trustee, and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.
- 9.6 The Trustee and its counsel shall be authorized to immediately apply any such monies received from the Debtor, excluding such monies associated with the Proposal Fund, to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by the Court.

PART X

General

Notices

- 10.1 Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) address to the respective parties as follows:
- (a) if to the Debtor:
 Travel Superstore Inc.
 c/o Torkin Manes LLP
 1500 -151 Yonge Street
 Toronto, Ontario M5C 2W7

Attn: Stewart Thom
E-Mail: sthom@torkinmanes.com



- (b) if to any Creditor, to the address or telecopier number for such Creditor specified in the Proof of Claim filed by such creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Creditor may be contacted; and
- (c) it to the Trustee:

MNP Ltd.
300-111 Richmond St W
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz
Telecopier: 416-596-7894
E-Mail: jerry.henechowicz@mnp.ca

or to such other address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time in Toronto, Ontario, Canada) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

Foreign Currency Obligations

- 10.2 For the purpose of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.

Applicable Law

- 10.3 This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

Non-Severability

- 10.4 It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in any event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

Dated at Hamilton, Ontario this 27th day of April, 2021.

Travel Superstore Inc.

A handwritten signature in black ink, appearing to read 'R. Vanderlubbe', is written over a horizontal line. The signature is stylized and somewhat cursive.

Per: Richard Vanderlubbe
I/We have authority to bind the Corporation

**IN THE MATTER OF THE PROPOSAL OF TRAVEL
SUPERSTORE INC. OF THE CITY OF HAMILTON IN THE
PROVINCE OF ONTARIO**

Court File No. 32-2720193
Estate File No. 32-2720193

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]**

Proceedings commenced at Hamilton

ORDER APPROVAL PROPOSAL

LOOPSTRA NIXON LLP

135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix (LSUC #52650N)

Tel: (416) 478 4776

Fax: (416) 476 8319

Email: gphoenix@loonix.com

Agents for MNP Ltd., the Proposal Trustee

TAB 3

**Court No. 32-2720193
Estate No. 32-2720193**

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN
BANKRUPTCY AND INSOLVENCY**

**In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton,
in the Province of Ontario**

**REPORT OF TRUSTEE ON APPLICATION FOR COURT
APPROVAL OF PROPOSAL**

Court Hearing Date: 7th June 2021

**MNP Ltd.
Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto, ON M5H 2G4**

**Attention: Jerry Henechowicz
Tel : 416-515-3924
Email : Jerry.Henechowicz@mnp.ca
Fax : 416-323-5242**

District of Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF
 TRAVEL SUPERSTORE INC.
 OF THE CITY OF HAMILTON
 IN THE PROVINCE OF ONTARIO**

INDEX

Tab-1- Report of Trustee on Proposal

Exhibit "A"	Notice of Intention to Make a Proposal, dated March 11, 2021
Exhibit "B"-	The Proposal Trustee's Consent to Act
Exhibit "C"	Certificate of Filing of Notice of Intention, dated March 12, 2021
Exhibit "D"-	First Report to the Court, dated April 5, 2021 (without appendices)
Exhibit "E"	First Extension Order, dated April 6, 2021
Exhibit "F"	The Proposal, dated April 27, 2021
Exhibit "G"	Certificate of Filing a Proposal, dated April 29, 2021
Exhibit "H"	Affidavit of Mailing with regards to the Notice of Proposal to Creditors, dated April 30, 2021, the Proposal, Statement of Affairs, Report of Trustee to the Creditors, and Ancillary Documents
Exhibit "I"	The Minutes of the Meeting of Creditors to Consider the Proposal held on May 12, 2021
Exhibit "J"	Affidavit of Mailing with regards to the Notice of Hearing of Application for Court Approval, dated May 18, 2021

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO**

REPORT OF TRUSTEE ON PROPOSAL

We, **MNP Ltd.** (“**MNP**”), the proposal trustee (the “**Proposal Trustee**”) of Travel Superstore Inc. (the “**Company**”), hereby report to the Court as follows:

1. That on the 11th day of March 2021, the Company lodged with the Proposal Trustee a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to S. 50.4 of the *Bankruptcy and Insolvency Act* (the “**Act**”) and that MNP consented to act as Proposal Trustee. The NOI was filed with the Official Receiver on that same date. Copies of the NOI, the Proposal Trustee’s Consent to Act and the Certificate of Filing of NOI are attached as **Exhibits “A”, “B” and “C”**, respectively.
2. The Company was founded and incorporated in Ontario in 1996 by Richard Vanderlubbe and Paul Foster who remain as the sole directors and officers. The Company operates as a travel agency and vendor of travel related packages and services, such as flights and hotel

- accommodations, brokered by the Company from a wide variety of travel industry service providers.
3. That on March 31, 2021, the Company served a Motion returnable April 6, 2021, seeking, among other things, a Court Order extending the time within which the Company had to file a proposal, granting the Company certain relief ancillary to the above extension of time, considered necessary for the Company to continue to operate, including the carve out of gift cards holders, lifting the stay of proceedings set out in s. 69.1(1) of the Act solely to allow the appointment of MNP as the receiver of the Limited Receivership Property (as such term is defined in the First Report) in order to facilitate the terminated former employees of the Company the opportunity to qualify and access funds that may be available to them under the Wage Earner Protection Program, and appointing MNP as receiver over the Limited Receivership Property, for which motion the Proposal Trustee served its first report, dated April 5, 2021 (the “**First Report**”), attached (without appendices) as **Exhibit “D”**.
 4. That on April 6, 2021, the Court issued an Order and endorsement (the “**First Extension Order**”), attached as **Exhibit “E”** and endorsement that, *inter alia* extended the time for filing a proposal to and including May 27, 2021, granting the Company certain relief ancillary to the above extension of time, considered necessary for the Company to continue to operate during the NOI proceedings, lifting the stay of proceedings set out in s. 69.1(1) of the Act solely to allow the appointment of MNP as the receiver of the Limited Receivership Property, and the appointment of said receiver.
 5. That a proposal was lodged with the Proposal Trustee on the 27th day of April 2021 (the “**Proposal**”) and electronically filed with the Official Receiver on the 28th day of April

- 2021, a copy of which is attached and marked as **Exhibit “F”**. Attached as **Exhibit “G”** is the Certificate of Filing a Proposal issued by the Office of the Superintendent of Bankruptcy (“**OSB**”).
6. That on the 30th day of April 2021, the Proposal Trustee gave notice to the Official Receiver, the Company, and to every known creditor of the Company affected by the Proposal, whose names and addresses are shown in Exhibit “A” to the affidavit of mailing attached as **Exhibit “H”** to this Report, of the calling of a meeting of creditors to be held on the 12th day of May 2021 (the “**Meeting**”) to consider the Proposal (the “**Notice**”).
 7. That with the Notice was included a statement of the assets and liabilities of the Company (“**SOA**”), including a list of the creditors affected by the Proposal showing the amount of their claims, the Proposal Trustee’s Report to the Creditors, dated April 30, 2021 (the “**Report to Creditors**”), a copy of the Proposal, a form of a proof of claim and proxy in blank, a voting letter, and an election form. Copies of the Notice, the Report to Creditors and the SOA are included as part of Exhibit “B” to the affidavit of mailing (Exhibit “H” to this Report).
 8. That prior to the Meeting, the Proposal Trustee made a detailed and careful inquiry into the liabilities of the Company, the Assets and their value, the Company’s conduct and the causes of the Company’s insolvency.
 9. That the Meeting was held on the 12th day of May, 2020 and was presided over by Jerry Henechowicz of MNP.

10. That there was a quorum at the Meeting, and following a question period, the Proposal was then voted on by the unsecured creditors as detailed below.

	FOR	%	AGAINST	%
Number of creditors	16	100.00%	0	0.00%
Dollar value	\$970,549.29	100.00%	\$0.00	0.00%

Based on the above vote, the Proposal was accepted by the creditors (“**Creditor Approval**”) with requisite majority in number of creditors and 2/3 in value of the claim of such creditors in person, by proxy or by voting letter. The minutes of the Meeting are attached and marked as **Exhibit “I”** to this Report.

11. That on May 18, 2021, the Proposal Trustee sent Notice of Hearing of Application for Court Approval (the “**Court Approval Notice**”), to the Official Receiver, the Company and those creditors that had filed claims. A copy of the Proposal Trustee’s affidavit of mailing, including the Court Approval Notice are attached as **Exhibit “J”**.

12. The Proposal Trustee is of the opinion that:

- a. The Assets and their fair realizable value, as listed on the SOA, are as follows:

Asset Category	Estimated Realizable Value as per the SOA
Deposits in financial institutions	\$ 288,023.41
Furniture	5,000.00
Other ¹	674,279.22
TOTAL	\$ 967,302.63

¹ – This asset category includes \$411,069.22 relating to funds held in trust, \$247,210.00 relating to computer & phone equipment subject to a secured creditor claim/capital lease (inclusive of deposit on lease), and \$16,000.00 held by the Company’s benefits provider as a deposit. Of the aforementioned items, it is anticipated that only \$16,000.00 (from deposit with the benefits

provider) would be realized and available to the Company's unsecured creditors in the event of a bankruptcy from this Other category of assets.

- b. the liabilities of the Company are as follows, as per the SOA and creditor claims filed as at May 16, 2021:

Creditor Category	As per the SOA	Claims Filed¹ as at May 16, 2021
Secured ²	\$ 658,279.22	\$ NIL
Preferred	NIL	NIL
Unsecured ³	2,015,873.43	2,176,865.64
Deemed Trust ⁴	4,246.61	5,738.06
TOTAL	\$ 2,678,399.26	\$ 2,182,603.70

¹ – Represents the amount claimed as filed and neither represents the amount proven, nor accepted for voting purposes, for distribution purposes or otherwise.

² – The \$411,069.22 of the figure on the SOA represents to claims against funds held in trust for customers and IATA.

³ – Included in this figure is the claim of Cadillac Fairview. Cadillac Fairview's claim was shown on the SOA at \$40,745.03, the claim amount as filed is \$794,759.91 and the amount valued/accepted for voting purposes only was \$40,745.03. The variance between the amount filed by Cadillac Fairview and the amount valued/accepted for voting purposes related primarily to the unliquidated damages being claimed.

⁴ - The figure on the SOA represents is a claim by Canada Revenue Agency ("CRA") in connection with a deemed trust claim for unremitted source deductions. Although CRA has filed a claim for \$5,738.06, CRA has advised that this figure is expected to increase by approximately \$21,000 as a result of a shortfall associated with the 2020 T4s filed.

13. The Proposal Trustee also of the opinion that:

- a. the causes of the Company's insolvency are as follows:
- The Covid-19 pandemic has had a devastating effect on the travel industry and travel services retailers like the Company. On March 13, 2020, the

Federal Government issued a non-essential Travel Advisory. As a result, the Company revenues since March 2020 have dropped to near-zero;

- In order to survive the protracted and ongoing disruption caused to the travel industry by the pandemic, and manage cash flows it became necessary, that the Company:
 - i. lay-off and terminate non-essential employees; and
 - ii. vacate all of its twenty-five (25) leased retail locations and continue operations solely through an online portal,

all of which resulted in significant liabilities crystalizing, in addition to the arrears and other unpaid debts.
- b. The conduct of the debtor is not subject to censure.
- c. The following facts, mentioned in Section 173 of the Act, may be proved against the debtors:
 - Not applicable and consequently the provisions regarding security for payment under S .59(3) of the Act are inapplicable.

14. The Proposal includes all statutory terms that must be included in a proposal. The Proposal provides for:

- a. The payment of Preferred Claims in priority to the claims of Ordinary Creditors including Crown Claims under the provisions of 224(1.2) of the *Income Tax Act* and similar legislation (S. 60(1) of the Act);
- b. The payment of Administrative Fees and Expenses (S. 60(1) of the Act);

- c. Through the Reserve maintained by the Trustee, the payment of possible employee claims in accordance with S. 60(1.3)(a) of the Act; and
- d. The payment to the Proposal Trustee of all money payable under the Proposal (S. 60(2) of the Act).

15. The Proposal Trustee submits that the Proposal satisfies the test set out under s. 59(2) of the Act and should be approved as:

- a. The Proposal is being made in good faith:
- b. The Proposal contemplates a greater distribution to the creditors than in a bankruptcy, as outlined in the Report to Creditors pursuant to S. 50(10)(b) of the Act. The terms of the Proposal are reasonable and are recommended by the Proposal Trustee.
- c. The Proposal has been approved by the majority of voting creditors of the Company, in favour of the Proposal.

16. The Proposal Trustee recommends that the Proposal be approved, as it is an advantageous for the creditors for the following reasons:

- a. It contemplates a higher and more certain distribution for unsecured creditors than a bankruptcy, based on the total estimated claims;
- b. It provides for the continued employment of the Company's current ninety-seven (97) employees;
- c. It preserves a continuing customer for trade creditors and other suppliers; and

17. That we forwarded a copy of this Report to the Official Receiver on this day.

Dated at Toronto, Ontario, the 19th day of May 2021.

MNP LTD.,
in its capacity as Trustee *in re*
the Proposal of Travel Superstore Inc.
Per:

A handwritten signature in blue ink, appearing to read "M. E. Lem", is written over a light blue horizontal line.

Matthew E. Lem, CIRP
Licensed Insolvency Trustee

TAB 3-A

Exhibit "A" Notice of Intention to Make a Proposal

District of: Ontario
Division No. 07 - Hamilton
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
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

Take notice that:

1. We, Travel Superstore Inc., an insolvent person, state, pursuant to subsection 50.4(1) of 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 Hamilton in the Province of Ontario, this 11th day of March 2021.



Travel Superstore Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
 Division No. 07 - Hamilton
 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
 Travel Superstore Inc.
 of the City of Hamilton, in the Province of Ontario.

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ADDA Mechanical Ltd	419 Montgomery Cr Hamilton ON L8K 2K3		824.24
Allegra	255 York Blvd Hamilton NS L8R 1Y7		10,742.36
Angela Douglas	38 Bluevale St N Waterloo ON N2J 3R5	Termination & Severance Pay	1,642.57
Anna Todoric	1008 - 4879 Kimbermount Avenue Mississauga ON L5M 7R8	Termination & Severance Pay	1,846.15
Bell Media Inc. (Halifax)	2885 Robie Street Halifax NS B3K 5Z4		12,752.05
Bismark Abreu	1260 Clifford Point Milton ON L9E 1E6	Termination & Severance Pay	1,692.13
Burlon Centre Inc	5-4104 Fairview Street Suite 432 Burlington ON L7L 4Y8	Fairview	72,445.79
Cadillac Fairview	999 Upper Wentworth Street Hamilton ON L9A 4X5	Lime Ridge Mall	91,676.31
Canadian Linen	PO Box 51073, RPO Tyndall Winnipeg MB R2X 3C6		417.70
Carol Mack	98 Russell Street Dartmouth NS B3A 3N5	Termination & Severance Pay	1,356.64
Choice Properties Ltd	700 - 22 St. Clair Avenue East Toronto ON M4T 2S5	Beechwood	50,014.57
Clean Shine	PO Box 58130, 770 Lawtrence Ave West Toronto ON M6A 3C8		834.28
Colleen Stephenson	7 The Boulevard Tottenham ON L0G 1W0	Termination & Severance Pay	1,176.91
Colliers International	29 Victoria Street, Suite 101 Moncton NB E1C 9J6	Moncton	34,327.96
Computer Supply Express	6-2400 Dundas Street West Suite 610 Mississauga ON L5K 2R8		4,066.83

District of: Ontario
 Division No. 07 - Hamilton
 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
 Travel Superstore Inc.
 of the City of Hamilton, in the Province of Ontario.

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Danielle Friel	278 West Acres Drive Guelph ON N1G 7P1	Termination & Severance Pay	1,364.14
Danielle Pyette	89 Carrick Avenue, Unit 1 Hamilton ON L8M 2W5	Termination & Severance Pay	2,692.77
Danielle Smith	76 Claudia Crescent Middle Sackville NS B4E 0C6	Termination & Severance Pay	1,656.07
David Bell	58 - 590 Kraus Drive Waterloo ON N2L 6K2	Termination & Severance Pay	2,602.01
Dianne Abrey	3925 Nineteenth Street Jordan Station ON L0R 1S0	Termination & Severance Pay	1,756.69
Elisa Leon	4 Pantano Drive Hamilton ON L9B 2Y4	Termination & Severance Pay	8,891.04
Erica Sinclair	1770 Main Street W, Apt 605 Hamilton ON L8S 1H1	Termination & Severance Pay	692.31
Fathia Ibrahim	1085 Ramsey Crescent, Unit 302 Ottawa ON K2B 7Z9	Termination & Severance Pay	1,917.25
Fine Lines Sign Co	766 Burlington St East Hamilton ON L8L 4K3		4,011.50
First Capital	2525 Prince Michael Dr Oakville ON L6H 0E9	Oakville	76,189.19
First Capital	285 Geneva Street St. Catharines ON L2N 2G1	St. Catharines	66,691.67
First Capital Angela Baden	FCR Management Services LP, 3 - 105 Clair Road East Guelph ON N1L 0J7	Guelph - Pergola	66,316.16
First Real Properties Limited	2 King street West Hamilton ON L8P 1A1	Jackson Square	45,796.59
Gayle D'Costa	3 Massey Square Apt 2007 East York ON M4C 5L5	Termination & Severance Pay	1,402.75
Google Inc	1600 Amphitheatre Pkwy Mountain View CA 94043 USA		417,850.83

District of: Ontario
 Division No. 07 - Hamilton
 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
 Travel Superstore Inc.
 of the City of Hamilton, in the Province of Ontario.

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
HCE Telecom	21 King Street West, Suite 1400, PO Box 55 Hamilton ON L8P 4W7		55,195.80
Heartland Printing and Graphics LTD	240 Brunel Road Mississauga ON L4Z 1T5		358.61
Heather Leedham	14 Craighburn Drive Dartmouth NS B2X 2S3	Termination & Severance Pay	1,644.30
Heather MacIntyre	33 Pinetree Crescent Hammonds Plains NS B3Z 1K5	Termination & Severance Pay	1,881.57
InsurEye Inc.	350 Bay Street, Unit 200 Toronto ON M5H 2S6		1,695.00
Iron Mountain	P.O. Box 3527, Station A Toronto ON M5W 3G4		11,102.51
Ivanhoe Cambridge	500 King Street North Waterloo ON N2L 5W6	Conestoga Mall	92,988.78
Jennifer Mezenberg	A 48 Catherine Street New Hamburg ON N3A 0A9	Termination & Severance Pay	1,828.81
Jill Klacza	465 College Avenue Orangeville ON L9W 4R8	Termination & Severance Pay	810.96
JJK Realty Inc.	442 Main St Wolfville NS B4P 1E2	Wolfville	20,125.00
Julia Tollis	33 - 337 East 42nd Street Hamilton ON L8T 3A6	Termination & Severance Pay	1,987.18
Julie Bond	76 Kortright Road East Guelph ON N1G 4N8	Termination & Severance Pay	8,541.30
K94.5	1000 St. George Blvd., Suite 102 Moncton NB E1E 4M7		1,356.00
Kateryna Mikhailiuk	4630 Keystone Crescent Burlington ON L7M 0M8	Termination & Severance Pay	528.93
Kathleen Emmans	57 Marshall Crescent Baxter ON L0M 1B1	Termination & Severance Pay	722.22

District of: Ontario
 Division No. 07 - Hamilton
 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
 Travel Superstore Inc.
 of the City of Hamilton, in the Province of Ontario.

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Kayak	7 Market Street Stamford CT 06902 USA		139,869.68
Keny General Services	38 Titmouse Court Hamilton ON L9A 4Y9		7,967.63
Laura Mulvihill-Spry	4103 Heritage Dr Hanmer ON P3P 1Z6	Termination & Severance Pay	21,834.47
Leppert Business Systems Inc	10-4380 South Service Rd Burlington ON L7L 5Y6		1,486.29
Louise Endean	290 Krotz Street West Listowel ON N4W 0E1	Termination & Severance Pay	761.05
Marco Zarco	4429 Wildmint Square Ottawa ON K1V 1N6		695.84
Maria Khamis	2561 Hobson Road Ottawa ON K1V 8M6	Termination & Severance Pay	563.03
Marnie Savic	1276 Maple Crossing Blvd, Apt 1506 Burlington ON L7S 2J9	Termination & Severance Pay	2,992.92
Melissa Alexander	17 Bentwood Crescent Cambridge NS B0P 1G0	Termination & Severance Pay	6,777.77
Mernie Shields	14 Charles Street Stoney Creek ON L8G 1V4	Termination & Severance Pay	6,905.26
Metrolandmedia	1 Yonge Street, 4th Floor Toronto ON M5E 1E6		4,891.77
Mic Mac Mall Limited	21 Mic Mac Boulevard Dartmouth NS B3A 4N3	Mic Mac Mall	115,844.01
Michelle Kasco	180 Nevada Crescent Maple ON L6A 2V4	Termination & Severance Pay	1,336.75
MIL ITF Hoopp Realty	Suite 200 - 1030 Barry Downe Rd Sudbury ON P3A 5Z9	Sudbury	52,712.90
Moneris Solutions Corporation Natalie Deineka	West Tower 10th Floor 3300 Bloor Street W Etobicoke ON M8X 2X2		411.80

District of: Ontario
 Division No. 07 - Hamilton
 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
 Travel Superstore Inc.
 of the City of Hamilton, in the Province of Ontario.


List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Morguard	1200 St. Laurant Boulevard Ottawa ON K1K 3B8	St. Laurent	112,833.45
OPB Realty	2121 Carling Avenue Suite 18A Ottawa ON K2A 1H2	Carlingwood	110,074.81
OPGI ITF Royal Bank Plaza	200 Bay Plaza Toronto ON M5J 2J4	Royal Bank	77,481.70
OPGI Management LA Oxford	100 City Centre Drive Mississauga ON L5B 2C9	Square One	197,885.42
Outfront Media Canada LP	377 Horner Ave Toronto ON M8W 1Z6		2,034.00
Oxford	9350 Yonge Street Richmond Hill ON L4C 5G2	Hillcrest Mall	115,750.87
Patricia Robicheau	60 Pleasant St. Unit 1 Wolfville NS B4P 1M7	Termination & Severance Pay	1,034.88
Perimeterx Inc.	400 S. El Camino Real, Suite 1400 San Mateo CA 94402 USA		61,158.72
Plaza Master G. P. Limited	85 Damascus Road Bedford NB B4A 0C2	Bedford Commons	48,251.47
Purolator Courier Limited Ortie Nesci	5995 Avebury Rd. 3rd Flr. Mississauga ON L5R 3T8		1,518.67
Queenscorp Inc	3609 Lake Shore Blvd West Etobicoke ON M8W 1P5	Etobicoke	27,399.74
React Mobile signs LTD	PO#40049, RPO Waterloo Town Square Waterloo ON N2J 4V1		260.62
Rogers Cable - Rogers Business Solutions Shane Gaudet	PO Boc 2000, Stn D Scarborough ON M1R 5P4		10,625.67
Shaukath Fattah	235 Sherway Gardens Rd, Apt 1904 Etobicoke ON M9C 0A2	Termination & Severance Pay	1,146.44
Sitzer Group	640 Mohawk Road West Hamilton ON L9C 1X6	Westcliffe	51,490.88

District of: Ontario
 Division No. 07 - Hamilton
 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
 Travel Superstore Inc.
 of the City of Hamilton, in the Province of Ontario.

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Staples Business Advantage	CO T04446C PO Box 4446, STN A Toronto ON M5W 4A2		2,096.03
Tammy McDowell	18 Coronation Parkway Barrie ON L4M 7J8	Termination & Severance Pay	1,343.81
Tanya Smith	81 Claudia Crescent Middle Sackville NS B4E 0C5	Termination & Severance Pay	10,172.91
Taylor Curtis	2 - 20 Wilson Street Guelph ON N1H 4G5	Termination & Severance Pay	7,061.50
Telus 22040374 Rick Wan	3rd Fl - 4519 Canada Way Burnaby BC V5G 4S4		2,053.22
The Effort Trust Company	1807 Stone Church Road East Stoney Creek ON L8J 0B4	Heritage Greene	58,803.65
Travelzoo Canada Inc	c/o TH1077, PO Box 4283 Postal Station A Toronto ON M5W 5W6		25,521.05
Vista Radio	201 - 910 Fitzgerald Ave Courtenay BC V9N 2R5		17,085.60
Wade Enterprises Ltd.	963 Central Avenue Greenwood NB B0P 1N0	Greenwood	18,848.16
Total			2,513,398.87



 Travel Superstore Inc.
 Insolvent Person

TAB 3-B

Exhibit "B"- The Proposal Trustee's Consent to Act

- Proposal Consent -

In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

To whom it may concern,

This is to advise that MNP Ltd., hereby consents to act as trustee under the *Bankruptcy and Insolvency Act* for the proposal of Travel Superstore Inc..

Dated at the City of Toronto in the Province of Ontario, this 11th day of March 2021.



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

TAB 3-C

Exhibit "C" Certificate of Filing of Notice of Intention



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

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

Travel Superstore Inc.

Insolvent Person

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 11, 2021

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: March 12, 2021, 17:19

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

TAB 3-D

Exhibit "D" - First Report to the Court

Estate No.: 32-2720193
Court No.: 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF
TRAVEL SUPERSTORE INC.**

**FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
TRAVEL SUPERSTORE INC.**

April 5, 2021

CONTENTS

I.	INTRODUCTION.....	1
II.	RESTRICTIONS	3
III.	PURPOSE OF THIS REPORT	4
IV.	BACKGROUND INFORMATION.....	5
V.	ACTIVITIES OF THE PROPOSAL TRUSTEE.....	6
VI.	CASH FLOW PROJECTIONS.....	7
VII.	REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL	9
VIII.	TRUST FUNDS AND CASH MANAGEMENT SYSTEM.....	10
IX.	GIFT CARDS AND PROMOTIONAL GIFT CARDS.....	11
X.	APPOINTMENT OF LIMITED PURPOSE RECEIVER.....	11
XI.	CONCLUSION AND RECOMMENDATION	13

APPENDICES

Appendix “A”	Certificate of Filing
Appendix “B”	Notice of Intention to Make a Proposal Notice
Appendix “C”	Cash Flow Projection dated March 19, 2021
Appendix “D”	PPSA Search Result

I. INTRODUCTION

1. On March 11, 2021 (the “**Filing Date**”), Travel Superstore Inc. (“**TSI**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. (“**MNP**”) was named proposal trustee in the NOI proceedings (the “**Proposal Trustee**”). The Company’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOI (the “**NOI Notices**”) as prescribed by the BIA was sent on March 16, 2021 to all of the Company’s known creditors based on the books and records of the Company.
3. A copy of the certificate of filing for the NOI filed and of the NOI Notice are attached as **Appendix “A”** and **Appendix “B”**, respectively.
4. On March 31, 2021, the Company filed a Notice of Motion and a Motion Record, returnable April 6, 2021 (collectively the “**Motion**”), that includes the affidavit of Richard Vanderlubbe, the Company’s President, sworn March 31, 2021 (the “**Vanderlubbe Affidavit**”). The Company is seeking, among other things, Court Orders:
 - a) extending the time for the Company to file a proposal to May 27, 2021;
 - b) granting the Company certain relief ancillary to the above extension of time, considered necessary for the Company to continue to operate during the NOI Proceedings (the “**Operational Provisions**”), specifically:
 - i. authorizing and directing the Company to continue utilizing its Cash Management System (the “**CMS**”) during the NOI Proceedings, as discussed in greater detail later in this Report;
 - ii. authorizing and directing the Company to make such payments and take such actions as are necessary during its restructuring period to perform the obligations of the Company pursuant to the terms of any Gift Cards, Promotional Gift Cards (as such terms are later defined below) or prizes

which are presented to the Company for redemption by any holder of same and declaring that the Company is authorized but not directed to treat Gift Card Holders (as such term is later defined below) as unaffected creditors for purposes of these NOI Proceedings and, later, the Company's anticipated Proposal; and

- iii. directing that any and all funds received by the Company by way of cash, electronic funds transfer or cheque from its customers either prior to or subsequent to the Filing Date for the purchase of travel services to be provided in the future, be held in trust for payment of such travel services, for the benefit of the suppliers thereof and the customers purchasing such travel services, and shall not constitute funds of the Company which are available to the general body of creditors of the Company, including in the event of the bankruptcy of the Company (the "**Trust Funds**");
 - c) lifting the stay of proceedings set out in s. 69.1(1) of the BIA solely to allow the appointment of MNP as the receiver of the Limited Receivership Property (as such term is later defined) in order to facilitate the Former Employees (as such term is later defined) the opportunity to qualify and access funds that may be available to them under the Wage Earner Protection Program (the "**WEPP**") as provided for by the *Wage Earner Protection Program Act, S.C. 2005, c. 47* (the "**WEPPA**");
 - d) appointing MNP as receiver without security over the Limited Receivership Property (the "**Limited Receiver**") pursuant to BIA section 243(1) on the terms set out in the draft Limited Receivership Order (as such term is later defined) and relieving the Limited Receiver from compliance with the provisions of Section 245(1), 245(2) and 246 of the BIA, subject to certain qualifications; and
 - e) such further and other relief as counsel may advise and this Court may permit.
5. Information regarding these NOI Proceedings has been posted to the Proposal Trustee's case website at www.mnpdebt.ca/travelsuperstore (the "**Website**").

II. RESTRICTIONS

6. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Vanderlubbe Affidavit, the Company's books and records, discussions with the Company's management ("**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report, the Proposal Trustee 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 of the Chartered Professional Accountants of Canada.

7. The Proposal Trustee also bases its Report on the Company's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Cash Flow Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

8. The purpose of this Report is to provide the Court with information and, as applicable, the Proposal Trustee's comments and recommendations concerning:

- a) the Company's background and the circumstances leading to these NOI Proceedings;
- b) the activities of the Company and the Proposal Trustee since the Filing Date;
- c) the Company's actual cash flows for the period from March 14 to 28, 2021 (the "**Monitored Period**") as compared to Statement of Projected Cash Flows, dated March 19, 2021 (the "**Cash Flow Projections**") filed by the Company in accordance with the section 50.4(2)(a) of the BIA;
- d) the Proposal Trustee's support for, and observations in respect of the TSI's request that the Court grant Order(s), *inter alia*:
 - i. approving the activities of the Proposal Trustee as set out in this Report;
 - ii. approving an extension of the time for the Companies to make a proposal to its creditors by forty-five (45) days (the "**Extended Period**");
 - iii. granting the Operational Provisions as detailed above in paragraph 4 b) and c);
 - iv. lifting the Stay of Proceedings in the NOI Proceedings for the limited purpose of appointing MNP as a receiver over the Limited Receivership Property in order to allow the Former Employees the opportunity to qualify and access funds that may be available to them under the WEPP and as provided for by the WEPPA; and
 - v. appoint MNP as the Limited Receiver and relieving the Limited Receiver from compliance with the provisions of Section 245(1), 245(2) and 246 of the BIA, subject to certain qualifications.

IV. BACKGROUND INFORMATION

9. As described in greater detail in the Vanderlubbe Affidavit, the Company was founded and incorporated in Ontario in 1996 by Richard Vanderlubbe and Paul Foster who remain as the sole directors and officers. The Company operates as a travel agency and vendor of travel related packages and services, such as flights and hotel accommodations, brokered by the Company from a wide variety of travel industry service providers.
10. Prior to the onset of the Covid-19 pandemic the Company grew to a chain of twenty-five (25) retail locations in Ontario, Nova Scotia and New Brunswick that were supported by its head office and on-line booking facility through its website www.tripcentral.ca. The Company has historically been well regarded in the industry, been profitable and enjoyed a positive relationship with the industry regulator, the Travel Industry Council of Ontario (“TICO”), its customers and suppliers.
11. The Covid-19 pandemic has had a devastating effect on the travel industry and travel services retailers like TSI. On March 13, 2020, the Federal Government issued a non-essential Travel Advisory. As a result, the Company revenues since March 2020 have dropped to near-zero. The Covid-19 pandemic has dealt the Company a potentially life-threatening blow.
12. In order to survive the protracted and ongoing disruption caused to the travel industry by the pandemic, major changes to the business and operations of the Company became necessary, including:
 - a) layoffs and termination of non-essential employees;
 - b) converting to an online travel sales business which required eliminating the expense of all physical retail locations other than the head office and data centre; and
 - c) limiting disbursements to those suppliers considered necessary to maintain internet-based services associated with the Company’s potential online sales business.
13. By the Filing Date the Company had vacated all of its leased retail locations and has only continued the lease for its head office premises. Most of its landlords consensually terminated their leases with the Company and took possession of the various leased premises, or have

otherwise taken such steps, that may have resulted in lease termination likely being deemed, prior to the filing of the NOI proceedings. Where such lease terminations were not clear, deemed or otherwise, on March 17, 2021 the Company issued notices of disclaimer of lease pursuant to the BIA.

14. As of the date of this Report, due to continuing international travel restrictions for both abroad and for returning to Canada, the Company's revenues have been nominal other than some incidental internet marketing consulting. The purpose of the NOI proceedings is to allow the Company to continue operations, albeit in a limited capacity, until such time as international vacation travel resumes. The Company does not have any external financing available to it and Messrs. Vanderlubbe and Foster, the Company's shareholders and remaining secured creditors have committed to funding any cash-flow shortfalls.
15. Torkin Manes LLP ("**Torkin Manes**") has been engaged by the Company as its legal counsel during these legal proceedings. Loopstra Nixon LLP ("**Loopstra**") has been engaged by the Proposal Trustee as its independent counsel. Loopstra together with Torkin Manes and the Proposal Trustee hereinafter are collectively referred to as the "**Restructuring Professionals**".

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

16. Since the Filing Date, the Proposal Trustee has undertaken the following activities, *inter alia*:
 - a) updated the Website as necessary;
 - b) reviewed and assisted the Company in the preparation of the Cash Flow Projections;
 - c) responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;
 - d) provided input to the Company regarding various restructuring steps to allow the Company to maintain its operations and file a viable proposal;
 - e) preliminary discussions on terms for a proposal to be presented to the Company's creditors;

- f) monitored the Company's actual cash flows in comparison with Cash Flow Projections; and
- g) drafted this Report and reviewing all Court materials filed in connection with the Motion.

VI. CASH FLOW PROJECTIONS

17. In accordance with the provisions of the BIA, the Company filed with the Official Receiver the Cash Flow Projections, which was reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Company. The Cash Flow Projections cover the weeks starting March 14, 2021 to June 13, 2021 (the "**Projection Period**"). A copy of the Cash Flow Projection, and related reports are attached as **Appendix "C"** to this Report.
18. The principal assumptions of the Cash Flow Projections are that:
- a) the Company's operations and revenues will be nominal due to the impact of the international travel restrictions imposed by the Government of Canada and other governmental authorities (local and abroad) in response to the COVID-19 pandemic and that such restriction will continue during the Projection Period;
 - b) travel related receipts are limited receivables from 2020, which are expected fully collected by the end of March 2020. All other cash collections are projected to be generated from non-travel related services and sources;
 - c) the government emergency relief and subsidies for rent and payroll projected to be received is based on the current formula and assumes its continued availability and the Company continued eligibility during the projected period;
 - d) the collection of the corporate tax refund is based on management's best estimates and historical collection trends. No amounts have been reflected for potential HST refunds generated through on-going operations;
 - e) pending the lifting of travel restrictions and consumer confidence that it is safe to travel, the Company is restricting disbursements/expenditures to only essential

goods and services (e.g. IT infrastructure and maintenance, key staff, insurance, etc.) in order to maintain the business. Disbursements are based on management's best estimates and historical purchase/payment trends; and

- f) the restructuring professional fees are based on estimates provided by the respective professionals to management.

19. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable/not plausible in the Company's circumstances. Based and the Proposal Trustee's review of the Cash Flow Projections and the underlying assumptions, the Company should have sufficient liquidity to maintain its operations through the Extended Period.

20. The Proposal Trustee has implemented procedures for monitoring the Company's receipts and disbursements to ensure that operations continue in accordance with the Cash Flow Projections. To date, the Company has provided the Proposal Trustee with full co-operation and unrestricted access to its books and records.

[continued]

21. A summary of the Company's actual receipts and disbursements as compared to those presented in the Cash Flow Projections for the period from March 14 to 28, 2021 are as follows (the "Monitored Period"):

	Projected	Actual	Variance
Week Beginning Date: Mar 14 - 28, 2021			
Opening operating Cash Balance	\$ 164,892	\$164,892	\$ -
Receipts			
Cash Collections	-	21,717	21,717
Payroll & Rent Subsidy	214,800	212,925	(1,875)
Tax Refunds	143,600	143,613	13
Secured Advances	100	-	(100)
	-	-	-
Total Cash Receipts	358,500	378,255	19,755
Disbursements			
Rent	-	-	-
Equipment Leases	-	-	-
Payroll	(129,000)	(131,783)	(2,783)
Professional Fees	(16,000)		16,000
Other Operating Expenses	(40,700)	(7,843)	32,857
	-	-	-
Total Disbursements	(185,700)	(139,626)	46,074
Operating Bank Balance	\$ 337,692	\$403,520	\$ 65,828

22. Overall, the Company realized a positive net cash flow variance of \$65,828 during the Monitored Period. The key components of the positive variance are:

- a) early receipt of consulting fees for \$21,717;
- b) delayed payment of professional fees for \$16,000 and other operating expenses for \$32,857 which are expected to be completed in the two weeks following this period.

VII. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

23. The time for filing a proposal expires on April 12, 2021.

24. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to formulate and present a proposal to its creditors.

The Proposal Trustee has discussed proposal structures with the Company. The Company is engaged with the Proposal Trustee on the analysis of its proposal options and an analysis of the same, taking into account the evolving market uncertainty in its industry

25. The Proposal Trustee has also considered that:

- a. the Company is acting in good faith and with due diligence;
- b. the Company is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Cash Flow Projections due to the availability of the funding from its shareholders;
- c. creditors are not materially prejudiced by an extension of time for the Company to file its proposal; and
- d. along with the other relief described below, the extension should allow the Company sufficient time to be in position to consider formulating and presenting a viable proposal.

VIII. TRUST FUNDS AND CASH MANAGEMENT SYSTEM

26. A portion of the funds received by the Company directly from its customers for travel services are due and payable to the suppliers of those travel services. These funds are, pursuant to the *Travel Industry Act 2002* (the “TIA”), held in trust, and the Company operates a specific trust account for that purpose.

27. Industry regulators and associations, including TICO and the International Air Transport Association, as well as the general public will require assurances that customer monies are fully protected during the restructuring process and respected as trust funds. In order to ensure compliance with the TIA and regulator and to maintain public confidence, the Company is seeking an Order directing it to comply with the trust account requirements of the TIA during the NOI Proceedings, and confirming that the Company is authorized to continue to utilize its current cash management system during the restructuring period.

28. The Proposal Trustee is of the view that the relief requested above is necessary to maintain the Company's operations in compliance with industry regulations and will not materially prejudice any creditor or other stakeholder.

IX. GIFT CARDS AND PROMOTIONAL GIFT CARDS

29. As part of its services, the Company offers to the public gift cards (the "**Gift Cards**") that can be purchased and redeemed later for travel services. The purchase price for the Gift Cards, less any commissions earned by the Company in respect of same, are held in trust for the travel supplier once the Gift Card is redeemed. The Company also offers promotional gift cards ("**Promotional Gift Cards**"), which are issued by the Company for promotional purposes, and for which there is no corresponding cash held in trust.

30. As stated in the Vanderlubbe Affidavit, the total value of all outstanding Gift Cards that can be redeemed by customers for travel currently total \$244,561 and the total corresponding value with respect to Promotional Gift Cards is \$38,200.

31. The Company intends to continue to honour redemption of both Gift Cards and Promotional Gift Cards during, and after, its restructuring, and therefore does not intend to include holders of Gift Cards or Promotional Gift Cards as its creditors for purposes of the Proposal proceedings. The Company intends to treat holders of Gift Cards and Promotional Gift Cards as unaffected creditors for purposes of its Proposal.

32. Accordingly, the Company is seeking a term in the Order sought on the Motion to authorize the Company to continue to operate in the manner described above. The Trustee is of the view that the relief described above is necessary for the Company to file a viable proposal and does not materially prejudice other creditors and stakeholders.

X. APPOINTMENT OF LIMITED PURPOSE RECEIVER

33. In or about January 2021, the Company terminated thirty-five (34) non-essential employees (the "**Former Employees**"), as part of its attempts to restructure the business in response to the impact of Covid-19 on the travel business. The Company paid all outstanding wages and vacation pay to the Former Employees, however, the Company did not pay the termination and severance pay that was due. Based on the Company's books and records, outstanding statutory

unpaid termination and severance pay owing to the Former Employees totals approximately \$ 111,000. The Company wishes to facilitate these employees' access to any governmental assistance which may be available during this difficult period.

34. The WEPP is currently only available to pay a portion of unpaid wages, severance and termination pay due to workers who are laid off/terminated by a company subject to receivership proceedings or becomes bankrupt. Legislative amendments extending the availability of the WEPP to employees affected by CCAA proceedings or proposal proceedings under the BIA have been passed but have not yet come into force.
35. In order to provide its terminated employees with access to WEPP benefits, Messrs. Vanderlubbe and Foster issued demand and Notice of Intention to Enforce Security under s. 243 of the BIA on secured indebtedness owed in the amount of \$100.00 plus costs. Messrs. Vanderlubbe and Foster have registered security under the *Personal Property Security Act* (Ontario). A copy of a current search under the PPSA Registry is attached as **Appendix "D"** to this Report.
36. The Company has both consented to waiver of the 10-day notice period and appointment of a limited purpose receiver as set out in the draft order filed in the Motion (the "**Limited Receivership Order**"). The draft Limited Receivership Order provides for the appointment of the Limited Receiver would be only over a bank account of TSI and a *de minimus* amount deposited therein. In particular, the Limited Receiver's primary mandate will be the administration of the WEPP program for the Company's affected employees.
37. The Proposal Trustee, as *proposed* Limited Receiver, is of the view a limited purpose receivership as described above will facilitate the Former Employee the opportunity to access to WEPP which serves to accomplish the objective of the amendments that still need to come into force.
38. The appointment of the Limited Receiver will not affect the Company's NOI proceedings and is very limited in nature.

XI. CONCLUSION AND RECOMMENDATION

39. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief described above and more specifically detailed in paragraph 4.

All of which is respectfully submitted on this 5th day of April, 2021.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
Travel Superstore Inc.

Per:

A handwritten signature in blue ink, appearing to read "Jerry Henechowicz". The signature is written in a cursive style with a large initial "J" and "H".

Jerry Henechowicz CPA, CA, CIRP, LIT
Senior Vice President

TAB 3-E

Exhibit "E" First Extension Order

Court File No. 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

THE HONOURABLE)	TUESDAY, THE 6 TH
)	
JUSTICE CONWAY)	DAY OF APRIL, 2021
)	

IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION made by the Debtor herein, Travel Superstore Inc. (the “**Debtor**”), for an order extending the deadline within which the Debtor is required to file its Proposal to creditors for a period of 45 days, and other ancillary relief was made by video conference.

ON READING the Motion Record of the Debtor, filed, including the Affidavit of Richard Vanderlubbe sworn March 31, 2021 and the exhibits thereto (the “**Vanderlubbe Affidavit**”),

AND ON BEING ADVISED THAT there is no opposition to the relief requested on this Motion from any secured creditors or other major stakeholders of the Debtor,

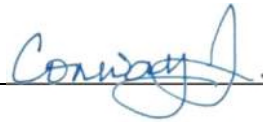
AND ON HEARING THE SUBMISSIONS of counsel for the Debtor and counsel for MNP Ltd., in its capacity as Proposal Trustee (the “**Proposal Trustee**”) and the submissions of those other parties present as indicated on the counsel sheet,

1. **THIS COURT ORDERS THAT** the deadline for the Debtor to file its Proposal to its creditors is hereby extended by a period of 45 days to and including May 27, 2021 and the Debtor shall file its Proposal to creditors on or before that date, unless further extended by Order of this Court.

2. **THIS COURT FURTHER ORDERS THAT** the Debtor is authorized and directed to continue to utilize the Cash Management System currently in place, as defined in the Vanderlubbe Affidavit.

3. **THIS COURT FURTHER ORDERS THAT** any and all funds received by the Applicant, either prior to or subsequent to the date on which the Debtor filed its Notice of Intention to File a Proposal (the “**Filing Date**”), from non-credit card transactions with third parties in respect of travel services, including funds received from third parties in respect of Gift Cards (as defined in the Vanderlubbe Affidavit) but specifically not including Promotional Gift Cards (as defined in the Vanderlubbe Affidavit), shall be held in trust by the Debtor in a segregated bank account for the benefit of the supplier of the travel services purchased by said third parties, and shall not constitute funds of the Debtor or funds available to the general body of creditors of the Debtor, including in the event that the current proceedings result in the bankruptcy of the Debtor and, for greater certainty, the Debtor is authorized to disburse funds from such trust account in order to issue payment to the beneficiaries thereof, and any such disbursements shall be reported to the Proposal Trustee on a bi-weekly basis.

4. **THIS COURT FURTHER ORDERS THAT** the Company shall continue to honour redemption of Gift Cards (from funds held in trust), Promotional Gift Cards and Prizes (as defined in the Vanderlubbe Affidavit) redeemable for travel services by customers of the Debtor, and any such customers of the Debtor shall not constitute creditors of the Debtor for purposes of the Proposal proceedings. Holders of Gift Cards and Promotional Gift Cards may be treated as unaffected creditors for purposes of the Proposal of the Debtor.
5. **THIS COURT ORDERS** that the First Report of the Proposal Trustee, dated April 5, 2021, and the activities of the Proposal Trustee set out therein, be and is hereby approved.
6. **THIS COURT ORDERS** that this Order is effective from today's date and is not required to be entered.



TAB 3-F

Exhibit "F" The Proposal

Court and Estate File No. 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.,
OF THE CITY OF HAMILTON IN THE PROVINCE OF ONTARIO

PROPOSAL

Travel Superstore Inc. (the "**Debtor**"), hereby submits the following Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, C B-3.

PART I

Interpretation

Definitions

- 1.1 In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
- (a) "**Act**" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as it may be amended from time to time;
 - (b) "**Administrative Fees and Expenses**" means the proper fees and expenses and legal fees and disbursements of the Trustee, and the Debtor on and incidental to the preparation, presentation, consideration and implementation of the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom;
 - (c) "**Approval Order**" means an Order of the Court approving this Proposal pursuant to the provisions of the Act;
 - (d) "**Assets**" means the assets, property and undertakings of the Debtor;
 - (e) "**Business Day**" means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (f) "**Canada Pension Plan**" means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
 - (g) "**Claim**" means any right of any person against the Debtor in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Debtor to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal,



equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date, where such claims are proved and allowed, and "Claims" has a corresponding meaning;

- (h) "**Court**" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (i) "**Creditor**" means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and "Creditors" has a corresponding meaning;
- (j) "**Creditors' Meeting**" means the meeting of the Unsecured Creditors called for the purpose of considering and voting on the Proposal;
- (k) "**Crown Creditors**" means Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under.
 - (i) subsection 244(1.2) of the Income Tax Act;
 - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 244(2.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (iii) any provision of provincial legislation that has a similar purpose to subsection 244(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - A. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - B. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (l) "**Effective Date**" means the date upon which the Approval Order becomes final and non-appealable;
- (m) "**Employee Creditors**" means employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under subsection 136(1)(d) of the Act if the Debtor had become a bankrupt on the Filing Date, as well as wages,

salaries, commissions or compensation for services rendered after that date and before Court approval of the Proposal;

- (n) **“Employment Insurance Act”** means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (o) **“Filing Date”** means March 11, 2021, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under the Act;
- (p) **“Income Tax Act”** means *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (q) **“Inspector”** means an inspector appointed pursuant to the Proposal in accordance with the provisions of the Act;
- (r) **“MNP”** means MNP Ltd.;
- (s) **“Ordinary Creditor”** means a Creditor with a Proven Claim, except for those Claims that:
 - (i) the Trustee determines not to be a provable claim in accordance with subsection 135(1.1) of the Act;
 - (ii) have been finally and conclusively disallowed in accordance with the Act;
 - (iii) are Claims by Preferred Creditors;
 - (iv) are Claims by Employee Creditors;
 - (v) are Claims by Crown Creditors;
 - (vi) are Claims by a Related Party Creditor;
 - (vii) are Claims by Secured Creditors; or
 - (viii) are Claims in respect of the Administrative Fees and Expenses;and **“Ordinary Creditors”** has a corresponding meaning;
- (t) **“Performance of the Proposal”** means full performance of this Proposal as set out in Part III, section 3.3 hereof;
- (u) **“Post-Filing Goods and Services”** means the goods and services purchased by the Debtor subsequent to the Filing Date;
“Preferred Creditor” means a Creditor with a Proven Claim that is required by the Act to be paid in priority to all other Claims under a proposal made by a debtor, save and except for Employee Creditors and Crown Creditors, and **“Preferred Creditors”** has a corresponding meaning;
- (v) **“Proposal”** means this Proposal and any amendments thereto;



- (w) **“Proposal Fund”** means the payments to be made to the Trustee pursuant to the provisions of Part III of this Proposal;
- (x) **“Proposal Funder”** means Richard Vanderlubbe and Paul Foster in their capacity as Secured Creditors;
- (y) **“Proof of Claim”** means the proof of claim required by the Act to be provided to each known Creditor prior to the Creditors' Meeting;
- (z) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (aa) **“Related Party Creditors”** means any claims by Richard Vanderlubbe, Paul Foster or their respective immediate family members, that is not a claim by a Secured Creditor, and any Creditor related to the Debtor within the meaning of Section 4 of the Act.
- (bb) **“Secured Creditor”** means any person holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Debtor or any part thereof as security for a Claim, and **“Secured Creditors”** has a corresponding meaning;
- (cc) **“Trustee”** means MNP, or its duly appointed successor;
- (dd) **“Unsecured Creditors”** means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (ee) **“Voting Letter”** shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Headings

- 1.2 The division of this Proposal into Parts and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms “this Proposal”, “hereof”, “hereunder” and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

- 1.3 In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

- 1.4 If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day unless precluded by statute.

Stay of Proceedings

- 1.5 During the Proposal each Unsecured Creditor will be stayed from commencing or continuing any proceeding or remedy against the Debtor or the Assets based upon a Claim existing on or before the Filing Date.

Currency

- 1.6 Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

Statutory References

- 1.7 Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

PART II**Classification of Creditors****Classes of Creditors**

- 2.1 For the purposes of voting on the Proposal, only Ordinary Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors.

PART III**Proposal****Purpose and Implementation of Proposal**

- 3.1 The purpose of this Proposal is to affect a restructuring of the business and affairs of the Debtor with the expectation that all Creditors and other stakeholders will derive a greater benefit from the continued operation of the business and affairs of the Debtor than would result from a forced liquidation of the Assets.
- 3.2 The Proposal Fund shall be the sum of \$300,000 paid by the Proposal Funder to the Trustee within three (3) Business Days of the date of the issuance of the Approval Order.
- 3.3 The Proposal Fund shall be distributed by the Trustee pursuant to Part IV of this Proposal and the provisions of the Act and upon payment of the Proposal Fund to the Trustee and the Administrative Fees and Expenses retainer as set out below in 4.1, the Debtor's obligations

under the Proposal shall be fully performed and the Trustee shall issue a certificate of full performance to the Debtor in accordance with section 65.3 of the Act.

- 3.4 In the event that the Proposal is not accepted by the Unsecured Creditors or the Court refuses to issue the Approval Order, the Debtor shall become a bankrupt and the Proposal Fund shall not be advanced by the Proposal Funder nor will it be available to the Unsecured Creditors in accordance with their respective priorities.

PART IV

Treatment of Creditors

Payment of Administrative Fees and Expenses

- 4.1 Within three (3) Business Days of the issuance of the Approval Order, the Debtor shall pay any outstanding Administrative Fees and Expenses and shall deliver a retainer of \$50,000 (or such other amount as the Debtor and the Trustee may agree) to the Trustee. The Administrative Fees and Expenses shall not be deducted from the Proposal Fund available for distribution to the Unsecured Creditors.

Secured Creditors

- 4.2 The Claims of Secured Creditors shall not be compromised by this Proposal and Secured Creditors shall be paid in accordance with the respective agreement(s) between each Secured Creditor and the Debtor or as otherwise agreed between each Secured Creditor and the Debtor.

Unsecured Creditors May Elect

- 4.3 Any Ordinary Creditor with a Proven Claim, which is greater than one thousand dollars (\$1,000.00), may elect in writing, on or before June 30, 2021, to, instead of participating in a pro rata distribution as set out below, receive \$1,000.00 (an "**Electing Creditor**").

Distribution to Employee Creditors

- 4.4 The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtor's business.

Distribution to Crown Creditors

- 4.5 Unless Her Majesty in Right of Canada or a Province agrees otherwise, the Proven Claims, if any, of Crown Creditors shall be paid within six (6) months after the making of the Approval Order using proceeds from the operation of the Debtor's business.

Distribution to Preferred Creditors

- 4.6 The Proven Claims of Preferred Creditors shall be paid by the Trustee in full from the Proposal Fund in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the Act.

No Distribution to Related Party Creditors

- 4.7 If this Proposal is accepted by the creditors, approved by the Court, and not subsequently annulled, the Related Party Creditors shall postpone payment of all amounts owing to them by the Debtor and shall not participate in the distribution of the Proposal Fund paid over to the Trustee pursuant to this Proposal.

Distribution to Ordinary Creditors

- 4.8 The Proven Claims of Ordinary Creditors shall be paid from the balance of the Proposal Fund after payment of the Claims set out in Paragraph 4.6 above as follows:
- (a) the value of their Proven Claim where such claim is equal or less than \$1,000 (the "**Small Claims**");
 - (b) \$1,000 to each of the Electing Creditors (the "**Electing Creditor Claims**"); or
 - (c) their pro rata share of the Proposal Fund, after deductions of the Small Claims, the Electing Creditor Claims and the Proven Claims noted in Paragraph 4.6 above.

Disclaimer or Resiliation of Leases

- 4.9 If a lease is disclaimed or resiliated under subsection 65.2(1) of the Act, (a) the lessor has no claim for accelerated rent in the Proposal and the lessor may file a claim for an amount equal to the lesser of (i) the aggregate of (A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and (B) fifteen percent (15%) of the rent for the remainder of the term of the lease after that year, and (ii) three (3) years' rent.

Claims Against Directors

- 4.10 Any Claims against the Debtor by any Creditor that are also Claims against the directors and officers of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Unsecured Creditors and approval by the Court.

PART V

Procedure for Validation and Valuation of Claims

Allowance or Disallowance of Claims by the Trustee

- 5.1 Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the Act.



Valuation of Claims

- 5.2 The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

**PART VI
Meeting of Creditors****Creditors' Meeting**

- 6.1 On May 12, 2021 the Debtor shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

Notice of Creditors' Meeting

- 6.2 The Trustee shall provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meetings.

Conduct of Meetings

- 6.3 The Official Receiver, or any nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors and legal counsel of the Debtor together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

Adjournment of Meetings

- 6.4 The Creditors' Meetings may be adjourned in accordance with section 52 of the Act or by ordinary resolution of the Creditors in attendance at the Creditors' Meeting, including any creditors who are in attendance by proxy, or by the Trustee.

Voting by Creditors

- 6.5 To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor. The chair reserves the right to reject any claim in accordance with section 108 (1) of the Act and to deny such person the right to vote at the Creditors' Meeting.

Approval by Creditors

- 6.6 In order for the Proposal to be binding on all of the Unsecured Creditors in accordance with the Act, it must first be accepted by the Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

Appointment of Inspectors

- 6.7 At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims;
 - (b) the power to waive any default in the performance of any provisions of the Proposal; and
 - (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

The authority and term of office of the Inspectors will terminate upon the Performance of the Proposal.

PART VII

Post-Filing Date Payments

Payment of Post-Filing Goods and Services

- 7.1 All Post-Filing Goods and Services shall be paid in full in the ordinary course of the Debtor's business and on terms agreed to between the Debtor and its respective creditors from funds other than the Proposal Fund. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post-Filing Goods and Services.

Payment of Post-Filing Crown Claims

- 7.2 During the period between the Filing Date and the Effective Date, the Debtor shall pay and keep current Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or otherwise as provided for in subsection 60(1.1) of the Act or any substantially similar provision of Ontario legislation.

PART VIII
Miscellaneous

Affect of Payment of Proposal Fund

- 8.1 Preferred Creditors, and Unsecured Creditors will accept the payments provided for in this Proposal in complete satisfaction of all of their Claims, and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the Assets. Upon distribution of the Proposal Fund as provided for in this Proposal, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Debtor.

Amendment to Proposal

- 8.2 This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the filing date of the Proposal.

Performance Certificate

- 8.3 The Trustee will give the Debtor and the Official Receiver the certificate provided for in section 65.3 of the Act on the date that payment of the Proposal Fund and the Administrative Fee and Expenses retainer noted in 4.1 has been made by the Debtor to the Trustee.

Court Approval

- 8.4 After the Creditors' acceptance of the Proposal, the Debtor will proceed to seek approval by the Court to have the Court make the Approval Order.

Binding Effect

- 8.5 The provisions of this Proposal will be binding on the Creditors, the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.

Conduct of Debtor's Business

- 8.6 Subject to any Order made by the Court, the Debtor shall remain in possession and control of the Assets at all times, both before and after implementation of this Proposal.

PART IX

Event of Default

- 9.1 The failure of the Proposal Funder to pay the Proposal Fund to the Trustee will constitute



an Event of Default for purposes of section 63 of the Act and otherwise under this Proposal.

Trustee

- 9.2 MNP, of the City of Toronto, in the Province of Ontario, shall be the Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 9.3 MNP is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of MNP shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Debtor.
- 9.4 Any payments made by the Trustee to the Unsecured Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 9.5 Upon payment by the Trustee of the amounts contemplated in Part IV of this Proposal, the Trustee shall have discharged its duties as Trustee, and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.
- 9.6 The Trustee and its counsel shall be authorized to immediately apply any such monies received from the Debtor, excluding such monies associated with the Proposal Fund, to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by the Court.

PART X

General

Notices

- 10.1 Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) address to the respective parties as follows:
- (a) if to the Debtor:
Travel Superstore Inc.
c/o Torkin Manes LLP
1500 -151 Yonge Street
Toronto, Ontario M5C 2W7

Attn: Stewart Thom
E-Mail: sthom@torkinmanes.com



- (b) if to any Creditor, to the address or telecopier number for such Creditor specified in the Proof of Claim filed by such creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Creditor may be contacted; and
- (c) it to the Trustee:

MNP Ltd.
300-111 Richmond St W
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz
Telecopier: 416-596-7894
E-Mail: jerry.henechowicz@mnp.ca

or to such other address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time in Toronto, Ontario, Canada) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

Foreign Currency Obligations

- 10.2 For the purpose of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.

Applicable Law

- 10.3 This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

Non-Severability

- 10.4 It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in any event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

Dated at Hamilton, Ontario this 27th day of April, 2021.

Travel Superstore Inc.

A handwritten signature in black ink, appearing to read 'R. Vanderlubbe', is written over a horizontal line.

Per: Richard Vanderlubbe
I/We have authority to bind the Corporation

TAB 3-G

Exhibit "G" Certificate of Filing a Proposal



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

In the Matter of the Proposal of:

Travel Superstore Inc.

Debtor

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of Proposal:	April 28, 2021	Security:	\$
Meeting of Creditors:	May 12, 2021, 10:00 MEETING TO BE HELD VIA PHONE & VIDEO 1-647-558-0588 - Passcode: 029313 MEETING ID: 86191285272, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: April 29, 2021, 11:31

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

TAB 3-H

Exhibit "H" Affidavit of Service of Notice to the Proposal

CANADA
District of ONTARIO
Division of 07-Hamilton
Court No.: 32-2720193
Estate No.: 32-2720193

AFFIDAVIT OF MAILING
IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON, IN THE PROVINCE OF ONTARIO.

I, Christopher Lopez, of the City of Toronto, in the Province of Ontario, hereby make oath and say:

That on the 30th day of April, 2021, I did cause to be mailed by prepaid ordinary mail to the director and the creditors of the above-named corporation whose names and addresses appear on the paper-writing marked as Exhibit "A", attached hereto, a copy of each of the following: Cover Letter of Notice to the Creditors, Notice of Proposal to Creditors, Proposal, Statement of Affairs; Report of Trustee to the Creditors, Proof of Claim, Voting Letting, Proxy in blank, Election Form, and Checklist for Proof of Claim, marked as Exhibit "B", attached hereto.

SWORN BEFORE ME by video conference
from the City of Toronto, to the Town of Erin, in
Wellington County, on this 12th day of May, 2021



Commissioner for Taking Affidavits

Matthew Eric Lem, a Commissioner, etc.,
Province of Ontario, for MNP Ltd. and MNP LLP.
Expires February 21, 2023.

)
)
)
)

Christopher Lopez

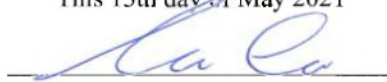
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF TRINA BURNINGHAM

Sworn before me

This 13th day of May 2021



Commissioner for taking Affidavits, etc

Richard Vanderlubbe
56 Nisbet Blvd
Hamilton ON L0R 2H9

ADDA Mechanical Ltd
419 Montgmorency Crt
Hamilton ON L8K 2K3

Allegra
255 York Blvd
Hamilton NS L8R 1Y7

Angela Douglas
38 Bluevale St N
Waterloo ON N2J 3R5

Anna Todoric
1008 - 4879 Kimbermount Avenue
Mississauga ON L5M 7R8

Bell Media Inc. (Halifax)
2885 Robie Street
Halifax NS B3K 5Z4

Bismark Abreu
1260 Clifford Point
Milton ON L9E 1E6

Burlon Centre Inc
5-4104 Fairview Street Suite 432
Burlington ON L7L 4Y8

C.S. Custom Cleaning Inc
554487 Mono-Amaranth TLINE
Mono ON L9W 5MB

Cadillac Fairview
999 Upper Wentworth Street
Hamilton ON L9A 4X5

Canada Post
Collection Department
B119 - 2701 Riverside Drive
Ottawa ON K1A 0B1

Canadian Linen
PO Box 51073, RPO Tyndall
Winnipeg MB R2X 3C6

Carol Mack
98 Russell Street
Dartmouth NS B3A 3N5

Choice Properties Ltd
700 - 22 St. Clair Avenue East
Toronto ON M4T 2S5

Clean Shine
PO Box 58130, 770 Lawtrence Ave
West
Toronto ON M6A 3C8

Colleen Stephenson
7 The Boulevard
Tottenham ON L0G 1W0

Colliers International
29 Victoria Street, Suite 101
Moncton NB E1C 9J6

Computer Supply Express
6-2400 Dundas Street West Suite 610
Mississauga ON L5K 2R8

CRA - Tax - Ontario
Shawinigan-Sud National Verification
and Collection Centre
4695 Shawinigan-Sud Blvd
Shawinigan-Sud QC G9P 5H9

CWB National Leasing Inc./ (formerly
National Leasing Group Inc)
Bankruptcy Designate
1525 Buffalo Pl
Winnipeg MB R3T 1L9

Danielle Friel
278 West Acres Drive
Guelph ON N1G 7P1

Danielle Pyette
89 Carrick Avenue, Unit 1
Hamilton ON L8M 2W5

Danielle Smith
76 Claudia Crescent
Middle Sackville NS B4E 0C6

David Bell
58 - 590 Kraus Drive
Waterloo ON N2L 6K2

Dianne Abrey
3925 Nineteenth Street
Jordan Station ON L0R 1S0

Elisa Leon
4 Pantano Drive
Hamilton ON L9B 2Y4

Erica Sinclair
1770 Main Street W, Apt605
Hamilton ON L8S 1H1

Fathia Ibrahim
1085 Ramsey Crescent, Unit 302
Ottawa ON K2B 7Z9

Fine Lines Sign Co
766 Burlington St East
Hamilton ON L8L 4K3

First Capital
Angela Baden
FCR Management Services LP, 3 - 105
Clair Road East
Guelph ON N1L 0J7

First Capital
2525 Prince Michael Dr
Oakville ON L6H 0E9

First Capital
285 Geneva Street
St. Catharines ON L2N 2G1

First Real Properties Limited
2 King street West
Hamilton ON L8P 1A1

Gayle D'Costa
3 Massey Square Apt 2007
East York ON M4C 5L5

Google Inc
1600 Amphitheatre Pkwy
Mountain View CA 94043 USA

HCE Telecom
21 King Street West, Suite 1400,
POBox 55
Hamilton ON L8P 4W7

Heartland Printing and Graphics LTD
240 Brunel Road
Mississauga ON L4Z 1T5

Heather Leedham
14 Craighburn Drive
Dartmouth NS B2X 2S3

Heather MacIntyre
33 Pinetree Crescent
Hammonds Plains NS B3Z 1K5

Icommunicate Solutions
3 Ellesmere Street Unit 721
Richmond Hill ON L4B 4N2

ICS Courier
300 Talbot St W
Alymer ON N4H 1K2

InsurEye Inc.
350 Bay Street, Unit 200
Toronto ON M5H 2S6

Iron Mountain
P.O. Box 3527, Station A
Toronto ON M5W 3G4

Ivanhoe Cambridge
500 King Street North
Waterloo ON N2L 5W6

Jennifer Mezenberg
A 48 Catherine Street
New Hamburg ON N3A 0A9

Jill Klacza
465 College Avenue
Orangeville ON L9W 4R8

JJK Realty Inc.
442 Main St
Wolfville NS B4P 1E2

Julia Tollis
33 - 337 East 42nd Street
Hamilton ON L8T 3A6

Julie Bond
76 Kortright Road East
Guelph ON N1G 4N8

K94.5
1000 St. George Blvd., Suite 102
Moncton NB E1E 4M7

Kateryna Mikhailiuk
4630 Keystone Crescent
Burlington ON L7M 0M8

Kathleen Emmans
57 Marshall Crescent
Baxter ON L0M 1B1

Kayak
7 Market Street
Stamford CT 06902 USA

Keny General Services
38 Titmouse Court
Hamilton ON L9A 4Y9

Klearview Window Cleaning Ltd
77 Wellington St S Bay 11
Kitchener NU N2G 2E6

Laura Mulvihill-Spry
4103 Heritage Dr
Hanmer ON P3P 1Z6

Leppert Business Systems Inc
10-4380 South Service Rd
Burlington ON L7L 5Y6

Louise Endean
290 Krotz Street West
Listowel ON N4W 0E1

Mansfield Springs
15 Sideroad
Shelburne ON L0N 1S0

Marco Zarco
4429 Wildmint Square
Ottawa ON K1V 1N6

Maria Khamis
2561 Hobson Road
Ottawa ON K1V 8M6

Marnie Savic
1276 Maple Crossing Blvd, Apt 1506
Burlington ON L7S 2J9

Melissa Alexander
17 Bentwood Crescent
Cambridge NS B0P 1G0

Mernie Shields
14 Charles Street
Stoney Creek ON L8G 1V4

Metrolandmedia
1 Yonge Street, 4th Floor
Toronto ON M5E 1E6

Mic Mac Mall Limited
21 Mic Mac Boulevard
Dartmouth NS B3A 4N3

Michelle Kasco
180 Nevada Crescent
Maple ON L6A 2V4

MIL ITF Hoopp Realty
Suite 200 - 1030 Barry Downe Rd
Sudbury ON P3A 5Z9

Moneris Solutions Corporation
Natalie Deineka
West Tower 10th Floor 3300 Bloor
Street W
Etobicoke ON M8X 2X2

Morguard
1200 St. Laurant Boulevard
Ottawa ON K1K 3B8

Olympic Dust Control
222 Norfinch Drive
Toronto ON M3N 1Y5

OPB Realty
2121 Carling Avenue Suite 18A
Ottawa ON K2A 1H2

OPGI ITF Royal Bank Plaza
200 Bay Plaza
Toronto ON M5J 2J4

OPGI Management LA Oxford
100 City Centre Drive
Mississauga ON L5B 2C9

Outfront Media Canada LP
377 Horner Ave
Toronto ON M8W 1Z6

Oxford
9350 Yonge Street
Richmond Hill ON L4C 5G2

Patricia Robicheau
60 Pleasant St. Unit 1
Wolfville NS B4P 1M7

Perimeterx Inc.
400 S. El Camino Real, Suite 1400
San Mateo CA 94402 USA

Plaza Master G. P. Limited
85 Damascus Road
Bedford NB B4A 0C2

Precision Window Cleaning / Works of
Oranje Inc.
2 Chase Avenue
Guelph ON N1H 2N2

Purolator Courier Limited
Ortie Nesci
5995 Avebury Rd. 3rd Flr.
Mississauga ON L5R 3T8

Purolator Inc.
Wayne Richard/Accounts Receivable
PO Box 4800 Stn Main
Concord ON L4K 0K1

Queenscorp Inc
3609 Lake Shore Blvd West
Etobicoke ON M8W 1P5

React Mobile signs LTD
PO#40049, RPO Waterloo Town Square
Waterloo ON N2J 4V1

Reliable Window Cleanrs (Sudbury)
LTD
345 Regent Street
Sudbury ON P3C 4E1

Rogers Cable - Rogers Business
Solutions
Shane Gaudet
PO Boc 2000, Stn D
Scarborough ON M1R 5P4

Shaukath Fattah
235 Sherway Gardens Rd, Apt 1904
Etobicoke ON M9C 0A2

Sitzer Group
640 Mohawk Road West
Hamilton ON L9C 1X6

Slate Office I L.P.
181 Bay Street Suite 1400, Brookfield
Place
Toronto ON M5J 2V1

Staples Business Advantage
CO T04446C PO Box 4446, STN A
Toronto ON M5W 4A2

Sunrise Window Cleaners 3232605 NS
LTD
64 Set Aaron Drive
Hammonds Plains NS B4B 1T1

Swan Dust Control Limited
35 University Avenue East
Waterloo ON N2J 2V9

Tammy McDowell
18 Coronation Parkway
Barrie ON L4M 7J8

Tanya Smith
81 Claudia Crescent
Middle Sackville NS B4E 0C5

Taylor Curtis
2 - 20 Wilson Street
Guelph ON N1H 4G5

Telus 22040374
Rick Wan
3rd Fl - 4519 Canada Way
Burnaby BC V5G 4S4

Telus Communications
3rd Fl - 4519 Canada Way
Burnaby BC V5G 4S4

The Effort Trust Company
1807 Stone Church Road East
Stoney Creek ON L8J 0B4

The Printing House Ltd.
Marynna
1403 Bathurst Street
Toronto ON M5R 3H8

Travelzoo Canada Inc
c/o TH1077, PO Box 4283 Postal Station
A
Toronto ON M5W 5W6

Various Customers - Funds Held in Trust
for Travel Services
Various
ON

Vista Radio
201 - 910 Fitzgerald Ave
Courtenay BC V9N 2R5

Wade Enterprises Ltd.
963 Central Avenue
Greenwood NB B0P 1N0

Wagg's LTD
24 Ontario Street
Orillia ON L3V 6H1

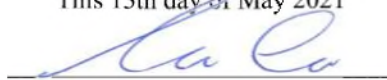
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF TRINA BURNINGHAM

Sworn before me

This 13th day of May 2021

A handwritten signature in blue ink, appearing to read "K. C.", is written over a horizontal line.

Commissioner for taking Affidavits, etc

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

**IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO**

To the Creditors of Travel Superstore Inc. (the “Company”)

On March 11, 2021, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Subsection 50.4(1) of Part III, Division I of the *Bankruptcy and Insolvency Act (Canada)* (the “**BIA**”) and MNP Ltd. was named as the proposal trustee (the “**Trustee**”).

Please take notice that the Company lodged with the Trustee the Proposal, dated April 27, 2021 (the “**Proposal**”) pursuant to s.62(1) of the BIA.

Please find enclosed the following:

- A. Notice of Proposal to Creditors (the “**Notice**”);
- B. A copy of the Proposal;
- C. A copy of the sworn Statement of Affairs;
- D. Report of Trustee on Proposal;
- E. Proof of Claim Form (“**PoC**”);
- F. Voting Letter; and
- G. Proxy Form

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the Proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court, the proposal is binding on all the creditors or the class of creditors affected.

As noted in the Notice, a meeting of creditors to consider the Proposal (the “**Meeting**”) will be held on **Wednesday, May 12, 2019 at 10:00 a.m. (Toronto, Ontario Time) by video/telephone conference (via Zoom Meetings)**. To attend/join the meeting you may connect by the following:

Zoom: Video Conferencing

<https://us02web.zoom.us/j/86191285272?pwd=Ym5mRmZUSktKZWlaakUrcmRodGJ0Zz09>

Telephone (audio only)

1 647 558 0588, Meeting ID: 861 9128 5272, Passcode: 029313

Although you may submit/file your PoC and voting letter up to the appointed time for the start of the Meeting in order to vote, due to the COVID-19 pandemic and the need to work remotely, in order to ensure that we receive your PoC and voting letter, **we strongly encourage you to submit/file your PoC and voting letter by no later than 5:00 PM (Toronto time) on Tuesday, May 11, 2021.**

You may forward your PoC, proxy and voting letter by email to travelsuperstore@mnt.ca or via facsimile at (416) 596-7894.

Proof of claim forms are to be filed based on the amount owed as of **March 11, 2021**, the date the Notice of Intention to make a Proposal was filed.

If you are a former employee and received monies from Service Canada under the Wager Earner Protection Program (“WEPP”), the Government of Canada (Employment and Social Development Canada/Service Canada) is subrogated to any rights you may have against the Company in these proposal proceedings, to the extent of the amount paid. In other words, the Government of Canada takes over any entitlement you may have to a dividend distribution in these proposal proceedings, up to the amount of the WEPP payment made to you and therefore there will be no need or benefit for you to file a PoC.

Please visit our website at www.mntdebt.ca/travelsuperstore in order to obtain any updated information that may be posted during the course of these proposal proceedings.:

If you have any questions concerning the foregoing or require any additional information, please contact undersigned at 416-515-3924 or by email at travelsuperstore@mnt.ca.

Dated at Toronto, Ontario this 30th day of April 2021.

MNP LTD.,
Trustee *in re* the Proposal of
Travel Superstore Inc.
Per:



Jerry Henechowitz, CPA, CA CIRP, LIT
Senior Vice President

Encl.

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

Take notice that Travel Superstore Inc. of the City of Hamilton in the Province of Ontario has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 12th day of May 2021 at 10:00 AM at Virtual Meeting via Telephone and / or Video - Zoom: <https://us02web.zoom.us/j/86191285272?pwd=Ym5mRmZUSktKZWlaakUrcmRodGJ0Zz09>, Call-In: 1 647 558 0588, Meeting ID: 861 9128 5272 , Passcode: 029313.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the City of Toronto in the Province of Ontario, this 30th day of April 2021.

MNP Ltd. - Licensed Insolvency Trustee

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

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

Court and Estate File No. 32-2720193

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.,
OF THE CITY OF HAMILTON IN THE PROVINCE OF ONTARIO

PROPOSAL

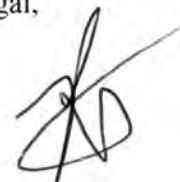
Travel Superstore Inc. (the “**Debtor**”), hereby submits the following Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, C B-3.

PART I

Interpretation

Definitions

- 1.1 In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
- (a) “**Act**” means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as it may be amended from time to time;
 - (b) “**Administrative Fees and Expenses**” means the proper fees and expenses and legal fees and disbursements of the Trustee, and the Debtor on and incidental to the preparation, presentation, consideration and implementation of the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom;
 - (c) “**Approval Order**” means an Order of the Court approving this Proposal pursuant to the provisions of the Act;
 - (d) “**Assets**” means the assets, property and undertakings of the Debtor;
 - (e) “**Business Day**” means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (f) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
 - (g) “**Claim**” means any right of any person against the Debtor in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Debtor to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal,



equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date, where such claims are proved and allowed, and "Claims" has a corresponding meaning;

- (h) "**Court**" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (i) "**Creditor**" means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and "Creditors" has a corresponding meaning;
- (j) "**Creditors' Meeting**" means the meeting of the Unsecured Creditors called for the purpose of considering and voting on the Proposal;
- (k) "**Crown Creditors**" means Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under.
 - (i) subsection 244(1.2) of the Income Tax Act;
 - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 244(2.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (iii) any provision of provincial legislation that has a similar purpose to subsection 244(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - A. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - B. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (l) "**Effective Date**" means the date upon which the Approval Order becomes final and non-appealable;
- (m) "**Employee Creditors**" means employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under subsection 136(1)(d) of the Act if the Debtor had become a bankrupt on the Filing Date, as well as wages,



salaries, commissions or compensation for services rendered after that date and before Court approval of the Proposal;

- (n) **“Employment Insurance Act”** means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (o) **“Filing Date”** means March 11, 2021, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under the Act;
- (p) **“Income Tax Act”** means *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (q) **“Inspector”** means an inspector appointed pursuant to the Proposal in accordance with the provisions of the Act;
- (r) **“MNP”** means MNP Ltd.;
- (s) **“Ordinary Creditor”** means a Creditor with a Proven Claim, except for those Claims that:
 - (i) the Trustee determines not to be a provable claim in accordance with subsection 135(1.1) of the Act;
 - (ii) have been finally and conclusively disallowed in accordance with the Act;
 - (iii) are Claims by Preferred Creditors;
 - (iv) are Claims by Employee Creditors;
 - (v) are Claims by Crown Creditors;
 - (vi) are Claims by a Related Party Creditor;
 - (vii) are Claims by Secured Creditors; or
 - (viii) are Claims in respect of the Administrative Fees and Expenses;and **“Ordinary Creditors”** has a corresponding meaning;
- (t) **“Performance of the Proposal”** means full performance of this Proposal as set out in Part III, section 3.3 hereof;
- (u) **“Post-Filing Goods and Services”** means the goods and services purchased by the Debtor subsequent to the Filing Date;
“Preferred Creditor” means a Creditor with a Proven Claim that is required by the Act to be paid in priority to all other Claims under a proposal made by a debtor, save and except for Employee Creditors and Crown Creditors, and **“Preferred Creditors”** has a corresponding meaning;
- (v) **“Proposal”** means this Proposal and any amendments thereto;

- (w) “**Proposal Fund**” means the payments to be made to the Trustee pursuant to the provisions of Part III of this Proposal;
- (x) “**Proposal Funder**” means Richard Vanderlubbe and Paul Foster in their capacity as Secured Creditors;
- (y) “**Proof of Claim**” means the proof of claim required by the Act to be provided to each known Creditor prior to the Creditors' Meeting;
- (z) “**Proven Claim**” of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (aa) “**Related Party Creditors**” means any claims by Richard Vanderlubbe, Paul Foster or their respective immediate family members, that is not a claim by a Secured Creditor, and any Creditor related to the Debtor within the meaning of Section 4 of the Act.
- (bb) “**Secured Creditor**” means any person holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Debtor or any part thereof as security for a Claim, and “**Secured Creditors**” has a corresponding meaning;
- (cc) “**Trustee**” means MNP, or its duly appointed successor;
- (dd) “**Unsecured Creditors**” means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (ee) “**Voting Letter**” shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Headings

- 1.2 The division of this Proposal into Parts and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms “this Proposal”, “hereof”, “hereunder” and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

- 1.3 In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

- 1.4 If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day unless precluded by statute.

Stay of Proceedings

- 1.5 During the Proposal each Unsecured Creditor will be stayed from commencing or continuing any proceeding or remedy against the Debtor or the Assets based upon a Claim existing on or before the Filing Date.

Currency

- 1.6 Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

Statutory References

- 1.7 Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

PART II**Classification of Creditors****Classes of Creditors**

- 2.1 For the purposes of voting on the Proposal, only Ordinary Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors.

PART III**Proposal****Purpose and Implementation of Proposal**

- 3.1 The purpose of this Proposal is to affect a restructuring of the business and affairs of the Debtor with the expectation that all Creditors and other stakeholders will derive a greater benefit from the continued operation of the business and affairs of the Debtor than would result from a forced liquidation of the Assets.
- 3.2 The Proposal Fund shall be the sum of \$300,000 paid by the Proposal Funder to the Trustee within three (3) Business Days of the date of the issuance of the Approval Order.
- 3.3 The Proposal Fund shall be distributed by the Trustee pursuant to Part IV of this Proposal and the provisions of the Act and upon payment of the Proposal Fund to the Trustee and the Administrative Fees and Expenses retainer as set out below in 4.1, the Debtor's obligations

under the Proposal shall be fully performed and the Trustee shall issue a certificate of full performance to the Debtor in accordance with section 65.3 of the Act.

- 3.4 In the event that the Proposal is not accepted by the Unsecured Creditors or the Court refuses to issue the Approval Order, the Debtor shall become a bankrupt and the Proposal Fund shall not be advanced by the Proposal Funder nor will it be available to the Unsecured Creditors in accordance with their respective priorities.

PART IV

Treatment of Creditors

Payment of Administrative Fees and Expenses

- 4.1 Within three (3) Business Days of the issuance of the Approval Order, the Debtor shall pay any outstanding Administrative Fees and Expenses and shall deliver a retainer of \$50,000 (or such other amount as the Debtor and the Trustee may agree) to the Trustee. The Administrative Fees and Expenses shall not be deducted from the Proposal Fund available for distribution to the Unsecured Creditors.

Secured Creditors

- 4.2 The Claims of Secured Creditors shall not be compromised by this Proposal and Secured Creditors shall be paid in accordance with the respective agreement(s) between each Secured Creditor and the Debtor or as otherwise agreed between each Secured Creditor and the Debtor.

Unsecured Creditors May Elect

- 4.3 Any Ordinary Creditor with a Proven Claim, which is greater than one thousand dollars (\$1,000.00), may elect in writing, on or before June 30, 2021, to, instead of participating in a pro rata distribution as set out below, receive \$1,000.00 (an "Electing Creditor").

Distribution to Employee Creditors

- 4.4 The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtor's business.

Distribution to Crown Creditors

- 4.5 Unless Her Majesty in Right of Canada or a Province agrees otherwise, the Proven Claims, if any, of Crown Creditors shall be paid within six (6) months after the making of the Approval Order using proceeds from the operation of the Debtor's business.

Distribution to Preferred Creditors

- 4.6 The Proven Claims of Preferred Creditors shall be paid by the Trustee in full from the Proposal Fund in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the Act.

No Distribution to Related Party Creditors

- 4.7 If this Proposal is accepted by the creditors, approved by the Court, and not subsequently annulled, the Related Party Creditors shall postpone payment of all amounts owing to them by the Debtor and shall not participate in the distribution of the Proposal Fund paid over to the Trustee pursuant to this Proposal.

Distribution to Ordinary Creditors

- 4.8 The Proven Claims of Ordinary Creditors shall be paid from the balance of the Proposal Fund after payment of the Claims set out in Paragraph 4.6 above as follows:
- (a) the value of their Proven Claim where such claim is equal or less than \$1,000 (the "**Small Claims**");
 - (b) \$1,000 to each of the Electing Creditors (the "**Electing Creditor Claims**"); or
 - (c) their pro rata share of the Proposal Fund, after deductions of the Small Claims, the Electing Creditor Claims and the Proven Claims noted in Paragraph 4.6 above.

Disclaimer or Resiliation of Leases

- 4.9 If a lease is disclaimed or resiliated under subsection 65.2(1) of the Act, (a) the lessor has no claim for accelerated rent in the Proposal and the lessor may file a claim for an amount equal to the lesser of (i) the aggregate of (A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and (B) fifteen percent (15%) of the rent for the remainder of the term of the lease after that year, and (ii) three (3) years' rent.

Claims Against Directors

- 4.10 Any Claims against the Debtor by any Creditor that are also Claims against the directors and officers of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Unsecured Creditors and approval by the Court.

PART V

Procedure for Validation and Valuation of Claims

Allowance or Disallowance of Claims by the Trustee

- 5.1 Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the Act.

Valuation of Claims

- 5.2 The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

**PART VI
Meeting of Creditors****Creditors' Meeting**

- 6.1 On May 12, 2021 the Debtor shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

Notice of Creditors' Meeting

- 6.2 The Trustee shall provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meetings.

Conduct of Meetings

- 6.3 The Official Receiver, or any nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors and legal counsel of the Debtor together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

Adjournment of Meetings

- 6.4 The Creditors' Meetings may be adjourned in accordance with section 52 of the Act or by ordinary resolution of the Creditors in attendance at the Creditors' Meeting, including any creditors who are in attendance by proxy, or by the Trustee.

Voting by Creditors

- 6.5 To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor. The chair reserves the right to reject any claim in accordance with section 108 (1) of the Act and to deny such person the right to vote at the Creditors' Meeting.



Approval by Creditors

- 6.6 In order for the Proposal to be binding on all of the Unsecured Creditors in accordance with the Act, it must first be accepted by the Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

Appointment of Inspectors

- 6.7 At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims;
 - (b) the power to waive any default in the performance of any provisions of the Proposal; and
 - (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

The authority and term of office of the Inspectors will terminate upon the Performance of the Proposal.

PART VII

Post-Filing Date Payments

Payment of Post-Filing Goods and Services

- 7.1 All Post-Filing Goods and Services shall be paid in full in the ordinary course of the Debtor's business and on terms agreed to between the Debtor and its respective creditors from funds other than the Proposal Fund. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post-Filing Goods and Services.

Payment of Post-Filing Crown Claims

- 7.2 During the period between the Filing Date and the Effective Date, the Debtor shall pay and keep current Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or otherwise as provided for in subsection 60(1.1) of the Act or any substantially similar provision of Ontario legislation.



PART VIII
Miscellaneous

Affect of Payment of Proposal Fund

- 8.1 Preferred Creditors, and Unsecured Creditors will accept the payments provided for in this Proposal in complete satisfaction of all of their Claims, and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the Assets. Upon distribution of the Proposal Fund as provided for in this Proposal, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Debtor.

Amendment to Proposal

- 8.2 This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the filing date of the Proposal.

Performance Certificate

- 8.3 The Trustee will give the Debtor and the Official Receiver the certificate provided for in section 65.3 of the Act on the date that payment of the Proposal Fund and the Administrative Fee and Expenses retainer noted in 4.1 has been made by the Debtor to the Trustee.

Court Approval

- 8.4 After the Creditors' acceptance of the Proposal, the Debtor will proceed to seek approval by the Court to have the Court make the Approval Order.

Binding Effect

- 8.5 The provisions of this Proposal will be binding on the Creditors, the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.

Conduct of Debtor's Business

- 8.6 Subject to any Order made by the Court, the Debtor shall remain in possession and control of the Assets at all times, both before and after implementation of this Proposal.

PART IX

Event of Default

- 9.1 The failure of the Proposal Funder to pay the Proposal Fund to the Trustee will constitute



an Event of Default for purposes of section 63 of the Act and otherwise under this Proposal.

Trustee

- 9.2 MNP, of the City of Toronto, in the Province of Ontario, shall be the Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 9.3 MNP is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of MNP shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Debtor.
- 9.4 Any payments made by the Trustee to the Unsecured Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 9.5 Upon payment by the Trustee of the amounts contemplated in Part IV of this Proposal, the Trustee shall have discharged its duties as Trustee, and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.
- 9.6 The Trustee and its counsel shall be authorized to immediately apply any such monies received from the Debtor, excluding such monies associated with the Proposal Fund, to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by the Court.

PART X

General

Notices

- 10.1 Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) address to the respective parties as follows:
- (a) if to the Debtor:
 Travel Superstore Inc.
 c/o Torkin Manes LLP
 1500 -151 Yonge Street
 Toronto, Ontario M5C 2W7

Attn: Stewart Thom
E-Mail: sthom@torkinmanes.com



- (b) if to any Creditor, to the address or telecopier number for such Creditor specified in the Proof of Claim filed by such creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Creditor may be contacted; and
- (c) it to the Trustee:

MNP Ltd.
300-111 Richmond St W
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz
Telecopier: 416-596-7894
E-Mail: jerry.henechowicz@mnp.ca

or to such other address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time in Toronto, Ontario, Canada) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

Foreign Currency Obligations

- 10.2 For the purpose of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.

Applicable Law

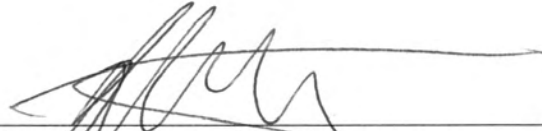
- 10.3 This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

Non-Severability

- 10.4 It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in any event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

Dated at Hamilton, Ontario this 27th day of April, 2021.

Travel Superstore Inc.

A handwritten signature in black ink, appearing to read 'R. Vanderlubbe', is written over a horizontal line. The signature is stylized and somewhat cursive.

Per: Richard Vanderlubbe

I/We have authority to bind the Corporation

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

Original

Amended

Form 78
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
 Travel Superstore Inc.
 of the City of Hamilton, in the Province of Ontario.

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 11th day of March 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

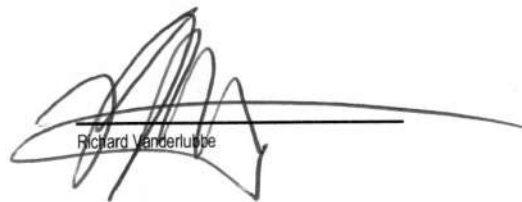
LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	2,015,873.43	1. Inventory	0.00
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	2,015,873.43	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	658,279.22	Good	0.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	4,246.61	Bad	0.00
Total liabilities	2,678,399.26	Estimated to produce	0.00
Surplus	NIL	4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
		5. Deposits in financial institutions	288,023.41
		6. Cash	0.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	5,000.00
		11. RRSPs, RRFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	674,279.22
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	967,302.63
		Deficiency	1,711,096.63

I, Richard Vanderlubbe, of the City of Hamilton in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 28th day of April 2021 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) virtually by video conference call (MS Teams)
 before me at the City of Hamilton in the Province of Ontario, on this 28th day of April 2021.



Matthew Lem, Commissioner of Oaths
 For the Province of Ontario
 Expires February 21, 2023



**Matthew Eric Lem, a Commissioner, etc.,
 Province of Ontario, for MNP Ltd. and MNP LLP.
 Expires February 21, 2023.**

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Continued


List "A"
 Unsecured Creditors

Travel Superstore Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	ADDA Mechanical Ltd	419 Montgomery Cr Hamilton ON L8K 2K3	824.24	0.00	824.24
2	Allegra	255 York Blvd Hamilton NS L8R 1Y7	10,742.36	0.00	10,742.36
3	Angela Douglas Termination & Severance Pay	38 Bluevale St N Waterloo ON N2J 3R5	1,642.57	0.00	1,642.57
4	Anna Todoric Termination & Severance Pay	1008 - 4879 Kimbermount Avenue Mississauga ON L5M 7R8	1,846.15	0.00	1,846.15
5	Bell Media Inc. (Halifax)	2885 Robie Street Halifax NS B3K 5Z4	12,752.05	0.00	12,752.05
6	Bismark Abreu Termination & Severance Pay	1260 Clifford Point Milton ON L9E 1E6	1,692.13	0.00	1,692.13
7	Burlon Centre Inc Fairview	5-4104 Fairview Street Suite 432 Burlington ON L7L 4Y8	32,198.13	0.00	32,198.13
8	C.S. Custom Cleaning Inc	554487 Mono-Amaranth TLIN Mono ON L9W 5MB	146.90	0.00	146.90
9	Cadillac Fairview Lime Ridge Mall	999 Upper Wentworth Street Hamilton ON L9A 4X5	40,745.03	0.00	40,745.03
10	Canada Post Attn: Collection Department	B119 - 2701 Riverside Drive Ottawa ON K1A 0B1	12.58	0.00	12.58
11	Canadian Linen	PO Box 51073, RPO Tyndall Winnipeg MB R2X 3C6	417.70	0.00	417.70
12	Carol Mack Termination & Severance Pay	98 Russell Street Dartmouth NS B3A 3N5	1,356.64	0.00	1,356.64
13	Choice Properties Ltd Beechwood	700 - 22 St. Clair Avenue East Toronto ON M4T 2S5	79,189.73	0.00	79,189.73
14	Clean Shine	PO Box 58130, 770 Lawtrence Ave West Toronto ON M6A 3C8	834.28	0.00	834.28
15	Colleen Stephenson Termination & Severance Pay	7 The Boulevard Tottenham ON L0G 1W0	1,176.91	0.00	1,176.91
16	Colliers International Moncton	29 Victoria Street, Suite 101 Moncton NB E1C 9J6	16,865.48	0.00	16,865.48
17	Computer Supply Express	6-2400 Durdas Street West Suite 610 Mississauga ON L5K 2R8	4,066.83	0.00	4,066.83
18	Danielle Friel Termination & Severance Pay	278 West Acres Drive Guelph ON N1G 7P1	1,364.14	0.00	1,364.14
19	Danielle Pyette Termination & Severance Pay	89 Carrick Avenue, Unit 1 Hamilton ON L8M 2W5	2,692.77	0.00	2,692.77
20	Danielle Smith Termination & Severance Pay	76 Claudia Crescent Middle Sackville NS B4E 0C6	1,656.07	0.00	1,656.07
21	David Bell Termination & Severance Pay	58 - 590 Kraus Drive Waterloo ON N2L 6K2	2,602.01	0.00	2,602.01
22	Dianne Abrey Termination & Severance Pay	3925 Nineteenth Street Jordan Station ON L0R 1S0	1,756.69	0.00	1,756.69
23	Elisa Leon Termination & Severance Pay	4 Pantano Drive Hamilton ON L9B 2Y4	8,891.04	0.00	8,891.04
24	Erica Sinclair Termination & Severance Pay	1770 Main Street W, Apt 605 Hamilton ON L8S 1H1	692.31	0.00	692.31

28-Apr-2021

Date


 Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Continued

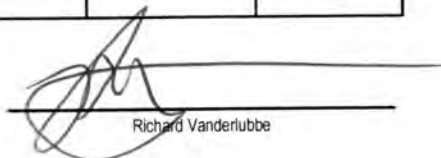
List "A"
 Unsecured Creditors

Travel Superstore Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	Fathia Ibrahim Termination & Severance Pay	1085 Ramsey Crescent, Unit 302 Ottawa ON K2B 7Z9	1,917.25	0.00	1,917.25
26	Fine Lines Sign Co	766 Burlington St East Hamilton ON L8L 4K3	4,011.50	0.00	4,011.50
27	First Capital Attn: Angela Baden Guelph - Pergola	FCR Management Services LP, 3 - 105 Clair Road East Guelph ON N1L 0J7	36,172.45	0.00	36,172.45
28	First Capital Oakville	2525 Prince Michael Dr Oakville ON L6H 0E9	41,557.74	0.00	41,557.74
29	First Capital St. Catharines	285 Geneva Street St. Catharines ON L2N 2G1	36,377.28	0.00	36,377.28
30	First Real Properties Limited Jackson Square	2 King street West Hamilton ON L8P 1A1	24,979.96	0.00	24,979.96
31	Gayle D'Costa Termination & Severance Pay	3 Massey Square Apt 2007 East York ON M4C 5L5	1,402.75	0.00	1,402.75
32	Google Inc	1600 Amphitheatre Pkwy Mountain View CA 94043 USA	417,850.83	0.00	417,850.83
33	HCE Telecom	21 King Street West, Suite 1400, PO Box 55 Hamilton ON L8P 4W7	55,195.80	0.00	55,195.80
34	Heartland Printing and Graphics LTD	240 Brunel Road Mississauga ON L4Z 1T5	358.61	0.00	358.61
35	Heather Leedham Termination & Severance Pay	14 Craighburn Drive Dartmouth NS B2X 2S3	1,644.30	0.00	1,644.30
36	Heather MacIntyre Termination & Severance Pay	33 Pinetree Crescent Hammonds Plains NS B3Z 1K5	1,881.57	0.00	1,881.57
37	Icommunicate Solutions	3 Ellesmere Street Unit 721 Richmond Hill ON L4B 4N2	175.15	0.00	175.15
38	ICS Courier	300 Talbot St W Alymer ON N4H 1K2	173.80	0.00	173.80
39	InsurEye Inc.	350 Bay Street, Unit 200 Toronto ON M5H 2S6	1,695.00	0.00	1,695.00
40	Iron Mountain	P.O. Box 3527, Station A Toronto ON M5W 3G4	11,102.51	0.00	11,102.51
41	Ivanhoe Cambridge Conestoga Mall	500 King Street North Waterloo ON N2L 5W6	41,328.35	0.00	41,328.35
42	Jennifer Mezenberg Termination & Severance Pay	A 48 Catherine Street New Hamburg ON N3A 0A9	1,828.81	0.00	1,828.81
43	Jill Klacza Termination & Severance Pay	465 College Avenue Orangeville ON L9W 4R8	810.96	0.00	810.96
44	JJK Realty Inc. Wolfville	442 Main St Wolfville NS B4P 1E2	9,887.50	0.00	9,887.50
45	Julia Tollis Termination & Severance Pay	33 - 337 East 42nd Street Hamilton ON L8T 3A6	1,987.18	0.00	1,987.18
46	Julie Bond Termination & Severance Pay	76 Kortright Road East Guelph ON N1G 4N8	8,541.30	0.00	8,541.30
47	K94.5	1000 St. George Blvd., Suite 102 Moncton NB E1E 4M7	1,356.00	0.00	1,356.00
48	Kateryna Mikhailluk Termination & Severance Pay	4630 Keystone Crescent Burlington ON L7M 0M8	528.93	0.00	528.93

28-Apr-2021

Date


 Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 – Continued

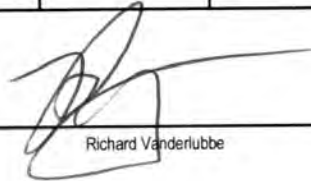
List "A"
 Unsecured Creditors

Travel Superstore Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
49	Kathleen Emmans Termination & Severance Pay	57 Marshall Crescent Baxter ON L0M 1B1	722.22	0.00	722.22
50	Kayak	7 Market Street Stamford CT 06902 USA	139,869.68	0.00	139,869.68
51	Kenya General Services	38 Titmouse Court Hamilton ON L9A 4Y9	7,967.63	0.00	7,967.63
52	Klearview Window Cleaning Ltd	77 Wellington St S Bay 11 Kitchener NU N2G 2E6	50.85	0.00	50.85
53	Laura Mulvihill-Spry Termination & Severance Pay	4103 Heritage Dr Hanmer ON P3P 1Z6	21,834.47	0.00	21,834.47
54	Leppert Business Systems Inc	10-4380 South Service Rd Burlington ON L7L 5Y6	1,486.29	0.00	1,486.29
55	Louise Endean Termination & Severance Pay	290 Krotz Street West Listowel ON N4W 0E1	761.05	0.00	761.05
56	Mansfield Springs	15 Sideroad Shelburne ON L0N 1S0	52.00	0.00	52.00
57	Marco Zarco	4429 Wildmint Square Ottawa ON K1V 1N6	695.84	0.00	695.84
58	Maria Khamis Termination & Severance Pay	2561 Hobson Road Ottawa ON K1V 8M6	563.03	0.00	563.03
59	Marnie Savic Termination & Severance Pay	1276 Maple Crossing Blvd, Apt 1506 Burlington ON L7S 2J9	2,992.92	0.00	2,992.92
60	Melissa Alexander Termination & Severance Pay	17 Bentwood Crescent Cambridge NS B0P 1G0	6,777.77	0.00	6,777.77
61	Mernie Shields Termination & Severance Pay	14 Charles Street Stoney Creek ON L8G 1V4	6,905.26	0.00	6,905.26
62	Metrolandmedia	1 Yonge Street, 4th Floor Toronto ON M5E 1E6	4,891.77	0.00	4,891.77
63	Mic Mac Mall Limited Mic Mac Mall	21 Mic Mac Boulevard Dartmouth NS B3A 4N3	231,974.68	0.00	231,974.68
64	Michelle Kasco Termination & Severance Pay	180 Nevada Crescent Maple ON L6A 2V4	1,336.75	0.00	1,336.75
65	MIL ITF Hoopp Realty Sudbury	Suite 200 - 1030 Barry Downe Rd Sudbury ON P3A 5Z9	15,060.83	0.00	15,060.83
66	Moneris Solutions Corporation Attn: Natalie Deineka	West Tower 10th Floor 3300 Bloor Street W Etobicoke ON M8X 2X2	411.80	0.00	411.80
67	Morguard St. Laurent	1200 St. Laurant Boulevard Ottawa ON K1K 3B8	64,815.73	0.00	64,815.73
68	Olympic Dust Control	222 Norfinch Drive Toronto ON M3N 1Y5	11.40	0.00	11.40
69	OPB Realty Carlingwood	2121 Carling Avenue Suite 18A Ottawa ON K2A 1H2	119,247.71	0.00	119,247.71
70	OPGI ITF Royal Bank Plaza Royal Bank	200 Bay Plaza Toronto ON M5J 2J4	45,197.66	0.00	45,197.66
71	OPGI Management LA Oxford Square One	100 City Centre Drive Mississauga ON L5B 2C9	115,433.16	0.00	115,433.16
72	Outfront Media Canada LP	377 Homer Ave Toronto ON M8W 1Z6	2,034.00	0.00	2,034.00

28-Apr-2021

Date


 Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Travel Superstore Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
73	Oxford Hillcrest Mall	9350 Yonge Street Richmond Hill ON L4C 5G2	67,521.34	0.00	67,521.34
74	Patricia Robicheau Termination & Severance Pay	60 Pleasant St. Unit 1 Wolfville NS B4P 1M7	1,034.88	0.00	1,034.88
75	Perimeterx Inc.	400 S. El Camino Real, Suite 1400 San Mateo CA 94402 USA	61,158.72	0.00	61,158.72
76	Plaza Master G. P. Limited Bedford Commons	85 Damascus Road Bedford NB B4A 0C2	23,706.16	0.00	23,706.16
77	Precision Window Cleaning / Works of Oranje Inc.	2 Chase Avenue Guelph ON N1H 2N2	25.00	0.00	25.00
78	Purolator Courier Limited Attn: Ortie Nesci	5995 Avebury Rd. 3rd Flr. Mississauga ON L5R 3T8	1,518.67	0.00	1,518.67
79	Purolator Inc. Attn: Wayne Richard/Accounts Receivable	PO Box 4800 Strn Main Concord ON L4K 0K1	15.51	0.00	15.51
80	Queenscorp Inc Etobicoke	3609 Lake Shore Blvd West Etobicoke ON M8W 1P5	4,566.62	0.00	4,566.62
81	React Mobile signs LTD	PO#40049, RPO Waterloo Town Square Waterloo ON N2J 4V1	260.62	0.00	260.62
82	Reliable Window Cleanrs (Sudbury) LTD	345 Regent Street Sudbury ON P3C 4E1	73.45	0.00	73.45
83	Rogers Cable - Rogers Business Solutions Attn: Shane Gaudet	PO Boc 2000, Stn D Scarborough ON M1R 5P4	10,625.67	0.00	10,625.67
84	Shaukath Fattah Termination & Severance Pay	235 Sherway Gardens Rd, Apt 1904 Etobicoke ON M9C 0A2	1,146.44	0.00	1,146.44
85	Siltz Group Westcliffe	640 Mohawk Road West Hamilton ON L9C 1X6	22,884.84	0.00	22,884.84
86	Slate Office I L.P.	181 Bay Street Suite 1400, Brookfield Place Toronto ON M5J 2V1	84.92	0.00	84.92
87	Staples Business Advantage	CO T04446C PO Box 4446, STN A Toronto ON M5W 4A2	2,096.03	0.00	2,096.03
88	Sunrise Window Cleaners 3232605 NS LTD	64 Set Aaron Drive Hammonds Plains NS B4B 1T1	86.25	0.00	86.25
89	Swan Dust Control Limited	35 University Avenue East Waterloo ON N2J 2V9	209.10	0.00	209.10
90	Tammy McDowell Termination & Severance Pay	18 Coronation Parkway Barrie ON L4M 7J8	1,343.81	0.00	1,343.81
91	Tanya Smith Termination & Severance Pay	81 Claudia Crescent Middle Sackville NS B4E 0C5	10,172.91	0.00	10,172.91
92	Taylor Curtis Termination & Severance Pay	2 - 20 Wilson Street Guelph ON N1H 4G5	7,061.50	0.00	7,061.50
93	Telus 22040374 Attn: Rick Wan	3rd Fl - 4519 Canada Way Burnaby BC V5G 4S4	2,053.22	0.00	2,053.22
94	Telus Communications	3rd Fl - 4519 Canada Way Burnaby BC V5G 4S4	0.19	0.00	0.19
95	The Effort Trust Company Heritage Greene	1807 Stone Church Road East Stoney Creek ON L8J 0B4	26,134.96	0.00	26,134.96
96	The Printing House Ltd. Attn: Marynna	1403 Bathurst Street Toronto ON M5R 3H8	172.77	0.00	172.77

28-Apr-2021

Date


 Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Continued

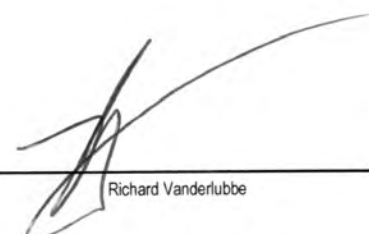
List "A"
 Unsecured Creditors

Travel Superstore Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
97	Travelzoo Canada Inc	c/o TH1077, PO Box 4283 Postal Station A Toronto ON M5W 5W6	25,521.05	0.00	25,521.05
98	Vista Radio	201 - 910 Fitzgerald Ave Courtenay BC V9N 2R5	17,085.60	0.00	17,085.60
99	Wade Enterprises Ltd. Greenwood	963 Central Avenue Greenwood NB B0P 1N0	9,260.18	0.00	9,260.18
100	Wagg's LTD	24 Ontario Street Orillia ON L3V 6H1	28.25	0.00	28.25
Total:			2,015,873.43	0.00	2,015,873.43

28-Apr-2021

Date



Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Continued

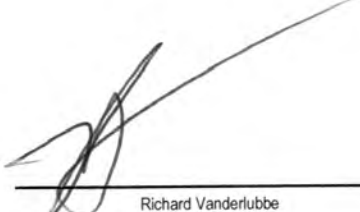
List "B"
 Secured Creditors

Travel Superstore Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate 3020667, 3024076 & 3024079	1525 Buffalo Pl Winnipeg MB R3T 1L9	247,210.00	Other - Computer & Phone Equipment Subject to Capital Lease (Net Book Value)	27-Apr-2021	236,539.00		
				Other - Deposit - Capital Leases	27-Apr-2021	10,671.00		
2	Various Customers - Funds Held in Trust for Travel Services	Various ON	411,069.22	Other - Funds Held in Trust - in Bank Accounts & with IATA	27-Apr-2021	411,069.22		
Total:			658,279.22			658,279.22	0.00	0.00

28-Apr-2021

Date



Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Continued

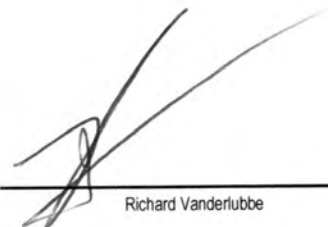
List "C"
 Preferred Creditors for Wages, Rent, etc.

Travel Superstore Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

28-Apr-2021

Date



Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Continued

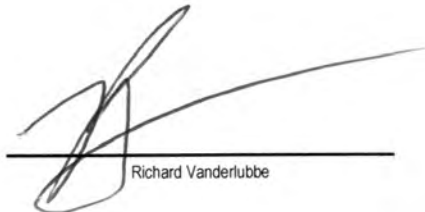
List "D"
 Contingent or Other Liabilities

Travel Superstore Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	CRA - Tax - Ontario 898026299RP0001 - PIER Assmt	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	4,246.61	0.00		Claimed
Total:			4,246.61	0.00		

28-Apr-2021

Date



Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

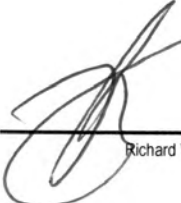
FORM 78 -- Continued

List "E"
 Debts Due to the Debtor
 Travel Superstore Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
Total:				0.00 0.00 0.00		0.00		

28-Apr-2021

Date



Richard Vanderlubbe

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 78 -- Continued

List "F"

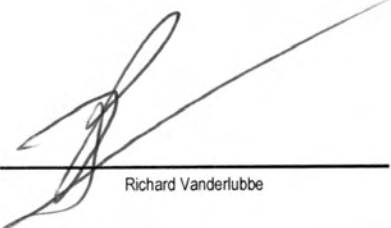
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Travel Superstore Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

28-Apr-2021

Date



Richard Vanderlubbe

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 78 -- Continued

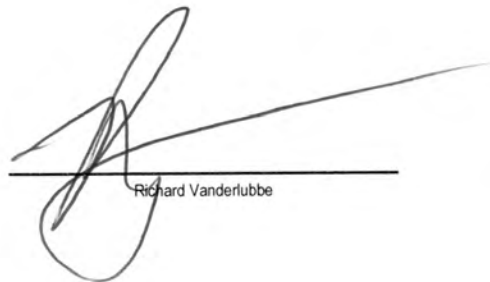
List "G"
Real Property or Immovables Owned by Debtor

Travel Superstore Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			Total:	0.00	0.00

28-Apr-2021

Date



Richard Vanderlubbe

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

FORM 78 -- Concluded

List "H"
 Property

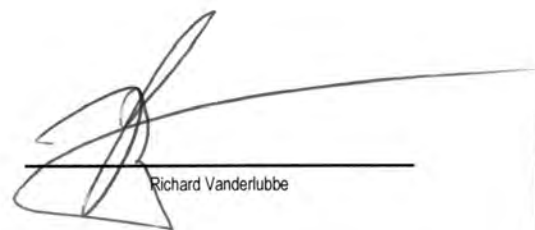
Travel Superstore Inc.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions	Operating Account - CAD 100 King St. Toronto	1717553	277,616.73	277,616.73
	Operating Account - USD 100 King St. Toronto	4580491	10,406.68	10,406.68
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture		Office Furniture & Equipment (Net Book Value)	47,883.00	5,000.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Deposit - Benefits Provider	16,000.00	16,000.00
		Computer & Phone Equipment Subject to Capital Lease (Net Book Value)	47,883.00	236,539.00
		Intangibles - Software, Website & Other (Net Book Value)	0.00	0.00
		Deposit - Capital Leases	10,671.00	10,671.00
		Funds Held in Trust - in Bank Accounts & with IATA	411,069.22	411,069.22
			Total:	967,302.63

28-Apr-2021

Date



Richard Vanderlubbe

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO**

REPORT OF TRUSTEE TO THE CREDITORS
(Section 50(5) of the Bankruptcy and Insolvency Act)

Enclosed are the following documents:

Notice of Proposal to Creditors;

Proposal under Part III, Division I, of the *Bankruptcy and Insolvency Act* (the “**BIA**”), dated April 27, 2021 (the “**Proposal**”) lodged with MNP Ltd. (the “**Proposal Trustee**”) by Travel Superstore Inc. (“**Travel Superstore**” or the “**Company**”) and filed with the Official Receiver on April 28, 2021;

a statement of affairs, detailing the Company’s assets and liabilities as April 28, 2021 (“**SOA**”);

a proof of claim form;

a voting letter if you wish to vote in advance of the meeting;

a general proxy; and

an election form.

The following is an outline of the background and financial position of the Company, including relevant information that should be of assistance to the creditors in considering their position with respect to the Proposal.

In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with employees and management and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee 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 CPA Canada Handbook.

Capitalized terms used in this Report are the same as those referenced in the Proposal.

SECTION A - Background

Travel Superstore is an Ontario corporation that up until the commencement of the Covid-19 pandemic (the “**Pandemic**”) operated a travel agency and services business from 25 leased locations in Ontario and Nova Scotia, with its head office located in Hamilton, Ontario. The Company’s primary business was the booking of vacation travel packages to the southern United States and Caribbean, as well as cruises.

The industry is highly regulated by the *Ontario Travel Industry Act, 2002* (the “**Act**”), which is administered by the Travel Industry Counsel of Ontario (“**TICO**”), an organization specifically mandated by the Government of Ontario to apply and enforce the Act. In addition, the Company also holds travel agent registrations with TICO and accreditation with the International Air Transport Association (“**IATA**”) and is the owner of certain proprietary software used in booking travel services for its customers.

The Company’s revenues are earned and paid for on completion of the customers’ travel. The bulk of its revenues were normally earned over the winter months.

Travel Superstore filed a Notice of Intention to Make a Proposal on March 11, 2021. On April 6, 2021, the sought and obtained an Order from the Court (the “**Extension Order**”) which, among other things:

- extended the deadline for the Company to file its Proposal to May 27, 2021;
- ordered and confirmed that the protocol utilized by the Company for the handling of funds held in trust by the Company for third parties who have purchased travel services to be redeemed in the future be continued and that such funds shall be held in a segregated trust account for the benefit of the supplier of such travel services and shall not be considered property of the Company; and
- ordered that the Company shall continue to honour redemption of Promotional Gift Cards and Prizes and any customers holding the same shall not be affected by the Proposal and as such shall not constitute creditors of the Company to whom the Proposal is being made.

On April 27, 2021, the Company lodged its Proposal with the Trustee pursuant to the BIA, as a means of: (i) stabilizing the Company; (ii) considering the possibility of a restructuring; and (iii) offering its creditors a dividend that would be higher than its creditors would receive in the event of a bankruptcy.

The Trustee is maintaining a website www.mnpdebt.ca/travelsuperstore with publicly available information on the Company’s proposal proceedings.

SECTION B - Summary of the Proposal

This section contains a summary of the Proposal, the terms of which would be effective only if the Proposal is accepted by the creditors and approved by the Court, in accordance with the provisions of the BIA.

As set out in the Proposal, the Proposal provides for the following:

- (i) Conditional on, *inter alia*, the approval of the Proposal by the Company's Unsecured Creditors and the Court, Travel Superstore will pay to the Trustee the sum of \$300,000 (the "**Proposal Fund**") for distribution to the creditors, as well as a retainer of \$50,000 (the "**Retainer**") to cover the Administrative Fees and Expenses of these proceedings;
- (ii) Gift Card and Promotion Gift Cards are to be redeemed in accordance with existing arrangements, or as may be arranged with holders of the same, and are not affected by this Proposal;
- (iii) Secured Creditors will be paid in accordance with existing arrangements with Company, or as may be arranged with them, and are not affected by this Proposal;
- (iv) The Administrative Fees and Expenses of these proceedings shall be paid by the Company on terms to be mutually agreed to by the Company and the Trustee, provide they shall not be paid out of the Proposal Fund;
- (v) An ordinary Unsecured Creditor with a Claim greater than \$1,000 may at the time of filing a Proof of Claim and for distribution purposes only elect, in writing, to accept a distribution of \$1,000, in full and final satisfaction of its claim. Any such ordinary Unsecured Creditor that wishes to make this election must do so on or before June 30, 2021;
- (vi) The Proven Claims, if any, of the Employee Creditors who are owed a preferred claim for qualifying wages under subsection 136(1)(d) of the BIA (this does not include termination or severance pay owing), shall be paid immediately after Court approval of the Proposal in the ordinary course using proceeds from the operation of the Company's business and not the Proposal Fund;
- (vii) Unless Her Majesty in Right of Canada or a Province agrees otherwise, the Proven Claims, if any, of Crown Creditors for preferred claims under the BIA shall be paid within six (6) months after Court approval of the Proposal using proceeds from the operation of the Company's business and not the Proposal Fund;
- (viii) The Proposal Fund shall be distributed by the Trustee as soon as practicably possible, as follows:
 - a) First, to payment of the Office of the Superintendent of Bankruptcy levy payable under section 147 and Rule 123(2) of the BIA (the "**Levy**") on the distributions set-out below;
 - b) Second, to payment of all Proven Claims of Preferred Creditors, if any, in the priority set out under section 136 of the BIA
 - c) Third, payment to all ordinary Unsecured Creditor with a Proven Claim of \$1,000 or less, an amount equal to their Proven Claim;

- d) Fourth, each ordinary Unsecured Creditor with a Proven Claim who makes the election in accordance with Article 4.3, will receive a distribution of \$1,000; and
 - e) Fifth, the remaining ordinary Unsecured Creditors will be paid the balance of the Proposal Fund remaining after the payment of the aforementioned Claims on a *pro rata* basis;
- (ix) Any Claims against the Company by any Creditor that are also Claims against the directors and/or officers of the Company that relate to obligations of Company where the directors and/or officers are under any law liable in their capacity as directors and/or officers for the payment of such obligations shall be, upon Court approval of the Proposal and to the extent permitted by the BIA, released and forever discharged as against the directors and/or officers of the Company;
- (x) Sections 95-101 of the BIA will not apply in respect of this Proposal; and
- (xi) The claims of any Related Parties will receive no distribution under the Proposal.

The above description of the Proposal is a summary only, and readers are cautioned that if there is inconsistency between this Report and the Proposal, the terms of the Proposal shall govern.

SECTION C - Financial Position and Causes of Difficulties

The Pandemic has had a devastating effect on the travel industry. On March 13, 2020, the Federal Government issued a non-essential Travel Advisory. As a result, and as set out in the chart below, the Company's revenues since March 2020 have dropped to near-zero.

	Year Ended Oct 31		5 Mths Ended
	2019	2020	Mar-31-2021
	-----(\$000's)-----		
Sales	213,498	91,995	50
Cost of Sales	195,950	84,074	109
Gross Profit	17,548	7,921	(59)
Operating Expenses	16,970	10,287	816
Operating Profit (Loss)	578	(2,366)	(875)

In its early stages, it was believed that the most severe effects of the Pandemic on the travel industry would likely last several months and it was hoped that by the fall of 2020, sales would begin to return to the travel industry in at least some limited fashion. By late summer, it became apparent that these targets would not be met and the industry shutdown would continue well into 2021. As a result, the important winter vacation season would be missed entirely.

At the outset of the Pandemic, Bank of Montreal ("**BMO**") was the operating lender and senior/sole general secured creditor of the Company. In the spring of 2020, the

Company's mounting unpaid rent and other obligations triggered a default under its loan covenants and the Company began working cooperatively with BMO to disclose its restructuring plans and avoid enforcement action by BMO. Ultimately on January 28, 2021, the indebtedness formerly owed to BMO was paid in full from funds available in the Company as well from the sole shareholders, Richard Vanderlubbe and Paul Foster (collectively the "**Shareholders**"). Going forward, any cash flow shortfalls and the Proposal Fund, as necessary, are to be funded by the Shareholders.

The Company has and remains highly dependent on the Canadian Employee Wage Subsidies being provided by the Federal Government. The recent announcements concerning the program's extension beyond June and the level of subsidy beyond March is, however, uncertain. The Company has concerns that the level of subsidies will reduce disproportionately and more quickly than the return of Company's revenues as the Company's business is dependent on the lifting government-imposed travel restrictions and expected future consumer demand for travel services (which is uncertain).

SECTION D - Interim Receiver

Not Applicable.

SECTION E - Identification and Evaluation of Assets

According to the SOA, the Company's assets and their estimated realizable value can be found in Section L of this Report.

SECTION F - Conduct of the Company

The conduct of the Company does not appear to be subject to censure.

SECTION G - Creditors' Claims

As per the SOA, the Company's creditors consist of:

Creditor Classifications	SOA Amount
Secured	\$ 247,210
Trust claims	4,247
Preferred	0
Unsecured	2,015,873
TOTAL	\$ 2,267,330

Notes:

- The Company advises that there are no amounts owing to the employees or other potential preferred creditors under Section 136(1) of the BIA.
- The trust claim amount relates to a recent Pensionable and Insurable Earnings Review assessment relating to the 2019 taxation year.
- Unsecured creditors excludes the potential claims of Gift Card and Promotional Gift Card customers totaling approximately \$280,000, as the same will continue to be honoured.

SECTION H - Previous Business Dealings with the Company

MNP was initially engaged by the Company on May 7, 2020 as its proposed Proposal Trustee as the Company was considering filing an NOI at that time.

SECTION I - Informal Meeting with Major Creditors

During the NOI, the Company and the Trustee have had ongoing discussions with certain of the Company's suppliers and landlords.

SECTION J - Remuneration of Proposal Trustee

The Proposal Trustee's fees and expenses related to the administration of the Proposal, including those of its and the Company's legal counsel, will be paid by the Company from addition retainers mutually agreed upon by the Company and respective professional.

SECTION K - Other

Not applicable.

SECTION L - Statement of Estimated Realizations

The Proposal provides a distribution to Ordinary Creditors of \$300,000 after payment of Preferred Creditor claims. Based on the Proposal Trustee's review of the Company's books and records and the SOA, there no Preferred Creditor claims as at the date of this Report. The Proposal Trustee's estimate of the distribution to ordinary unsecured creditors if the Proposal is accepted by the Unsecured Creditors and approved by the Court is set out below:

Proposal Fund	\$ 300,000
Estimated Net Funds Available for Distribution to Unsecured Creditors	<u>\$ 300,000</u>
Estimated claims of Unsecured Creditors per SOA (net of Gift Card and Promotion Gift Card and Related Creditors claims)	\$ 2,015,873
Estimated distribution to Unsecured Creditors (%)	<u>14.88%</u>

If the Proposal is rejected by the Creditors, the Company will be deemed bankrupt. The anticipated realizations from a bankruptcy, per the SOA, are summarized on the following page.

(Balance of this page was intentionally left blank)

Asset	Note	Net Book Value	Est. Realization
Cash in financial institutions		288,024	288,024
Trust accounts	1.	411,069	-
Prepaid and deposits		16,000	16,000
Furniture & Equipment		47,883	5,000
Computer & Telephone	2.	200,277	-
Intellectual Property	3.	1,202,925	-
		2,166,178	309,024
Less:			
Trustee and related estate administration fees			(50,000)
Priority Employee Claims for unpaid wages and vacation pay	4.		(75,000)
			(125,000)
Estimated available for distribution			184,024
Creditor claims			
Unsecured creditors per SOA			2,015,873
Gift Card and Promotion Gift Card creditors	5.		280,000
Termination pay claims of remaining employees	6.		1,700,000
Total estimated unsecured claims			3,995,873
Estimated distribution to Unsecured Creditors (%)			4.61%

Notes:

- Pursuant to the Extension Order, Trust Accounts are not property of the Company.
- The Company's Computer & Telephone Equipment is encumbered by CWB National Leasing Inc.'s ("**National**") lease security. The likely realizable value is likely less the amount of National's secured debt. The Proposal Trustee has not incurred the expense associated with obtaining an independent legal opinion on the validity or enforceability of the security granted by the Company to National.
- In the event of a bankruptcy, the Company's operations would be terminated and all of its remaining employees terminated. Absent funding required to continue operations and in light of the status of the travel industry generally, its unlikely a sale of the Company's Intellectual Property would provide not provide a positive realization after the costs incurred to complete a sale process.
- Represents the estimated amount of unpaid wages and vacation pay in the event of Travel Superstore's bankruptcy.

5. Represents the estimated claims of Gift Card and Promotional Gift Card creditors that would represent claims in a bankruptcy but that, pursuant to the Extension Order, are not included in the Proposal.
6. Represents the Company's estimate of termination pay due to the Company's current and temporarily furloughed employees.

Preferences and Transactions at Under Value

Since the onset of the pandemic, the Company has drastically reduced its operating costs and has effectively maintained only those services and operational expenses critical to its survival – i.e. those which would impair the Company's ability to respond to a resurgence in the travel industry if not maintained. Apart from the repayment of BMO, its senior secured creditor, average monthly net cash outflow net of government subsidies over the past 12 month period have amounted to approximately \$30,000 per month, the majority of which is comprised of salaries of key personnel and sales personnel necessary to preserving the Company's ability to respond should business in the industry resume.

As such, in order to streamline and reduce expenses associated with formulating its Proposal, the Trustee has not undertaken an in-depth review of the Company's books and records so as to be in a position to report to the creditors on the presence or absence of any potential preference payments or transfers at undervalue which it identified in the course of such a review. However, based on its preliminary review of the Company's books and records up to and including the date of this report, nothing has come to the Proposal Trustee's attention that gives rise to any concerns respecting potential preference payments or transfers at undervalue. As a more detailed analysis has not been performed and is not intended to be performed, the Proposal provides that Sections 95-101, concerning preference payments and transfers at undervalue are deemed to be inapplicable.

SECTION M - Recommendations

Based on the above, the Proposal Trustee recommends the acceptance of the Proposal as the Proposal contemplates a higher distribution to the Unsecured Creditors with certainty than in a bankruptcy. The Proposal would also provide for the continued employment of Company's current employees and the preservation of business relationships with Company's existing suppliers and customers.

SECTION N - Technical Requirements for a Successful Proposal

This Proposal will become effective only if it is accepted by a resolution of the Unsecured Creditors and approved by the Court. To obtain Creditor approval, a simple majority in the number of Unsecured Creditors voting, with this majority representing at least 2/3 of the dollar value of the Unsecured Creditors voting, must vote in favour of the Proposal. If the Unsecured Creditors do not accept the Proposal, then the Company will be deemed to have made an assignment in bankruptcy and a meeting of creditors in the matter of the bankruptcy will immediately take place.

If the Unsecured Creditors vote to accept the Proposal, Court approval of the Proposal must then be sought. If the Court does not approve the Proposal, the Company would be

deemed to have made an assignment in bankruptcy and the Trustee of the bankruptcy estate will then call a meeting of creditors in the matter of the bankruptcy.

When completing the Proof of Claim form submitted herewith, Creditors should include all outstanding amounts as at March 11, 2021, the date of the filing of the NOI. It is expressly noted and should be clearly understood that MNP Ltd., in its capacity as Proposal Trustee, assumes no personal liability for any claims that Creditors may have against the Company, filed, proven, deemed or otherwise, either before or after the filing of the Proposal.

Creditors may attend, in person or by proxy, the meeting to consider the Proposal, which will be held on **Wednesday, May 12, 2021 at 10:00 a.m. (Toronto, Ontario Time) by video/telephone conference (via Zoom Meetings)**. To attend/join the meeting you may connect by the following:

Zoom: Video Conferencing

<https://us02web.zoom.us/j/86191285272?pwd=Ym5mRmZUSktKZWlaakUrcmRodGJ0Zz09>

Telephone (audio only)

1 647 558 0588, Meeting ID: 861 9128 5272, Passcode: 029313

In order to participate and vote at the meeting, Creditors must file their claims in prior to the start of the meeting. Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters by either email to travelsuperstore@mnp.ca or fax to (416) 596-7894, to the Proposal Trustee so as to be received prior to 10:00 am (Toronto Time) on May 12, 2021.

Should you have any questions or comments on the Proposal or this report, please do not hesitate to contact the undersigned.

Dated at Toronto, Ontario, the 30th day of April 30, 2020.

MNP LTD.

Trustee acting in *re the Proposal of*
Travel Superstore Inc., and not in its
personal or corporate capacity

Per:



Jerry Henechowicz, CPA, CA, CIRP, LIT
Senior Vice-President

Encl.

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of Travel Superstore Inc. of the City of Hamilton in the Province of Ontario and the claim of
_____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the
province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____,
creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 11th day of March 2021, and still is, indebted to the creditor in the sum of
\$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any
counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in
support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security,
and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

- E. CLAIM BY WAGE EARNER OF \$ _____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

 Witness

 Creditor

Phone Number: _____
 Fax Number : _____
 E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

I, _____, creditor (or I, _____, representative
of _____, creditor), of _____, a creditor in the above matter
for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of Travel
Superstore Inc., to record my vote _____ (for or against) the acceptance of the proposal as made
on the _____ day of _____, _____.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
MNP Ltd. - Licensed Insolvency Trustee
Per:

Jerry Henechowicz - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Fax: (416) 323-5242

District of Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

**IN THE MATTER OF THE PROPOSAL OF
 TRAVEL SUPERSTORE INC.
 OF THE CITY OF HAMILTON
 IN THE PROVINCE OF ONTARIO**

ELECTION FORM

Please read the enclosed instruction letter carefully. Any capitalized terms not defined herein shall have the meaning ascribed thereto in the Proposal, dated April 27, 2021 (the **“Proposal”**) or as may be amended, lodged by Travel Superstore Inc. (the **“Company”**) with the Trustee pursuant to Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. Please print legibly.

1. PARTICULARS OF ELECTING CREDITOR

(a) Full legal name of Electing Creditor:

(b) Full mailing address of the Electing Creditor:

(c) Other contact information of the Electing Creditor:

Telephone number: _____

Email address: _____

Fax number: _____

Attention: _____

2. CERTIFICATION

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

(a) That I (*check one box only*):

am an Electing Creditor (an individual) with a Claim against the Company;

OR

am _____ of
(position or title)

(name of Electing Creditor (a corporation) with a Claim against the Company)

(b) That I have knowledge of all the circumstances connected with the Claim.

3. FILING OF ELECTION FORM

This Election Form must be filed with the Trustee, on or before June 30, 2021, at the following address:

MNP Ltd.,
in its capacity as Trustee *in re* the Proposal of Travel Superstore Inc.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz
Telephone: (416) 515-3924
Fax: (416) 596-7894
Email: travelsuperstore@mnp.ca

4. DISTRIBUTION ELECTION

If my/our Claim is determined to be a Proven Claim and it is greater than CAD\$1,000.00, I/we elect to receive CAD\$1,000.00, in full and final satisfaction, compromise, settlement, release and discharge of such Proven Claim .

DATED at _____ this _____ day of _____, 2021.

Witness:

Per: _____

Print Name: _____

Print Title: _____

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
MNP Ltd. - Licensed Insolvency Trustee

300 - 111 Richmond Street West
Toronto ON M5H 2G4
Fax: (416) 323-5242

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

General

- ◆ The signature of a witness is required;
- ◆ The claim must be signed personally by the individual completing this declaration;
- ◆ Give the complete address where all notices or correspondence is to be forwarded
- ◆ The amount of the statement of account must correspond to the amount indicated on the proof of claim.
- ◆ It is permissible to file a proof of claim by fax or by email.

Paragraph 1

- ◆ Creditor must state full and complete legal name of company or firm;
- ◆ If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

Paragraph 3

- ◆ The statement of account must be complete;
- ◆ A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 4

- ◆ Subparagraph 4.A must be completed by an unsecured creditor and must indicate if priority is claimed pursuant to Section 136.
- ◆ Subparagraph 4.B must be completed by a landlord only in a Proposal, for any claim related to disclaimer of lease. The amount of the claim is to be calculated according to the terms of the proposal. Provide details of calculation.
- ◆ Subparagraph 4.0 must be completed by a secured creditor. A certified true copy of the security instrument as registered must be provided.
- ◆ Subparagraph 4.D must be completed a farmer, fisherman or aquaculturist creditor. A copy of the sales agreement and delivery documents must be provided.
- ◆ Subparagraph 4.E applies if you are a wage earner (ie, a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a bankrupt (subsection 81.3) or by a "person" that is subject to a receivership (subsection 81.4) for services rendered during the six months immediately before the date of bankruptcy or receivership).
- ◆ Subparagraph 4.F applies to claims by employees for unpaid amounts regarding pension plans. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- ◆ Subparagraph 4.G is to be completed only in a Proposal, and only if the proposal provides for the compromise of claims against Directors. Provide full details including calculations.
- ◆ Subparagraph 4.H applies if you are a "customer" of a bankrupt securities firm (as contemplated by Section 262 of the Bankruptcy and Insolvency Act).

Paragraph 5

- ◆ All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, by striking out "AM" or "IS" or "AM NOT" or "IS NOT".

Paragraph 6

- ◆ All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - a) Within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
 - b) Within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

- APPOINTING PROXY -

Note: The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor but this does not give such a person power to vote at the first meeting of creditors or to act as the proxy of the creditor.

General

- ◆ A creditor may vote either in person or by proxy;
- ◆ A debtor may not be appointed as proxy to vote at any meeting of his creditors;
- ◆ The Trustee may be appointed as a proxy for any creditor;
- ◆ In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

TAB 3-I

Exhibit "I" The Minutes of the Meeting of Creditors to Consider the Proposal

District of Ontario
 Division No. 07 - Hamilton
 Court No. 32-2720193
 Estate No. 32-2720193

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
 TRAVEL SUPERSTORE INC.
 OF THE CITY OF HAMILTON
 IN THE PROVINCE OF ONTARIO

MINUTES OF THE MEETING OF CREDITORS TO CONSIDER THE PROPOSAL

These are the minutes of the meeting of creditors to consider the proposal lodged by Travel Superstore Inc. (the "**Company**") that was held virtually via Zoom Meeting, on May 12, 2021 at 10:00 AM (Toronto time).

Present:

Jerry Henechowicz and Matthew Lem
 Richard Vanderlubbe and Paul Foster- Directors
 Leslie Felice – Manager, Administration
 Nadia Radovanovic

Representing

MNP Ltd., Trustee
 Travel Superstore Inc.
 Travel Superstore Inc. (Observing)
 Canada Revenue Agency

Jerry Henechowicz initially acted as the Chairperson and Matthew Lem acted secretary of the meeting. The Chairperson informed the Meeting that pursuant to section 51(3) of the *Bankruptcy and Insolvency Act* (*the "Act"*), he or a representative of the Trustee would act as Chairperson and would decide any questions or disputes arising at the meeting and from such decision any creditor may appeal to the court. The Chairperson examined the filed Proofs of Claims, Voting Letters and the Proxies in favour of the Trustee and determined that there was a quorum. The Chairperson declared the Meeting duly convened and called the Meeting to order.

Mr. Lem confirmed with Ms. Radovanovic of Canada Revenue Agency ("**CRA**") that the claim that she was at the meeting representing CRA, was with respect to a deemed trust claim for unpaid source deduction remittances and that as such she would not be entitled to vote on the Proposal. Ms. Radovanovic advised that her purpose of attending was clarify a term in the Proposal as was to ensure that the Company was aware of the extent of the indebtedness to CRA.

Mr. Henechowicz then turned over the chairing of the meeting to Mr. Lem.

Given that there were no unsecured creditors present in person, the Chairperson proceed to question period, wherein Ms. Radovanovic made the following comments:

1. She commented that paragraph 4.5 of the Proposal seemed not as detailed (i.e. the extent of nature of the CRA claims covered) as she is normally accustomed to seeing; and
2. She advised that the indebtedness to CRA for unremitted source deductions was expected to increase by approximately \$21,000 as a result of a deficiency between the source deductions reported on the 2020 T4s filed and the actual amounts remitted – all to be confirmed in the trust examination in process. In addition, she advised that three (3) HST refunds are currently being held and will be applied, as necessary, against the indebtedness to CRA once the trust examination is completed.

On the first point, the Trustee advised that in the Definitions (paragraph 1.1 of the Proposal) section of the Proposal, the details on CRA's claim for unremitted source deductions that she had been accustomed to seeing was detailed under the "Crown Creditors" definition.

On the second point, the Mr. Vanderlubbe acknowledge that the claim to CRA was being addressed and that it would be paid within the six months following the Court's approval of the Proposal. Mr. Vanderlubbe inquired whether Ms. Radovanovic could provide a contact at CRA who could assist in resolving the indebtedness. Ms. Radovanovic provided the contact information for the trust examiner assigned.

With no further questions, the Chairman proceeded to the vote on the Proposal part of the Meeting. Prior to proceeding to holding a vote on the Proposal, the Trustee advised the Meeting that:

- The claims that had been admitted have been admitted by the Trustee for the meeting for voting purposes only and are still subject to further review for dividend distribution purposes;
- Google Inc. had filed a proof of claim in the amount of \$417,877.92 that was admitted for voting purpose only, but who advised that they would not be attending and would not be voting either FOR or AGAINST the Proposal;
- A proof of claim filed by Cadillac Fairview in the amount of \$794,759.91 was valued by the Trustee at \$40,745.03 for voting purposes only for the meeting;
- There were several creditors with small claims who provided voting letters, whose proof of claim were materially incomplete, and therefore would not be included in the vote count.

The Chairperson then called for a vote on the Proposal.

The results of the vote on the Proposal, are summarized as follows:

	FOR¹	%	AGAINST	%
Number of creditors ²	16	100.00%	0	0.00%
Dollar value ²	\$970,549.29	100.00%	\$0.00	0.00%

¹ – All of the votes were made by Voting Letter and represent only the unsecured creditors admitted for voting purposes only (Google Inc. did not submit a Voting Letter).

² – There were 23 unsecured creditors who filed proof of claim forms totaling \$2,175,613.66 (before the valuation of Cadillac Fairview's claim), of which 17 unsecured creditors were admitted for voting purposes only totaling \$1,388,437.21 (reflecting the valued claim of Cadillac Fairview) and 6 unsecured creditors were rejected for voting purposes only totaling \$33,161.57.

Based on the vote, the Proposal was accepted by the creditors

No persons requested to be an inspector in the proposal.

No directions were given to the Trustee.

There being no further business, the meeting was adjourned.



Secretary

12 May 2021

Date

TAB 3-J

**Exhibit “J” Affidavit of Mailing with regards to the Notice of Hearing of Application for
Court Approval**

District of Ontario
Division No. 07
Court No. 32-2720193
Estate No. 32-2720193

AFFIDAVIT OF MAILING

**IN THE MATTER OF THE PROPOSAL OF
TRAVEL SUPERSTORE INC.
OF THE CITY OF HAMILTON, IN THE PROVINCE OF ONTARIO**

I, Trina Burningham, of the City of Toronto, in the Province of Ontario, hereby make oath and say:

That on the 18th of May, 2021, I did cause to be mailed by prepaid ordinary mail to the director of the above noted debtor and to the creditors who have filed claims in the above noted proposal, whose names and addresses appear on the paper writing marked as Exhibit "A" attached hereto, a copy of the Notice of Hearing of Application for Court Approval of Proposal (Paragraph 58(b) of the Act) marked as Exhibit "B".

SWORN BEFORE ME by video
conference from the City of Toronto,
to the Town of Erin, in Wellington County,
on this 19th day of May, 2021

)
)
)
)
) 

Trina Burningham



Commissioner for Taking Affidavits

**Matthew Eric Lem, a Commissioner, etc.,
Province of Ontario, for MNP Ltd. and MNP LLP.
Expires February 21, 2023.**

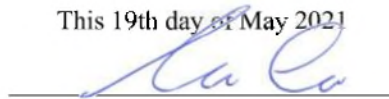
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF TRINA BURNINGHAM

Sworn before me

This 19th day of May 2021

A handwritten signature in blue ink, appearing to be "K. C.", is written over a horizontal line.

Commissioner for taking Affidavits, etc

Richard Vanderlubbe
56 Nisbet Blvd
Hamilton ON L0R 2H9

ADDA Mechanical Ltd
419 Montmorency Court
Hamilton ON L8K 2K3

Canadian Linen
PO Box 51073, RPO Tyndall
Winnipeg MB R2X 3C6

Choice Properties LP c/o CP REIT
Ontario Properties Limited
Chris Mayhew
700 - 22 St. Clair Avenue East
Toronto ON M4T 2S5

Clean Shine
Elizabeth de Wolff
PO Box 58130, 770 Lawrence Ave West
Toronto ON M6A 3C8

Colliers International
Brady Frost
644 Main Street, Suite E110
Moncton NB E1C 1E2

Computer Supply Express
Ian Macdonald

CRA - Tax - Ontario
Nadia Radovanovic
Shawinigan National Verification and
Collection Centre, Insolvency Intake
4695 Shawinigan-Sud Blvd
Shawinigan-Sud QC G9P 5H9

Google LLC c/o Boyne Clarke LLP
Tim Hill
99 Wyse Road, Suite 600, P.O.Box 876
Dartmouth NS B2Y3Z5

HCE Telecom Inc.
Andrew Devaney
21 King Street West, Suite 1400
Hamilton ON L8P 4W7

Heartland Printing and Graphics LTD
Anoop Israni
240 Brunel Road
Mississauga ON L4Z 1T5

Hoop Realty Inc.
Ed Lincz
55 City Centre Drive, #800
Mississauga ON L5B 1M3

ICS Courier
Marilyn Weber
300 Talbot St W
Alymer ON N4H 1K2

InsurEye Inc.
Alex Saltykov
350 Bay Street, Unit 200
Toronto ON M5H 2S6

Ivanhoe Cambridge II Inc.
Andrea Rossanese
by its manager Ivanhoe Cambridge Inc.
95 Wellington Street West, Suite 600
Toronto ON M5J 2R2

Kayak Software Corporation
Attn: Legal
7 Market Street
Stamford CT 06902 USA

Keny General Services
Hugo Espinol
14 Francesco Crt
Hamilton ON L7C 7J7

Leppert Business Systems Inc
Peggy Leppert
10-4380 South Service Rd
Burlington ON L7L 5Y6

Marco Zarco
4429 Wildmint Square
Ottawa ON K1V 1N6

Mic Mac Mall Limited
95 Wellington Street West, Suite 600
Toronto ON M5J 2R2

Morguard Real Estate Investment Trust
Andrew Tamlin
55 City Centre Drive, #800
Mississauga ON L5B 1M3

OPB Realty c/o Strathallen Property
Management
Stacey Adelubi
1001 - 2 Bloor Street West
Toronto ON M4W 3E2

Plazacorp Property Holdings Inc.
Matthew M. Tweedie, Q.C.
Attn: Matthew M. Tweedie, 98 Main
Street
Fredericton NB E3A 9N6

Staples Business Advantage
Rashmie Ramlal
550 Pendant Drive
Mississauga ON L5T 2W6

The Cadillac Fairview Corporation
Limited
Alison Tortorice
20 Queen Street West, 5th Floor
Toronto ON M5H 3R4

The Printing House Ltd.
Marynna
1403 Bathurst Street
Toronto ON M5R 3H8

Travelzoo Canada Inc
William Brown
250 Yonge Street, Suite 2301, P.O.Box
11
Toronto ON M5B 2L7


Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF TRINA BURNINGHAM

Sworn before me

This 19th day of May 2021



Commissioner for taking Affidavits, etc

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2720193
Estate No. 32-2720193

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the matter of the proposal of
Travel Superstore Inc.
of the City of Hamilton, in the Province of Ontario.

In Ontario Superior Court of Justice (in Bankruptcy and Insolvency) [Commercial List]

In the matter of the proposal of Travel Superstore Inc., a debtor.

Take notice that an application will be made to the court, via ZOOM video conference (<https://us02web.zoom.us/j/88234935097?pwd=NTNFcXZQZmhyRWgvYjc0eFNLaldtQT09>), on the 7th day of June 2021, at 10:30 AM, to approve the proposal of Travel Superstore Inc., accepted by the creditors at a meeting held on the 12th day of May 2021.

Dated at the City of Toronto in the Province of Ontario, this 18th day of May 2021.

MNP Ltd. - Licensed Insolvency Trustee



300 - 111 Richmond Street West

Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

**IN THE MATTER OF THE PROPOSAL OF TRAVEL
SUPERSTORE INC. OF THE CITY OF HAMILTON IN THE
PROVINCE OF ONTARIO**

Court File No. 32-2720193
Estate File No. 32-2720193

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]**

Proceedings commenced at Hamilton

**MOTION RECORD OF THE TRUSTEE
RE: APPROVAL OF PROPOSAL
(rtbl June 7, 2021 @ 10:30am
via “ZOOM” videoconference)**

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix (LSUC #52650N)
Tel: (416) 478 4776
Fax: (416) 476 8319
Email: gphoenix@loonix.com

Lawyers for MNP Ltd., the Proposal Trustee