

District of Ontario  
Division No. 09 – Toronto  
Court No. 31-3038619  
Estate No. 31-3038619

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

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,**  
**R.S.C 1985, C.B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A**  
**PROPOSAL OF BRR LOGISTICS LIMITED**

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**FIRST REPORT OF BDO CANADA LIMITED IN ITS CAPACITY AS TRUSTEE**  
**UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF**  
**BRR LOGISTICS LIMITED**  
**February 23, 2024**

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## INTRODUCTION

1. On January 31, 2024 (the “**NOI Filing Date**”), BRR Logistics Limited (“**BRR**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) with the Office of the Superintendent of Bankruptcy (the “**OSB**”), pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C 1985, C. B-3, as amended (the “**BIA**”). BDO Canada Limited consented to act as the trustee under the proposal proceedings (the “**Proposal Trustee**”).
2. On February 1, 2024, the OSB issued a Certificate of Filing a Notice of Intention to Make a Proposal (the “**NOI Certificate**”).
3. Notice of the NOI filing, as prescribed by the BIA, was sent to all known creditors by the Proposal Trustee on February 6, 2024 (the “**Notice to Creditors**”). A copy of the NOI Certificate and the Notice to Creditors are attached hereto as **Appendix "A"** (with employee addresses redacted for reporting purposes).
4. The Proposal Trustee has made the NOI Certificate and the Notice to Creditors available on its website at [www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/brr](http://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/brr) (the “**Proposal Trustee’s Website**”). The Proposal Trustee will continue to post documents pertaining to the proposal proceedings on the Proposal Trustee’s Website.

## PURPOSE

5. The purpose of this first report (the “**First Report**”) is to provide information pertaining to the initial activities of the Company and the Proposal Trustee since the filing of the NOI. More specifically, the First Report contains information in respect of the following:
  - (a) the business activities of the Company since the NOI Filing Date, including operations and restructuring efforts to date;
  - (b) the activities of the Proposal Trustee since the NOI Filing Date, including the completion of duties prescribed pursuant to the BIA;

- (c) the Proposal Trustee’s views on the Company’s ongoing dispute with Wal-Mart Canada Corp. (“**Walmart**”);
- (d) the Proposal Trustee’s recommendations related to the Company’s notice of motion to be heard on February 27, 2024, seeking the granting of an Order for, among other things:
  - (i) granting the Administration Charge (as defined below);
  - (ii) authorizing the Company to continue utilizing its Cash Management System (as defined below);
  - (iii) authorizing the Company to continue with its Liquidation Plan (as defined below);
  - (iv) approving the pending Sale Transaction (as defined below);
  - (v) fixing a date on which the parties shall attend before the Court (the “**Walmart Case Conference**”) for the purpose of setting a timetable for the adjudication of a dispute between the Company and Walmart in respect of the Walmart Receivable (as defined below), and directing Walmart to attend the Walmart Case Conference;
  - (vi) authorizing the Company to complete sales of inventory and Equipment (as defined below) outside of the ordinary course of operations without the necessity for further Court approval for any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000;
  - (vii) approving payments to Sallyport Commercial Finance ULC (“**SPCF**”) from the sale of inventory and collection of accounts receivable subsequent to the NOI Filing Date up to the aggregate of the SPCF Debt (as defined below) in accordance with the SPCF Security (as defined below);

- (viii) for the purposes of subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act* (Canada), S.C. 2005, c. 47, s. 1 (the “**WEPPA**”), declaring that the Company meets the criteria prescribed by the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the “**WEPP Regulations**”), and that the Company’s former employees whose employment was terminated during the prescribed eligibility period associated with the Company’s filing of the NOI on January 31, 2024 under the BIA are eligible, subject to section 9 of the WEPPA, to receive payments in accordance with the WEPPA following the termination of their employment;
- (ix) authorizing and directing the Proposal Trustee to carry out its prescribed duties under the WEPPA;
- (x) extending the time within which the Proposal Trustee may file a proposal on behalf of the Company to April 15, 2024; and
- (xi) approving this First Report and the activities and conduct of the Proposal Trustee detailed herein.

## **TERMS OF REFERENCE**

6. In preparing this First Report, the Proposal Trustee has relied upon unaudited interim financial information, the Company’s books and records, the Affidavit of Michael Wakefield (“**Mr. Wakefield**”) sworn on February 23, 2024 (the “**Wakefield Affidavit**”), and discussions with management (“**Management**”) and other employees of the Company, and their financial and legal advisors.
7. The financial information of the Company has not been audited, reviewed or otherwise verified by the Proposal Trustee as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles. The reader is cautioned that this First Report may not disclose all significant matters about the Company. Additionally, none of the Proposal Trustee’s procedures were intended to detect defalcations or other irregularities. If the Proposal Trustee were to perform additional procedures or to

undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Proposal Trustee's attention. Accordingly, the Proposal Trustee does not express an opinion or any other form of assurance on the financial or other information presented herein. The Proposal Trustee may refine or alter its observations as further information is obtained or brought to its attention after the date of this First Report.

8. Certain of the information referred to in this First Report consists of financial forecasts and/or projections prepared by Management. Although the Proposal Trustee has reviewed the assumptions underlying the projections for reasonableness, an examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. 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 may vary from those forecasts and/or projections and the variations could be significant.
9. The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this First Report. Any use that any party makes of this First Report, or any reliance on or decisions to be made based on it, is the responsibility of such party.
10. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

## **BACKGROUND**

11. BRR is a corporation incorporated pursuant to the laws of the province of Ontario on September 9, 2017, and extra provincially registered in the province of Manitoba on March 21, 2018. Since its inception, BRR has specialized in the distribution, storage, and warehousing of frozen foods. In April 2020, BRR expanded operations from a warehouse with 3,400 pallet positions to the Warehouse Premises (as defined below) with 12,500 pallet positions.

12. BRR employs approximately 46 staff, inclusive of Management and 20 unionized workers, and operates from leased premises as follows:
  - (a) Head Office – 179 McDermot Avenue, Suite 302, Winnipeg, Manitoba (the “**Head Office Premises**”);
  - (b) Warehouse – 107 Walker Drive, Unit 2, Brampton, Ontario (the “**Warehouse Premises**”); and
  - (c) Call Centre – 55 Fleming Drive, Unit 25, Cambridge, Ontario (the “**Call Centre Premises**”).
13. Background details regarding the Company’s current financial situation are included in the Wakefield Affidavit. As described therein, the Company’s current financial difficulties resulted primarily from the loss of key distributor contracts (i.e. Unilever, Schwan’s Company, and Walmart), a reduction in business post-Covid as customers began to repatriate their logistical needs in-house, and the establishment of a direct competitor business by BRR’s former director of operations and one of its former customers.
14. Based on the Proposal Trustee’s review of the Company’s externally-reviewed financial statements for the years ended December 31, 2021 and 2022, the Company’s financial performance deteriorated during this period, with annual revenue declining from approximately \$31.1 million in 2021 (resulting in approximately \$1.0 million in income from operations) to approximately \$20.8 million in 2022 (resulting in an approximate loss of \$2.6 million from operations). Further, the December 31, 2022 financial statements contained a going concern note, suggesting that a material uncertainty existed that cast significant doubt on the Company’s ability to continue as a going concern.
15. Based on the Company’s internally prepared financial statements for the eleven (11) months ended November 25, 2023, the Company’s revenues approximated \$17.6 million (resulting in an approximate loss of \$1.4 million from operations).
16. Given the material decline in financial performance and the growing debt position of the Company (as detailed below), Management made the decision to file an NOI in an attempt

to facilitate an orderly, Company-led liquidation of BRR’s remaining assets (the “**Liquidation Plan**”). The Company’s intention is to maximize realizations for all interested stakeholders and, if recoveries from the Liquidation Plan are sufficient to fully satisfy the obligations owing to BRR’s secured creditors, file a proposal to the Company’s unsecured creditors.

**Assets:**

17. The following table summarizes the net book value of BRR’s assets as at November 25, 2023, the date of the most recently prepared internal financial statements of the Company:

<b>BRR LOGISTICS LIMITED</b>	
As at November 25, 2023	
<b>Summary of Assets</b>	
Current	
Cash	141,958
Accounts Receivable	6,307,031
Inventory	2,141,794
Prepays	35,129
	8,625,912
Non-Current	
Property and Equipment	1,765,830
Deposits	312,414
Due From Related Party	24,628
Goodwill and Trademark	2,767,386
	4,870,258
<b>Total Assets</b>	<b>13,496,170</b>

18. As at the NOI Filing Date, BRR had cash on hand of approximately \$1.3 million resulting from advances made by SPCF under the SPCF Agreement (as defined below). In consultation with SPCF, SPCF agreed to allow the Company to utilize the cash on hand to assist with the Liquidation Plan.
19. The Company’s accounts receivable balance was approximately \$5.5 million as at the NOI Filing Date. Of this balance, approximately \$2.8 million was previously sold to SPCF, and approximately \$200,000 may be subject to set-off claims from vendors (i.e. contra accounts payable). Management advised that the Company will continue efforts to collect the residual balance of approximately \$2.5 million over the Extension Period (as defined below).
20. As further detailed in the Wakefield Affidavit, one of the accounts sold to SPCF was the



Walmart account. As at the date of this First Report, there is a dispute between the Company and Walmart in respect of the quantum of the amount owing by Walmart to the Company, further detailed below.

21. The Company's inventory is comprised of a variety of frozen foods, primarily located at the Warehouse Premises. As at the NOI Filing Date, the Company's inventory approximated \$800,000. Shortly after the NOI Filing Date, the Company entered into a proposed Sale Transaction (as defined below) for approximately 60% of the inventory. BRR intends to continue to actively market and liquidate the residual inventory (the "**Residual Inventory**") in accordance with the Liquidation Plan.
22. The net book value of BRR's property, plant, and equipment (collectively the "**Equipment**") can be further segmented as follows:
  - (a) automotive equipment (trailers, reefers, automobiles, forklifts) – \$1.4 million;
  - (b) machinery (freezers, tools, pumps) – \$200,000;
  - (c) computer and office – \$100,000; and
  - (d) leasehold improvements – \$100,000.
23. The Company intends to liquidate the Equipment over the next two months by leveraging their business relationships. Management believes that this approach will maximize recoveries as compared to an auction process. As further detailed below, the Company is seeking the approval of the Court to liquidate its Equipment outside of the ordinary course of operations in accordance with the Liquidation Plan.
24. As at the NOI Filing Date, BRR had approximately \$312,000 in prepaid rental deposits in respect of the three (3) leased locations. The Company anticipates that the landlords will apply the deposits against the final month's rent, and any refund(s) will be negligible.

**Liabilities:**

25. The following table summarizes the liabilities of the Company as at November 25, 2023:

**BRR LOGISTICS LIMITED**

As at November 25, 2023

**Summary of Liabilities**

Current	
Bank Indebtedness	3,166,996
Accounts Payable and Accrued Liabilities	8,788,884
Due to Related Parties	250,000
Current Portion of Long Term Debt	297,763
Current Portion of Bank Debt	497,571
	<hr/>
	13,001,214
Non-Current	
Long Term	171,613
Bank Debt	1,010,509
Promissory Note	240,000
Future Income Taxes	184,200
	<hr/>
	1,606,322
<b>Total Liabilities</b>	<b>14,607,536</b>

26. As at the NOI Filing Date, the Company's balance sheet showed that creditors were owed approximately \$14.8 million—an approximate \$400,000 increase from the total liabilities disclosed as at November 25, 2023 (excluding future income taxes). A complete list of creditors with claims in excess of \$250 was included with the Notice to Creditors, which is attached hereto as Appendix "A".
27. Management advised that the Company's secured creditors are as follows:

<b>Secured Creditor</b>	<b>Amount</b>	<b>Security</b>
Sallyport Commercial Finance ULC	2,392,002	General Security Agreement
BDC Capital Inc.	1,290,610	General Security Agreement
Michael Wakefield	240,000	General Security Agreement
Judy Wakefield	70,000	General Security Agreement
Back 40 Realty Co. Ltd.	180,000	General Security Agreement
G.N. Johnstone Equipment Ltd.	11,736	Serialized Goods
Reefer Sales & Service	47,862	Serialized Goods
Rush Truck Leasing	6,270	Serialized Goods
Ryder Truck Rental Canada Ltd.	22,235	Serialized Goods
Thistle Truck & Trailer Services ltd.	96,266	Serialized Goods
Total	<b>4,356,980</b>	

28. With the exception of amounts owing to SPCF (the "SPCF Debt") and the SPCF Security (as defined below), the Proposal Trustee has not yet reviewed any of the other security registrations, nor reached any opinion as to the validity, enforceability, and priority of the interest of those parties in the property and assets of BRR.
29. As at the NOI Filing Date, Management advised that the Company was current with payroll

source deduction remittances to Canada Revenue Agency and that the Company has remained current with remittances thereafter.

#### **ACTIVITIES OF THE COMPANY SINCE FILING OF THE NOI**

30. Since the NOI Filing Date, the Company has provided the Proposal Trustee with access to its books and records and other financial documents so as to enable the Proposal Trustee to adequately assess the Company's financial affairs as required by the BIA.
31. Since the NOI Filing Date, Management has assisted with the following:
  - (a) prepared cash flow forecasts and reviewed same with the Proposal Trustee;
  - (b) corresponded with creditors and various stakeholders;
  - (c) held various discussions and meetings with the Company's legal counsel, Miller Thomson LLP ("**Miller Thomson**"), and the Proposal Trustee to discuss the Liquidation Plan;
  - (d) reduced staff by way of employee terminations; and
  - (e) continued with the collection of accounts receivable and actively marketed the inventory and Equipment of the Company.

#### **ACTIVITIES OF THE PROPOSAL TRUSTEE SINCE FILING OF THE NOI**

32. Since the NOI Filing Date, the Proposal Trustee's activities have included the following:
  - (a) reviewed various financial information of the Company in order to assess its financial position and the necessity for the NOI filing;
  - (b) held various discussions with Management and participated in discussions with the Company and Miller Thomson;
  - (c) assisted the Company in preparing and filing the NOI with the OSB and fulfilled the Proposal Trustee's notice requirements to creditors pursuant to s. 50.4(6) of the BIA;

- (d) established the Proposal Trustee’s Website and posted documents pertaining to the proposal proceedings;
- (e) responded to creditor inquiries;
- (f) assisted the Company with the preparation of the initial twenty-two (22) week cash flow forecast (the “**Initial Forecast**”) and addressed its filing requirements pursuant to s. 50.4(2) of the BIA;
- (g) monitored the Company’s business and financial affairs, including monitoring of the actual cash flows versus the Initial Forecast, in accordance with s. 50.4(7) of the BIA;
- (h) assisted the Company with the preparation of a revised cash flow forecast for the period February 19, 2024 to June 28, 2024 (the “**Revised Forecast**”);
- (i) advised the Company with respect to the requirements for the sale of assets outside of the ordinary course of business during the period following the NOI Filing Date; and
- (j) prepared this First Report.

### **SALLYPORT COMMERCIAL FINANCE ULC**

- 33. On August 10, 2023, BRR entered into a Bulk Account Sale and Purchase Agreement with SPCF (the “**SPCF Agreement**”). The SPCF Agreement provided for SPCF to purchase eligible accounts receivable of BRR and immediately fund 85% of the value of the purchased accounts (less certain factoring fees, discounts, and allowances). BRR granted SPCF a general security interest in all personal property, assets, and undertakings of the Company (the “**SPCF GSA**”), and BDC Capital Inc. agreed to subordinate its first ranking security position in favour of the SPCF GSA.
- 34. The Proposal Trustee understands that SPCF is supportive of BRR’s orderly Liquidation Plan, provided that all sale proceeds for inventory sold subsequent to the NOI Filing Date, which inventory is covered by the SPCF GSA, are immediately paid to SPCF until the entire SPCF Debt is retired.

35. The Proposal Trustee’s independent legal counsel, Aird & Berlis LLP, has reviewed the SPCF GSA and has provided an opinion to the Proposal Trustee that the security of SPCF (the “**SPCF Security**”), subject to the usual assumptions and qualifications in opinions of this nature, is valid and enforceable and would rank in priority to the interest of a trustee in bankruptcy in the assets, properties and undertakings of BRR.
36. Accordingly, the Proposal Trustee is supportive of BRR’s request to pay down SPCF on an expedited basis from any proceeds collected from accounts receivable and inventory sales subsequent to the NOI Filing Date.

### **DISPUTE REGARDING WALMART RECEIVABLE**

37. As detailed in the Wakefield Affidavit, Walmart was previously a large customer of the Company.
38. The Company believes that the aggregate balance owing by Walmart is approximately \$1.8 million (the “**Walmart Receivable**”). Walmart disputes the quantum of the Walmart Receivable, and claims that the discount on pre-approved prices that Walmart paid for the Company’s supply of frozen food products, which was agreed to by the Company on or about November 2023, should be applied on a retroactive basis to all of Walmart’s orders for the last six (6) months. Accordingly, Walmart believes that the Walmart Receivable should be reduced by approximately \$490,000 to account for, what Walmart claims are, previous overpayments made by Walmart (the “**Alleged Overpayments**”).
39. As discussed in the Wakefield Affidavit, Walmart has refused to pay the Walmart Receivable on account of the Alleged Overpayments. The Proposal Trustee understands that SPCF is aware of the position being taken by Walmart.
40. The Proposal Trustee also understands that the Company is seeking to adjudicate the dispute with Walmart to determine whether: (i) the stay of proceedings should be lifted to permit Walmart to assert a claim of set-off in response to the Company’s demand for payment of the Walmart Receivable; and (ii) whether Walmart should be permitted to invoke the defence of set-off.

41. The Company is seeking to compel Walmart to attend a case conference before the Court, at which time the parties shall seek advice and directions and the Court may endorse a timetable for the delivery of the parties' respective materials, the conduct of cross-examinations, and the hearing of the motion on the merits.
42. The Proposal Trustee is reviewing, and will continue to review and consider, the respective materials delivered by the parties. If determined necessary, the Proposal Trustee will file its own materials with the Court, ahead of the hearing of the motion, with a view to providing assistance to the Court if and when called to do so.

### **SALE OF ASSETS**

43. On February 14, 2024, BRR brought to the attention of the Proposal Trustee a proposed sale transaction (the "**Sale Transaction**") for approximately 60% (worth approximately \$500,000) of the Company's inventory. The Sale Transaction involved all remaining inventory (the "**Schwan's Inventory**") BRR had acquired from Schwan's Company ("**Schwan's**"), which was to be sold to Schwan's new distributor, DOT Foods Canada. The aggregate value of the Sale Transaction approximated \$516,000 for inventory with a cost value to BRR of approximately \$508,000 (excluding transportation costs of approximately \$74,000).
44. Given the perishable nature of the Schwan's Inventory, with much of it set to expire in March 2024, or shortly thereafter, on February 15, 2024, BRR formally requested the consent of the Proposal Trustee for the Company to complete the Sale Transaction.
45. The Proposal Trustee acknowledges s. 65.13 of the BIA in respect of the restrictions on the disposition of assets by a debtor company subsequent to the filing of an NOI. In accordance with s. 65.13(1), an insolvent person in respect of whom a notice of intention is filed under s. 50.4 or a proposal is filed under s. 62(1) may not sell or otherwise dispose of assets outside of the ordinary course of business unless authorized to do so by a court. Further, in accordance with s. 65.13(4) of the BIA, in deciding whether to grant the authorization, the court is to consider, among other things:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
  - (b) whether the trustee approved the process leading to the proposed sale or disposition;
  - (c) whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
  - (d) the extent to which the creditors were consulted;
  - (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
  - (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.
46. Taking into consideration the above, the Proposal Trustee considered the request of BRR and concluded that the Sale Transaction should proceed in advance of the February 27, 2024 hearing given the following:
- (a) the Schwan's Inventory was perishable and much of it was set to expire in March 2024, or very shortly thereafter;
  - (b) as frozen products approach their "best-before" date, salability and value continue to diminish;
  - (c) the proceeds realized from the Schwan's Inventory exceeded BRR's cost (excluding transportation costs); and
  - (d) the proceeds from the Sale Transaction are being held by BRR in place of the Schwan's Inventory, and are subject to the same security interests.
47. The Proposal Trustee is of the view that the consideration to be received for the Schwan's Inventory is reasonable and fair in the circumstances, and the Proposal Trustee is supportive

of the Company's request for authorization to attempt to finalize the Sale Transaction.

48. Given the Company's Liquidation Plan, and taking into consideration the intention of BRR to maximize value for all stakeholders, BRR is requesting Court approval to sell its residual inventory and Equipment outside of the ordinary course of operations on the following basis:
  - (a) without the necessity for further approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000;
  - (b) with the consent of the Proposal Trustee; and
  - (c) with the Proposal Trustee reporting on all sale transactions in a subsequent Court report.
49. The Proposal Trustee is supportive of the relief being sought as it will allow for the timely liquidation of the Company's residual assets over the Extension Period, and will limit the costs associated with preparing for and attending multiple Court appearances to seek approval of future sale transactions.

## **REAL PROPERTY LEASES**

50. Immediately after the NOI Filing Date, the Proposal Trustee was advised by Management that BRR contacted the landlords for the Head Office Premise, the Warehouse Premise, and the Call Centre Premise—being 4348037 Manitoba Inc., KS Ice Ontario Inc., and Skyline Commercial Management Inc. ("**Skyline**"), respectively—to advise of the Liquidation Plan. BRR advised the Proposal Trustee that all three landlords were supportive of working with BRR to facilitate smooth exits from the leased locations.
51. On February 12, 2024, the Proposal Trustee received correspondence from Skyline advising that they would require a formal disclaimer of the lease in accordance with the BIA, and that the previous communications that BRR had had with the property manager were insufficient. Accordingly, on February 15, 2024, the Company issued a formal disclaimer notice to Skyline in accordance with Rule 95 of the BIA.



52. The Proposal Trustee acknowledges s. 65.2(2) of the BIA, which provides that within fifteen days after being given notice of the disclaimer or rescission of a lease under s. 65.2(1), the lessor may apply to court for a declaration that s. 65.2(1) does not apply in respect of that lease. As at the date of this First Report, the Proposal Trustee has not been made aware of any such declaration being sought by Skyline.

## **WAGE EARNER PROTECTION PROGRAM**

53. On or about February 5, 2024, BRR terminated 31 of the 46 employees, and the remaining employees were retained to assist with the Liquidation Plan.
54. In accordance with s. 5(1) of the WEPPA, an individual is eligible to receive a payment under the program if:
- (a) the individual's employment ended for a reason prescribed by regulation (i.e. the individual resigned or retired, the individual's employment has terminated, or the term of the individual's employment has expired);
  - (b) the former employer is the subject of proceedings under Division I Part III of the BIA, and a court determines under s. 5(5) that the criteria prescribed by regulation are met (i.e. that the former employer is the former employer of all of whose employees in Canada have been terminated other than any retained to wind down its business operations); and
  - (c) the individual is owed eligible wages by the former employer.
55. The Company and the Proposal Trustee are of the view that the wind down of the Company qualifies the terminated employees of the Company to participate in the WEPP filing (the "**WEPPA Filing**"). The Proposal Trustee is also of the view that the prescribed criteria for the application of the WEPPA are met in the circumstances. As a filing under the WEPPA is at the discretion of the Court in a proposal proceeding, the Proposal Trustee is recommending that an order be made that the criteria prescribed by the WEPPA and the WEPP Regulations have been met. In accordance with s. 2(1) of the WEPPA, the period of time in which *eligible wages* (as defined therein) will be determined will be as follows:

- (a) the period beginning on the day that is six (6) months before the day on which the NOI was filed by the Company (i.e. January 31, 2024) and ending on the day on which the Court makes a determination under s. 5(5) of the WEPPA (i.e. February 27, 2024).
56. The Company is seeking an order that confirms that the former employees of BRR are individuals whom the WEPPA applies, and the Proposal Trustee supports the relief sought. The Proposal Trustee is recommending that it be authorized to carry out its prescribed duties in accordance with s. 21 of the WEPPA, and will work with the Company to ensure the employees eligible for relief are notified of their entitlement and are provided with the requisite information to pursue a claim with Service Canada (who administers the WEPPA program).

### **CASH FLOW FORECAST**

57. The Proposal Trustee assisted the Company with preparing and filing the Initial Forecast, which was filed with the OSB on February 9, 2024, along with the corresponding statutory reporting. The Initial Forecast is attached hereto as **Appendix "B"**.
58. The Company's cash receipts and disbursements for the period January 29, 2024 to February 16, 2024 are attached hereto as **Appendix "C"** with a comparison to the Initial Forecast. The Proposal Trustee has conducted a review of the Company's actual cash flows compared to the Initial Forecast and notes that compared with the Initial Forecast, the Company experienced a favorable variance of approximately \$142,000 in respect of the net cash outflows, primarily attributable to the following:
- (a) \$(97,000) unfavourable cash receipt variance compared to the forecast primarily due to the following:
    - (i) inventory sales not materializing as forecast (approximately \$45,000);
    - (ii) SPCF continuing to collect ongoing monthly warehousing rents and applying same against the SPCF Debt under the SPCF GSA which were forecast to be collected directly by BRR (approximately \$62,000); and

- (iii) offset by collections of accounts receivable by BRR and not yet remitted to SPCF under the SPFC GSA (approximately \$10,000);
- (b) \$239,000 favourable cash disbursement variance compared to the forecast primarily due to the following:
  - (i) a reduction in the use of contract drivers as the movement of inventory was not as expected and was completed with BRR employees (approximately \$51,000);
  - (ii) timing of fuel, insurance, utilities, and certain office and administration payments (approximately \$133,000);
  - (iii) timing of BRR paying vacation pay owed to terminated employees (approximately \$66,000);
  - (iv) timing of professional fee payments (approximately \$26,000); and
  - (v) offset by payroll costs exceeding the forecast (approximately \$24,000), interest charges debited by BDC Capital not included in the forecast (approximately \$11,000), and the aggregate of other miscellaneous variances from the forecast (\$2,000).
- 59. The Proposal Trustee has also assisted the Company in preparing the Revised Forecast, which is attached hereto as **Appendix "D"**. The Revised Forecast contemplates the Court granting the Company an extension during which time the Company will continue to collect accounts receivable, liquidate the Residual Inventory, and sell the Equipment.
- 60. The Revised Forecast includes the assumptions as set out in the notes and assumptions appended thereto (the “**Notes and Assumptions**”). The Proposal Trustee’s comments on the Revised Forecast are as follows:
  - (a) for the period February 19, 2024 to June 28, 2024, the Company is expected to have gross receipts of approximately \$1.9 million and disbursements of approximately \$1.4 million, representing a net cash inflow of approximately \$500,000;

- (b) the Company is expected to generate cash sufficient to fund ongoing operations during the Extension Period;
- (c) the Proposal Trustee's review of the Revised Forecast consisted of inquiries, analytical procedures, and discussions related to information supplied to the Proposal Trustee by Management. Since the Notes and Assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Revised Forecast. The Proposal Trustee has also reviewed the support provided by Management for the Notes and Assumptions, and the preparation and presentation of the Revised Forecast; and
- (d) Based on the Proposal Trustee's review, nothing has come to its attention that causes it to believe that, in all material respects:
  - (i) the Notes and Assumptions are not consistent with the purpose of the Revised Forecast;
  - (ii) as at the date of this First Report, the Notes and Assumptions developed by Management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Revised Forecast, given the Notes and Assumptions; or
  - (iii) the Revised Forecast does not reflect the Notes and Assumptions.

Since the Revised Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the events described in the Notes and Assumptions occur, and the variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Revised Forecast will be achieved. The Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this First Report, or relied upon by the Proposal Trustee in its preparation.

## LIQUIDATION PLAN

61. As detailed in the Wakefield Affidavit, BRR is attempting to liquidate the remaining assets of the Company in an orderly manner with a view to maximizing recoveries for its secured lenders and filing a proposal to its unsecured creditors. Accordingly, BRR is proposing to follow the undernoted Liquidation Plan to realize on the remaining assets:
- (a) Accounts receivable – BRR will continue to work with SPCF to collect the outstanding accounts in order to reduce the SPCF Debt;
  - (b) Residual Inventory – BRR will approach existing customers in order to sell the Residual Inventory, much of which is perishable in nature; and
  - (c) Equipment – BRR is in the process of compiling detailed listings of vehicles and machinery/equipment which Management intends to provide to potentially interested parties in their existing network of dealers, owner operators, and customers. Management is also planning to provide the Equipment lists to a select group of auctioneers and will request auction proposals for same.
62. Management is committed to working closely with the Proposal Trustee, who will monitor the Liquidation Plan and will report on same in a subsequent report to the Court.

## CASH MANAGEMENT SYSTEM

63. BRR operates a centralized cash management system (the “**Cash Management System**”) from the Head Office Premises. The Company maintains an operating account at Royal Bank of Canada (“**RBC**”), utilizes an RBC Visa Credit Card, and maintains a blocked Toronto-Dominion Bank account (the “**TD Blocked Account**”) for receipts collected under the SPCF Agreement.
64. BRR intends to continue using the RBC operating account, RBC Visa Credit Card, and the TD Blocked Account so as not to disrupt the flow of receipts from customers and payments to vendors and SPCF. Management has undertaken to stop all pre-authorized automatic disbursements from the RBC operating account.

65. The Company is seeking the approval of the Court to continue with the Cash Management System, and the Proposal Trustee has no objection with same.

#### **ADMINISTRATION CHARGE**

66. As security for the professional fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Company (collectively, the “**Administrative Professionals**”), the Company is seeking a first ranking charge in the amount of \$250,000 on all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Company, including all proceeds thereof (collectively, the “**Property**”).
67. The Proposal Trustee makes the following observations regarding the Administration Charge for consideration by the Court:
- (a) the Administrative Professionals have played, and will continue to play, a critical role in the Company’s Liquidation Plan;
  - (b) the Administration Charge is essential to ensure that the Administrative Professionals, who are seized with advancing this process within the anticipated timeline for completion of these proposal proceedings, have security for the fees they have incurred and will incur;
  - (c) no creditors will be unduly prejudiced by the quantum of the Administrative Charge;
  - (d) the quantum of the Administration Charge is fair and reasonable in the circumstances; and
  - (e) all of the secured creditors who are likely to be affected by the Administration Charge have been served with the Company’s notice of motion filed on February 23, 2024, as required by s. 64.2(1) of the BIA.

#### **EXTENSION OF TIME TO FILE PROPOSAL**

68. As a result of the foregoing, the Proposal Trustee is of the view that the Liquidation Plan is

anticipated to maximize realizations and exceed the recoveries that could be expected in a bankruptcy scenario.

69. In order to allow the Company sufficient time to complete the Liquidation Plan and formulate a viable proposal, the Company is seeking an extension of time within which the Proposal Trustee may file a proposal on behalf of the Company, extending the time from March 1, 2024 to April 15, 2024 (the “**Extension Period**”).
70. The Proposal Trustee is of the opinion that the Company’s request for an extension of time to make a proposal is reasonable given the following:
  - (a) the Company has acted, and is acting, in good faith and with due diligence;
  - (b) the Extension Period will provide BRR additional time to complete the Liquidation Plan, which provides an opportunity for the Company to be able to make a proposal to its creditors;
  - (c) to date, no creditors have been materially prejudiced by the stay of proceedings currently in place, and creditors will not suffer any additional losses as compared to the situation at the NOI Filing Date; and
  - (d) the Proposal Trustee has not identified, and is not aware of, any creditor that would be materially prejudiced if the extension being requested is granted.

#### **RECOMMENDATIONS REGARDING RELIEF SOUGHT**

71. As a result of the foregoing, the Proposal Trustee respectfully supports the following relief being sought by the Company:
  - (a) granting the Administration Charge;
  - (b) authorizing the Company to continue with its Cash Management System;
  - (c) authorizing the Company to continue with its Liquidation Plan;
  - (d) approving the Sale Transaction;

- (e) fixing a date on which the parties shall attend the Walmart Case Conference and directing Walmart to attend;
- (f) authorizing the Company to complete sales of inventory and Equipment outside of the ordinary course of operations without the necessity for Court approval for any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000;
- (g) approving of payments to SPCF from the sale of inventory and collection of accounts receivable up to the aggregate of the SPCF Debt in accordance with the SPCF Security;
- (h) declaring that the Company meets the criteria prescribed by the WEPP Regulations, and the Company's former employees whose employment was terminated during the prescribed eligibility period associated with the Company's filing of the NOI on January 31, 2024 under the BIA are eligible, subject to section 9 of the WEPPA, to receive payments in accordance with the WEPPA following the termination of their employment;
- (i) authorizing and directing the Proposal Trustee to carry out the prescribed duties under the WEPPA;
- (j) extending the time within which the Proposal Trustee may file a proposal on behalf of the Company to April 15, 2024; and
- (k) approving this First Report and the activities and conduct of the Proposal Trustee detailed herein.



All of which is respectfully submitted at Toronto, Ontario, this 23<sup>rd</sup> day of February, 2024.

**BDO CANADA LIMITED**, solely in its  
capacity as the Proposal Trustee of BRR  
Logistics Limited and not in its personal capacity.



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Per: Josie Parisi, CPA, CA, CBV, CIRP, LIT  
Senior Vice-President

**Appendix A – Certificate of Filing and Notice to Creditors**

Canada  
District of      Ontario  
Division No.    09 – Toronto  
Estate No:      31-3038619

Notice to Creditors of Intention to Make a Proposal  
(Subsection 50.4(6) of the Act)

IN THE MATTER OF THE PROPOSAL OF  
BRR Logistics Limited

Notice is hereby given that on January 31, 2024, the above-mentioned Debtor filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act which was affirmed by the Office of the Superintendent of Bankruptcy on February 1, 2024, as per a copy attached hereto.

Notice is further given that in accordance with Section 69 of the Bankruptcy and Insolvency Act, all proceedings against the Debtor are hereby stayed. Accordingly, no creditor has any remedy against the Debtor or its assets, nor shall it commence or continue any action, execution, or other proceedings for the recovery of a claim.

A list of the creditors with claims amounting to \$250 or more and the amounts of their claims as known or shown by the Debtor's books is annexed hereto. The enclosure thereof does not constitute the acceptance of any claim or claims.

Upon the filing of the contemplated Proposal, a further notice shall be mailed to you providing you with the following:

- a) A copy of the Proposal;
- b) The date, time, and place of a Meeting of Creditors to be held to consider the Proposal;
- c) A condensed statement of the assets and liabilities of the Debtor;
- d) The following prescribed forms, to be completed:
  - Proofs of Claim;
  - Proxy;
  - Voting Letter on the Proposal.

Should the Debtor fail to file a Proposal within the prescribed period, an automatic bankruptcy will ensue and the Trustee will forthwith convene a meeting of creditors.

If you have any questions, please contact John R. Fritz, LIT by telephone at (204)282-9716 or by email at [jfritz@bdo.ca](mailto:jfritz@bdo.ca). Further updates will be posted to the following website:

<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/BRR>

Dated at Toronto, Ontario, this 5<sup>th</sup> day of February, 2024.

BDO Canada Limited – Licensed Insolvency Trustee



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Toronto  
Court No. 31-3038619  
Estate No. 31-3038619

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

**BRR Logistics Limited**

Insolvent Person

**BDO CANADA LIMITED / BDO CANADA LIMITÉE**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

February 01, 2024

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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: February 01, 2024, 18:08

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

**Canada**

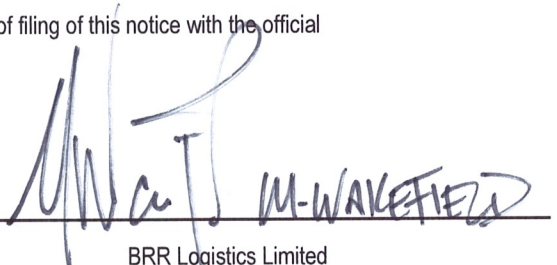
District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)  
In the Matter of the Proposal of  
BRR Logistics Limited  
of the City of Toronto, in the Province of Ontario

Take notice that:

1. I, BRR Logistics Limited, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of 20 Wellington St E, Suite 500, Toronto, ON, M5E 1C5, 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 me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 31st day of January 2024.

  
\_\_\_\_\_  
BRR Logistics Limited  
Insolvent Person

To be completed by Official Receiver:

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

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

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

In the Matter of the Proposal of  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1579079 Ontario Inc - Coppa di Gelato	34 Swiftsure Court London ON N5V4L1		88,373.75
2165492 ONTARIO LTD (ALL DIRECTIONS TRANSPORT)	12 Stoneham Street ALLISTON ON L9R 2C9		2,373.00
2291000 ONTARIO INC.	5221 HUNTINGFIELD DR. MISSISSAUGA on L5R 2L4		2,693.05
2315955 ALBERTA LTD DBA UNIVERSAL LOGISTICS	2960 DREW RD UNIT # 156 MISSISSAUGA ON L4T 0A5		8,431.00
360 SECURITY SERVICES	141 JOHNSON DR SHELBURNE ON L9V 3V8		1,401.20
7 Eleven Employment Services Inc.	2 COUNTY COURT BLVD BRAMPTON ON L6W 3W8		58,218.69
A & A Contract Customs Brokers Ltd.	120-176th Street, Suite 101 Surrey BC V3Z 9S2		4,699.49
Abstract Marketing Inc	216 King Street West - Upper Chatham ON N7M 1E6		559.35
Ahearn & Soper Inc.	100 Woodbine Downs Blvd. Rexdale ON M9W 5S6		1,145.31
ALEX PALLET INC.	5135 CREEKBANK RD UNIT C MISSISSAUGA ON L4W 1R3		15,255.00
Alexander, Metcalfe			250.00
ALPHA TEAM CONSULTANT (14391691 CANADA INC.)	203-16 RUTHERFORD S. BRAMPTON ON L6W 3J1		4,551.19
Alwine, Hiebert			250.00
Amandeep, Singh			250.00
Andrea, Rivera Fuenmayor			250.00

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

In the Matter of the Proposal of  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Angela, Hunt			250.00
Anthony, Ayala			250.00
Avalanche eVantage Inc.	P.O. Box 2775 Friday Harbor WA 98250 USA		28,022.42
Back 40 Realty Co. Ltd.	6 Neil Place Winnipeg MB R2K 1C6		180,000.00
Belly Ice Cream Company	8 Lorne St. South Huntsville ON P1H1K9		4,390.56
BEYOND BETTER FOODS, LLC	15 Canal Place BRONX NY 10451 USA		213,750.24
BEYOND FOODS INTERNATIONAL INC.	96 BESSEMER CT, UNIT 10 LONDON ON N6E 1K7		347.76
Birkett Freight Solutions Inc.	30 Birkett Way Navin MB R5T 0K1		565.00
BISON TRANSPORT INC.	1001 SHERWIN RD WINNIPEG MB R3H 0T8		11,493.09
Breanne, Prouty			250.00
Britannia Fleet Services	5 - 5845 Luke Road Mississauga ON L4W 2K5		45,043.49
Business Development Bank of Canada - Québec Special Accounts Department	Plaza level, Building BDC 5 Place Ville-Marie, Bureau 300 Montréal QC H3B 5E7	129416-01/02/03	1,290,610.00
BUSINESS INNOVATION TECHNOLOGIES INC.	3080 YONGE STREET TORONTO ON M4N 3N1		4,751.65
Camille, Christie			250.00

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

In the Matter of the Proposal of  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CANPACO INC.	7901 Huntington Rd, Woodbridge ON L4H 0S9		2,695.05
CHEP Canada	7400 East Danbro Cres. Mississauga ON L5N 8C6		40,852.88
Cintas Canada Limited	Dept 400004 Toronto ON M5W 0J2		604.86
City Link Logistics ltd	69 Panorama Hills Grove NW Calgary AB T3K 4S1		1,200.00
Clifford, Metcalfe			250.00
Colleen, Gallagher			250.00
Cristophere, Conciso			250.00
Crown Battery of Canada Ltd.	P.O. Box 56310 Toronto ON M5W 4L1		2,963.74
Daniel, Vargas			250.00
DANONE CANADA	100 DE LAUZON BOUCHERVILLE QC J4B 1E6		161,549.40
Darcy's Dusters	10 Braemar Road Cambridge ON N1R 6A4		3,825.00
David, Cullen			250.00
Dhushendran, Ketheeswaranathan			250.00
DOCK SYSTEMS INC. (DSI)	3 Automatic Road Brampton ON L6S 4K6		519.24
Docucomm Business Systems Inc.	#7-125 Traders Blvd East Mississauga, ON L4Z 2H3		2,917.40



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 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Dolores, Edora			250.00
EASSONS TRANSPORT LTD,	1505 HARRINGTON ROAD KENTVILLE NS B4N 3V7		23,887.96
ECLECTIC FOOD SERVICES INC	218 MACKAY ROAD NORTH VANCOUVER BC V7P 3H4		10,164.80
Eder, Sumagui			250.00
Emmanuel, Burdeos			250.00
EXPRESS LIFT MATERIAL HANDLING LIMITED	42 Mara Crescent Brampton ON L6V 4C2		8,386.47
FARMERS TRANS CANADA	86 WHEATFIELD ROAD GROUP 200 BOX 14 RR S WINNIPEG MB R3C 2E6		11,400.00
Four Way Trucking O/A 2006221 Ontario Inc.	22 Cipriano Court Brampton ON L7A 2M8		2,920.37
Freight Carriers Association of Canada (FCA)	1270 Central Parkway West Mississauga ON L5C 4P4		1,356.00
G.N. Johnston Equipment Co. Ltd.	5990 Avebury Road Mississauga ON L5R 3R2		11,735.78
Gagandeep, Ghuman			250.00
GELDA FOODS	6320 NORTHWEST DRIVE Mississauga ON L4V 1J7		51,297.00
George Wakefield Foods Inc.	B-1225 Plessis Road Winnipeg MB R2C 3L9		42,970.28
GERTEX SOLUTIONS	400 Flint Road, Unit 1 TORONTO ON M3J 2J4		10,708.41
GFL Environmental Inc.	PO Box 150 Concord ON L4K 1B2		3,025.78

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In the Matter of the Proposal of  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
GO FLEET CORPORATION	2355 SKYMARK AVE 1ST FLOOR MISSISSAUGA ON L4W 4Y6		259.90
GRANT THORNTON	Nova Centre, North Tower Suite 1001, 1675 Grafton Street Halifax NS B3J 0E9		8,898.75
GREAT NORTH LUMPER SRVICES INC	213 - 1030 KAMATO RD MISSISSAUGA ON L4W 4B6		12,497.80
Green Clean Mobile Wash Inc.	80 SHORNCLIFFE RD ETOBICOKE ON M8Z 5K5		10,719.18
Green Gourmand Foods inc	746 Warden Ave. Unit 4 Scarborough ON M1L 4A2		677.28
GS1 Canada	P.O.Box 4283 Toronto ON M5W 5W6		4,169.70
Harsimrat, Singh			250.00
Harwinder, Singh			250.00
HESET BRANDS INC. (HALO TOP CANADA)	2595 SKYMARK AVE MISSISSAUGA ON L4W 4L5		10,540.50
HLB System Solutions INC.	C-3, 291 Woodlawn Rd. West Guelph ON N1H 7L6		33,945.69
HORTON'S DAIRY INC.	1 HELENA STREET WINGHAM ON N0G 2W0		1,399.66
ICEE Canada Inc.	C/O T9625 TORONTO ON M5W 1P8		86,864.70
Indy, Sivapatham			250.00
IRON MOUNTAIN CANADA OPERATIONS ULC	P.O. BOX 3527 STATION A TORONTO, ON ON M5W 3G4		1,243.59

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

In the Matter of the Proposal of  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
J.D. McArthur Tire Services Inc.	BOX 247 OWEN SOUND ON N4K 5P3		12,063.28
Jaden Felipe, Francisco Manalo			250.00
Jagtar, Cheema			250.00
James, Green			250.00
JD SWEID FOODS	9696-199A STREET LANGLEY BC V1M 2X7		61,100.00
Jencor Limited	81 Todd Road Georgetown ON L7G 4R8		2,525.00
Joel, Cawas			250.00
Judy Wakefield			70,000.00
Judy, Wakefield			250.00
Kassem, Bechtawi			250.00
Keg Brands Inc	445 Apple Creek BLVD Suite 123 Markham ON L3R 9X7		31,832.90
Ken, Phu			250.00
Keri-Lyn, Bryck			250.00
KEVCO PACKAGING INC.	175 BOWOOD AVE TORONTO ON M4N 1Y7		3,711.48
KOMO PLANT BASED COMFORT FOODS INC.	127-1489 MARINE DR WEST VANCOUVER BC V7T 1B8		17,959.75

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 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
LENWORTH BUILDING SERVICES LTD	4141 SLADEVIEW CRESCENT MISSISSAUGA ON L5L 5T1		12,557.33
Leonardo, Bunag			250.00
LIGHT SPEED LOGISTICS INC.	122 CARMEK BLVD ROCKY VIEW AB T1X 1X1		27,600.00
LIMSON CANADA, LTD	P.O. BOX 1787 Grand Rapids ON 49501-1787		7,791.00
Lineage Logistics MVI Ltd	2050 RUE CHICOINE VAUDREUIL-DORION QC J7V 8P2		33,291.51
LOGISTICS ALLIANCE INC.	1 MARITIME ONTARIO BLVD BRAMPTON ON L6S 6G4		1,204.14
Manpreet, Kaur			250.00
Marinome, Mercado			250.00
Mark, Gacita			250.00
MARVELOUS MOO'S PREMIUM ICE CREAM	21 SYDNEY NS B1N 2J2		57,784.51
Mary, Mcloughlin			250.00
MATHEWS, DINSDALE & CLARK LLP	RBC Centre, Suite 3600 TORONTO ON M5V 3H1		58,596.40
Matthew, Smith			250.00
MAYA COFFEE SERVICES	405 QUEEN ST SOUTH BOLTON ON L7E 1H6		3,225.56
McEwan Partners	900-980 Howe St VANCOUVER BC V6Z 0C8		1,989.76

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

In the Matter of the Proposal of  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MERCANTI SPECIALITY FOODS INC.	175 NEBO ROAD - UNIT 1 HAMILTON ON L8W 2E1		3,026.60
Michael Wakefield			240,000.00
Michael, Stromme			250.00
Michael, Wakefield			250.00
MINI-DONUT EXPRESS INC.	2545 9TH LINE ROAD PO BOX 292 METCALFE OTTAWA ON K0A2P0		882.18
MISTER SAFETY SHOES INC.	2300 FINCH AVE. W. TORONTO ON M9M 2Y3		691.28
NATIONAL CLEANING TEAM LTD.	2051 WILLIAMS PARKWAY, UNIT #18 BRAMPTON ON L6S 5T3		11,262.32
Neale's Sweet N Nice Foods. Inc (SNN)	1288 RITSON RD N OSHAWA ON L1G 8B2		48,185.92
NESTLE CANADA INC.	P.O. BOX 7868 TORONTO ON M5W 2R2		102,616.18
NEW ALASKO L.P. / NOUVEAU ALASKO	6810 BOUL. DES GRANDES- PRAIRIES MONTREAL QC H1P 3P3		20,072.10
New Electric Enterprises Inc. (SPARK POWER)	1337 North Service Rd E Oakville ON L6H 1A7		1,666.77
Nichol, Harris			250.00
Nova Cold Logistics ULC	745 Intermodal Drive Brampton ON L6T 5W2		45,129.40
OCEAN TRAILER	9076 RIVER ROAD DELTA BC V4G 1B5		21,751.56
Olivia, Sinaj			250.00

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

In the Matter of the Proposal of  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Omwattie, Kumar			250.00
PREMIER REFRIGERATION SERVICES	59 WIGMORE DRIVE TORONTO ON M4A 2E6		26,084.56
PUROLATOR INC.	PO BOX 4800 CONCORD ON L4K 0K1		8,790.01
Quick Trans O/A 8273740 Canada Inc	8779 Tenth Line Norval ON L0P 1K0		2,918.10
Raymundo, Lapena			250.00
REEFER SALES & SERVICE	750 Intermodal Drive Brampton ON L6T 0B5		47,861.51
Ric, Coelho			250.00
RIGHTEOUS GELATO LTD.	110-221 19 ST E CALGARY AB T2E 7M2		104,134.95
Rodney, Mclean			250.00
Rogelio, Burdeos			250.00
Rommel, Sanson			250.00
RUSH TRUCK LEASING	7450 Torbram Road MISSISSAUGA ON L4T 1G9		6,269.51
Ryder Material Handling	210 Annagem Blvd. Mississauga ON L5T 2V5		37,091.34
Ryder Truck Rental Canada Ltd.	P.O. BOX 9464 Station A Toronto ON M5W 4E1		22,234.95
Sallyport Commercial Finance, LLC	2233 Argentia Road, East Tower, Suite 302 Mississauga ON L5N 2X7		2,392,002.00

District of:  
 Division No. -  
 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  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SCHWAN'S CONSUMER BRANDS INC.	8500 NORMANDALE LAKE BLVD BLOOMINGTON MN 55437 USA		4,273,024.16
Sensitech Canada Inc	PO Box 57954C STN A Toronto ON M5W5M5		4,898.79
Seva Nature Inc	275 ch Industrial Gatineau Gatineau QC J8R 3V8		2,560.00
SKYCOM SYSTEMS	93 McNab St East Elora ON N0B 1S0		904.72
SOLVIRA BUSINESS SOLUTION	19 NORTH SERVICE RD GRIMSBY ON L3M 4M4		14,305.30
SORRISA GROUP INC	932 THE EAST MALL ETOBICOKE ON M9B 6J9		108,550.34
ST. CLAIR ICE CREAM LIMITED	149 ROWNTREE DAIRY ROAD WOODBIDGE ON L4L 6E1		109,150.15
SUNRISE POULTRY PROCESSORS LTD.-paid thru VISA	199 HAMELIN STREET WINNIPEG MB R3T 0P2		9,377.20
SUPREME PACKAGING	425 Norfinch Drive Toronto ON M3N 1Y7		2,222.15
Suzanna, Masih			250.00
Tammy, Rose			250.00
Taylor McCaffrey LLP	2200-201 Portage Avenue Winnipeg MB R3B 3L3		13,144.89
TERRA COTTA FOODS LTD.	9 - 36 ARMSTRONG AVE GEORGETOWN ON L7G 4R9		36,519.00
THE ECONO-RACK GROUP(2015) INC.	1303 NORTH SERVICE ROAD EAST, UNIT 3 OAKVILLE ON L6H 1A7		28,052.50

District of:  
 Division No. -  
 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  
 BRR Logistics Limited  
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
THE MOCHI ICE CREAM COMPANY	5563 ALCOA AVENUE VERNON CA 90058-3730		275,682.05
THE NORTH TRUCKERS INC	6 LOST HOLLOW RD CALEDON ON L7C 4E5		4,500.00
THISTLE TRUCK AND TRAILER SERVICES LTD	1100 HAULTAIN COURT MISSISSAUGA ON L4W2T1		95,841.22
THISTLE TRUCK AND TRAILER SERVICES LTD	1100 HAULTAIN COURT MISSISSAUGA ON L4W2T1		425.00
TONY FERRUSI'S DAIRY PRODUCTS LTD.	470 MCCULLOUGH PARK DR. KINGSTON ON K7M 8K3		404.01
TOP GLACIERS INC.	9835 RUE SAINT-URBAIN MONTREAL QC H3L 2T3		471,858.23
Tracy, Graham			250.00
TRANSCOLD DISTRIBUTION LTD.	1460 CLIVEDEN AVE. W DELTA BC V3M 6L9		247,467.46
TRANSCOLD DISTRIBUTION LTD. (CONSOLIDATED)	1460 CLIVEDEN AVE. W DELTA BC V3M 6L9		659,486.29
TRANSIMEX GLOBAL CORP.	PO BOX 45036, KANATA SOUTH PO KANATA ON K2M 2Y1		321.60
TRANSX LTD.	2595 Inkster Blvd Winnipeg MB R2R 2W2		27,148.26
Tyler, Henderson			250.00
UNILEVER CANADA ICE CREAM - T11036C	PO BOX 11036 STN A TORONTO ON M5W 2G5		1,248,873.85
UNILEVER CANADA INC.	PO BOX 11036 STN A TORONTO ON M5W 2G5		333,051.02
VarStar Alliance	LockBox 235171 Po Box 85171 Chicago IL 60689-5171 USA		15,400.00




District of:  
Division No. -  
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  
BRR Logistics Limited  
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VERSACOLD LOGISTICS SERVICES	107 Walker Drive Brampton ON L6T 5K5		658,650.13
Wei, Yang			250.00
WOLFPACK PACKAGING INC.	402 MULOCK DRIVE, UNIT #4 NEWMARKET ON L3Y 9B8		1,151.19
YORK EXPRESS TRUCKING	105 SPRINGBROOK CREST MISSISSAUGA ON L5R 2L5		51,878.13
Yufeng, Lan			250.00
Zack, Sudar			250.00
<b>Total</b>			<b>14,786,623.91</b>

  
M. WAKEFIELD  
BRR Logistics Limited  
Insolvent Person

**Appendix B – Cash flow Forecast for the Period January 29, 2024 to June 28, 2024**

**BRR LOGISTICS LIMITED**  
**22-WEEK CASH FLOW FORECAST**

Week Ending	Notes	Week 1 02-Feb	Week 2 09-Feb	Week 3 16-Feb	Week 4 23-Feb	Week 5 01-Mar	Week 6 08-Mar	Week 7 15-Mar	Week 8 22-Mar	Week 9 29-Mar	Week 10 05-Apr	Week 11 12-Apr	Week 12 19-Apr
<b>Receipts</b>													
Accounts Receivable	1	-	-	-	-	-	220,292	225,968	126,167	126,167	-	-	-
Equipment Sales	2	-	-	-	-	-	-	-	-	500,000	-	-	-
GST/PST/HST Refunds	3	-	-	88,405	-	43,032	-	-	-	-	-	-	-
Inventory Sales	4	-	-	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	-
Other	5	-	-	62,538	62,538	62,538	62,538	25,302	25,302	25,302	25,302	25,302	-
<b>Total Receipts</b>		-	-	195,943	107,538	150,570	327,830	296,270	196,469	696,469	70,302	70,302	-
<b>Disbursements</b>													
Contractors (Drivers)	6	47,000	10,000	-	-	-	-	-	-	-	-	-	-
Fuel	7	15,000	15,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	-	-	-
Leases	8	-	-	4,513	-	-	-	2,628	-	-	-	-	-
Vehicles		-	-	4,513	-	-	-	2,628	-	-	-	-	-
Equipment		22,836	-	-	1,076	22,836	-	-	-	-	-	-	-
Insurance	9	12,688	-	-	-	12,688	-	-	-	-	12,688	-	-
Office and Administration	10	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	26,650	1,650	1,650
Payroll (including source deductions)	11	-	160,000	-	63,426	-	63,426	-	63,426	-	63,426	-	17,605
Rent	12	-	-	-	-	-	-	-	-	-	-	-	-
302-179 McDermot Avenue (Winnipeg)		3,570	-	-	-	-	-	-	-	-	-	-	-
Unit #2-107 Walker Drive (Brampton)		305,497	-	-	-	-	305,497	-	-	-	-	-	-
55 Fleming Drive, Suite 25 (Cambridge)		3,567	-	-	-	-	-	-	-	-	-	-	-
745 Intermodal Drive (Brampton)		9,023	-	-	-	-	-	-	-	-	-	-	-
Travel	13	1,000	1,500	1,000	1,500	1,000	1,500	1,000	1,500	-	-	-	-
Union Remittances	14	-	150	-	150	-	150	-	150	-	150	-	-
Utilities	15	13,971	12,264	28,208	9,946	8,271	6,564	22,508	9,946	8,271	864	16,808	4,246
Other (Vacation)	16	-	65,821	-	-	-	-	-	-	-	67,228	-	-
<b>Total Disbursements</b>		446,003	276,585	55,571	97,947	61,645	393,987	42,986	91,871	25,121	171,006	18,458	23,501
<b>Cash from Operations</b>		(446,003)	(276,585)	140,372	9,591	88,925	(66,156)	253,284	104,598	671,348	(100,704)	51,844	(23,501)
<b>Restructuring Costs</b>													
Interim / Financing Fees	17	-	-	-	-	-	-	-	-	-	-	-	-
Company Legal Fees	18	50,000	-	-	-	-	-	-	-	-	-	25,000	-
Trustee Fees	19	-	25,000	-	-	25,000	-	-	25,000	-	-	25,000	-
Trustee's Legal Fees	19	-	-	25,000	-	-	-	-	25,000	-	-	25,000	-
<b>Total Restructuring Costs</b>		50,000	25,000	25,000	-	25,000	-	-	50,000	-	-	75,000	-
<b>Net Cash Inflow/(Outflow)</b>		<b>(496,003)</b>	<b>(301,585)</b>	<b>115,372</b>	<b>9,591</b>	<b>63,925</b>	<b>(66,156)</b>	<b>253,284</b>	<b>54,598</b>	<b>671,348</b>	<b>(100,704)</b>	<b>(23,156)</b>	<b>(23,501)</b>
<b>Opening Bank Position</b>	20	<b>1,355,306</b>	<b>859,303</b>	<b>557,719</b>	<b>673,091</b>	<b>682,682</b>	<b>746,607</b>	<b>680,450</b>	<b>933,734</b>	<b>988,332</b>	<b>1,659,680</b>	<b>1,558,976</b>	<b>1,535,819</b>
Net Cash Inflow / (Outflow)		(496,003)	(301,585)	115,372	9,591	63,925	(66,156)	253,284	54,598	671,348	(100,704)	(23,156)	(23,501)
<b>Closing Bank Position</b>		<b>859,303</b>	<b>557,719</b>	<b>673,091</b>	<b>682,682</b>	<b>746,607</b>	<b>680,450</b>	<b>933,734</b>	<b>988,332</b>	<b>1,659,680</b>	<b>1,558,976</b>	<b>1,535,819</b>	<b>1,512,319</b>

*M Wakefield*

Michael Wakefield, President and CEO  
BRR Logistics Limited

This Cash Flow Forecast of BRR Logistics Limited was prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Licensed Insolvency Trustee's Report on the Cash Flow Forecast.

February 8, 2024

**BDO CANADA LIMITED**

In its capacity as Licensed Insolvency Trustee under the Notice of Intention to Make a Proposal of BRR Logistics Limited and not in its personal capacity.

Josie Parisi, CPA, CA, CBV, CIRP, LIT  
Senior Vice-President

*J. Parisi*

**BRR LOGISTICS LIMITED**  
**22-WEEK CASH FLOW FORECAST**

Week Ending	Notes	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Weeks
		13	14	15	16	17	18	19	20	21	22	1 to 22
		26-Apr	03-May	10-May	17-May	24-May	31-May	07-Jun	14-Jun	21-Jun	28-Jun	Total
<b>Receipts</b>												
Accounts Receivable	1	-	-	-	-	-	-	-	-	-	-	698,595
Equipment Sales	2	-	-	-	-	-	-	-	-	-	-	500,000
GST/PST/HST Refunds	3	-	-	-	-	-	-	-	-	-	-	131,437
Inventory Sales	4	-	-	-	-	-	-	-	-	-	-	405,000
Other	5	-	-	-	-	-	-	-	-	-	-	376,660
<b>Total Receipts</b>		-	-	-	-	-	-	-	-	-	-	2,111,692
<b>Disbursements</b>												
Contractors (Drivers)	6	-	-	-	-	-	-	-	-	-	-	57,000
Fuel	7	-	-	-	-	-	-	-	-	-	-	75,000
Leases	8	-	-	-	-	-	-	-	-	-	-	7,141
Vehicles		-	-	-	-	-	-	-	-	-	-	46,748
Equipment		-	-	-	-	-	-	-	-	-	-	38,065
Insurance	9	-	-	-	-	-	-	-	-	-	-	143,200
Office and Administration	10	1,650	1,650	1,650	1,650	-	-	-	-	-	-	492,927
Payroll (including source deductions)	11	-	17,605	-	17,605	-	8,803	-	8,803	-	8,803	3,570
Rent	12	-	-	-	-	-	-	-	-	-	-	610,994
302-179 McDermot Avenue (Winnipeg)		-	-	-	-	-	-	-	-	-	-	3,567
Unit #2-107 Walker Drive (Brampton)		-	-	-	-	-	-	-	-	-	-	9,023
55 Fleming Drive, Suite 25 (Cambridge)		-	-	-	-	-	-	-	-	-	-	10,000
745 Intermodal Drive (Brampton)		-	-	-	-	-	-	-	-	-	-	748
Travel	13	-	-	-	-	-	-	-	-	-	-	141,864
Union Remittances	14	-	-	-	-	-	-	-	-	-	-	133,049
Utilities	15	-	-	-	-	-	-	-	-	-	-	1,772,897
Other (Vacation)	16	-	-	-	-	-	-	-	-	-	-	1,772,897
<b>Total Disbursements</b>		1,650	19,255	1,650	19,255	-	8,803	-	8,803	-	8,803	1,772,897
<b>Cash from Operations</b>		(1,650)	(19,255)	(1,650)	(19,255)	-	(8,803)	-	(8,803)	-	(8,803)	338,795
<b>Restructuring Costs</b>												
Interim / Financing Fees	17	-	-	-	-	-	-	-	-	-	-	-
Company Legal Fees	18	-	-	-	-	-	-	-	-	-	-	75,000
Trustee Fees	19	-	-	-	-	40,000	-	-	-	-	-	140,000
Trustee's Legal Fees	19	-	-	-	-	-	-	-	-	-	-	75,000
<b>Total Restructuring Costs</b>		-	-	-	-	40,000	-	-	-	-	-	290,000
<b>Net Cash Inflow/(Outflow)</b>		<b>(1,650)</b>	<b>(19,255)</b>	<b>(1,650)</b>	<b>(19,255)</b>	<b>(40,000)</b>	<b>(8,803)</b>	<b>-</b>	<b>(8,803)</b>	<b>-</b>	<b>(8,803)</b>	<b>48,795</b>
<b>Opening Bank Position</b>	20	<b>1,512,319</b>	<b>1,510,669</b>	<b>1,491,414</b>	<b>1,489,764</b>	<b>1,470,509</b>	<b>1,430,509</b>	<b>1,421,706</b>	<b>1,421,706</b>	<b>1,412,904</b>	<b>1,412,904</b>	<b>1,355,306</b>
Net Cash Inflow / (Outflow)		(1,650)	(19,255)	(1,650)	(19,255)	(40,000)	(8,803)	-	(8,803)	-	(8,803)	48,795
<b>Closing Bank Position</b>		<b>1,510,669</b>	<b>1,491,414</b>	<b>1,489,764</b>	<b>1,470,509</b>	<b>1,430,509</b>	<b>1,421,706</b>	<b>1,421,706</b>	<b>1,412,904</b>	<b>1,412,904</b>	<b>1,404,101</b>	<b>1,404,101</b>

## NOTES AND ASSUMPTIONS

### Purpose and Disclaimer

The Cash Flow Forecast contemplates an orderly winddown of operations in order to maximize recoveries for all stakeholders. In preparing the Cash Flow Forecast, Management has relied on unaudited internal financial information and has not attempted to verify the accuracy or completeness of such information. The Cash Flow Forecast includes the assumptions detailed below with respect to the requirements and impact of a Notice of Intention to Make a Proposal (BIA) filing. Since the Cash Flow Forecast is based on assumptions about future events that are not ascertainable, the actual results achieved may vary, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates or forecasts will be realized.

- (1) BRR will continue to collect accounts receivable in the ordinary course, subsequent to Sally Port Commercial Finance ULC recovering amounts owed from the purchased accounts.
- (2) Estimated realizations based on the value equipment (\$400K) assessed by an independent financing company for trailers/reefers, plus an estimate for residual assets (\$100K).
- (3) Expected refunds for the months of Oct, Nov, and Dec. 2023 already filed/assessed by CRA. Jan, Feb, and Mar 2024 refunds have not been estimated and/or included in the forecast.
- (4) Inventory sales have been estimated based on "short sell" discounts and expected collections within no more than 14-day terms (ideally sold on COD basis).
- (5) Estimated warehousing collections from existing customers.
- (6) DSD deliveries scheduled to end Feb. 2, 2024, after which time inhouse driver will be utilized.
- (7) Estimated fuel for owned / leased vehicles to assist with the orderly winddown.
- (8) Forecast lease payments to assist with the orderly liquidation of inventory. One (1) cab and two (2) forklifts will be required with any leased vehicles not necessary being returned.
- (9) Ongoing insurance costs for the winddown period.
- (10) Estimated administrative expenses, inclusive of professional fees for final T2 tax preparation.
- (11) Assume operations wound down by March 30, 2024, and residual finance function wound up six (6) weeks thereafter.
- (12) Rental costs associated with occupancy during the winddown period.
- (13) Travel costs for Michael Wakefield to/from Ontario to facilitate the orderly winddown.
- (14) Ongoing union remittances.
- (15) Estimated utility costs during the winddown period.
- (16) Estimated vacation payout on termination.
- (17) It is not anticipated that any interim financing will be required.
- (18) Estimated legal fees.
- (19) Estimated professional fees associated with an NOI / proposal filing (and/or bankruptcy proceeding).
- (20) Opening bank balance as at January 31, 2024.

**Appendix C – Forecast to Actual Results for the Period January 29, 2024 to February 16, 2024**

**BRR LOGISTICS LIMITED**  
**3-WEEK FORECAST TO ACTUAL CASH FLOWS**

Week Ending	Notes	Forecast Week 1	Actual Week 1	Variance Week 1	Forecast Week 2	Actual Week 2	Variance Week 2	Forecast Week 3	Actual Week 3	Variance Week 3	Forecast Weeks 1 to 3 Total	Actual Week 1 to 3 Total	Variance Week 1 to 3 Total
		02-Feb	02-Feb	02-Feb	09-Feb	09-Feb	09-Feb	16-Feb	16-Feb	16-Feb			
<b>Receipts</b>													
Accounts Receivable	1	-	10,170	10,170	-	20,017	20,017	-	9,174	9,174	-	39,361	39,361
Transfers to Sallyport Commercial Finance ULC		-	-	-	-	(10,792)	(10,792)	-	(20,017)	(20,017)	-	(30,809)	(30,809)
Equipment Sales	2	-	-	-	-	-	-	-	2,000	2,000	-	2,000	2,000
GST/PST/HST Refunds	3	-	-	-	-	-	-	88,405	88,405	-	88,405	88,405	-
Inventory Sales	4	-	-	-	-	-	-	45,000	-	(45,000)	45,000	-	(45,000)
Other	5	-	-	-	-	-	-	62,538	-	(62,538)	62,538	-	(62,538)
<b>Total Receipts</b>		-	10,170	10,170	-	9,225	9,225	195,943	79,562	(116,381)	195,943	98,957	(96,986)
<b>Disbursements</b>													
Bank Fees		-	167	167	-	432	432	-	-	-	-	599	599
Contractors (Drivers)	6	47,000	-	(47,000)	10,000	5,838	(4,162)	-	-	-	57,000	5,838	(51,162)
Fuel	7	15,000	-	(15,000)	15,000	-	(15,000)	10,000	-	(10,000)	40,000	-	(40,000)
Insurance	9	12,688	-	(12,688)	-	-	-	-	-	-	12,688	-	(12,688)
Interest		-	-	-	-	-	-	-	11,172	11,172	-	11,172	-
Leases	8	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles		-	-	-	-	-	-	4,513	-	(4,513)	4,513	-	(4,513)
Equipment		22,836	22,836	-	-	-	-	4,350	4,350	-	22,836	27,186	4,350
Office and Administration	10	11,850	156	(11,694)	11,850	15	(11,835)	11,850	989	(10,861)	35,550	1,160	(34,390)
Payroll (including source deductions)	11	-	27,000	27,000	160,000	125,997	(34,003)	-	30,709	30,709	160,000	183,706	23,706
Rent	12	-	-	-	-	-	-	-	-	-	-	-	-
302-179 McDermot Avenue (Winnipeg)		3,570	3,570	-	-	-	-	-	-	-	3,570	3,570	-
Unit #2-107 Walker Drive (Brampton)		305,497	305,497	-	-	-	-	-	-	-	305,497	305,497	-
55 Fleming Drive, Suite 25 (Cambridge)		3,567	3,617	50	-	-	-	-	-	-	3,567	3,617	50
745 Intermodal Drive (Brampton)		9,023	9,026	3	-	-	-	-	-	-	9,023	9,026	3
Travel	13	1,000	-	(1,000)	1,500	-	(1,500)	1,000	-	(1,000)	3,500	-	(3,500)
Union Remittances	14	-	1,134	1,134	150	-	(150)	-	-	-	150	1,134	984
Utilities	15	13,971	2,939	(11,032)	12,264	3,825	(8,439)	28,208	1,536	(26,672)	54,443	8,300	(46,143)
WSIB		-	4,360	4,360	-	-	-	-	-	-	-	4,360	4,360
Other	16	-	-	-	65,821	-	(65,821)	-	-	-	65,821	-	(65,821)
<b>Total Disbursements</b>		446,003	380,302	(65,701)	276,585	136,108	(140,477)	55,571	48,756	(6,815)	778,158	565,165	(212,993)
<b>Cash from Operations</b>		(446,003)	(370,131)	75,871	(276,585)	(126,883)	149,702	140,372	30,806	(109,566)	(582,215)	(466,208)	116,007
<b>Restructuring Costs</b>													
Interim / Financing Fees	17	-	-	-	-	-	-	-	-	-	-	-	-
Company Legal Fees	18	50,000	50,000	-	-	-	-	-	-	-	50,000	50,000	-
Trustee Fees	19	-	-	-	25,000	-	(25,000)	-	24,145	24,145	25,000	24,145	(855)
Trustee's Legal Fees	19	-	-	-	-	-	-	25,000	-	(25,000)	25,000	-	(25,000)
<b>Total Restructuring Costs</b>		50,000	50,000	-	25,000	-	(25,000)	25,000	24,145	(855)	100,000	74,145	(25,855)
<b>Net Cash Inflow/(Outflow)</b>		(496,003)	(420,131)	75,871	(301,585)	(126,883)	174,702	115,372	6,661	(108,711)	(682,215)	(540,353)	141,862
<b>Opening Bank Position</b>	20	1,355,306	1,362,902		859,303	942,771		557,719	815,888		1,355,306	1,362,902	
Net Cash Inflow / (Outflow)		(496,003)	(420,131)		(301,585)	(126,883)		115,372	6,661		(682,215)	(540,353)	
<b>Closing Bank Position</b>		859,303	942,771		557,719	815,888		673,091	822,549		673,091	822,549	

**Appendix D – Cash Flow Forecast for the Period February 19, 2024 to June 28, 2024**



**BRR LOGISTICS LIMITED**  
**19-WEEK CASH FLOW FORECAST**

Week Ending	Notes	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week
		4	5	6	7	8	9	10	11	12	13	14	15
		23-Feb	01-Mar	08-Mar	15-Mar	22-Mar	29-Mar	05-Apr	12-Apr	19-Apr	26-Apr	03-May	10-May
<b>Receipts</b>													
Accounts Receivable	1	-	-	-	-	100,000	-	180,611	320,302	250,000	225,000	139,829	-
Equipment Sales	2	-	-	-	-	-	250,000	250,000	-	-	-	-	-
GST/PST/HST Refunds	3	17,757	-	-	-	-	-	-	-	-	35,000	-	-
Inventory Sales	4	-	-	-	-	-	-	45,000	45,000	-	-	-	-
Warehouse Rent	5	-	-	-	-	-	-	25,302	25,302	-	-	-	-
<b>Total Receipts</b>		<b>17,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>250,000</b>	<b>500,913</b>	<b>390,603</b>	<b>250,000</b>	<b>260,000</b>	<b>139,829</b>	<b>-</b>
<b>Disbursements</b>													
Contractors (Drivers)	6	3,500	3,500	3,500	3,500	3,500	3,500	-	-	-	-	-	-
Fuel	7	10,000	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-	-
GST/PST/HST Remittances	8	-	-	-	-	-	14,000	-	-	-	-	-	-
Leases	9	-	-	-	2,628	-	-	-	-	-	-	-	-
Vehicles		-	-	-	2,628	-	-	-	-	-	-	-	-
Equipment		1,076	25,436	-	-	-	-	-	-	-	-	-	-
Insurance	10	-	12,688	-	-	-	-	12,688	-	-	-	-	-
Office and Administration	11	11,850	11,850	11,850	11,850	11,850	11,850	26,650	1,650	1,650	1,650	1,650	1,650
Payroll (including source deductions)	12	125,556	-	59,735	-	59,735	-	126,963	-	17,605	-	17,605	-
Rent	13	-	-	305,497	-	-	-	-	-	-	-	-	-
Unit #2-107 Walker Drive (Brampton)		-	-	305,497	-	-	-	-	-	-	-	-	-
745 Intermodal Drive (Brampton)		-	9,023	-	-	-	-	-	-	-	-	-	-
Travel	14	1,500	1,000	1,500	1,000	1,500	-	-	-	-	-	-	-
Union Remittances	15	150	-	150	-	150	-	150	-	-	-	-	-
Utilities	16	9,946	8,271	6,564	22,508	9,946	8,271	864	16,808	4,246	-	-	-
Contingency	17	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	2,500	-	2,500	-
<b>Total Disbursements</b>		<b>168,577</b>	<b>81,768</b>	<b>398,796</b>	<b>51,486</b>	<b>96,680</b>	<b>47,621</b>	<b>172,315</b>	<b>18,458</b>	<b>26,001</b>	<b>1,650</b>	<b>21,755</b>	<b>1,650</b>
<b>Cash from Operations</b>		<b>(150,820)</b>	<b>(81,768)</b>	<b>(398,796)</b>	<b>(51,486)</b>	<b>3,320</b>	<b>202,379</b>	<b>328,598</b>	<b>372,145</b>	<b>223,999</b>	<b>258,350</b>	<b>118,074</b>	<b>(1,650)</b>
<b>Restructuring Costs</b>													
Interim / Financing Fees	18	-	-	-	-	-	-	-	-	-	-	-	-
Company Legal Fees	19	-	25,000	-	-	-	-	-	25,000	-	-	-	-
Trustee Fees	20	-	25,000	-	-	25,000	-	-	25,000	-	-	-	-
Trustee's Legal Fees	20	-	30,000	-	-	-	-	-	30,000	-	-	-	-
<b>Total Restructuring Costs</b>		<b>-</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Inflow/(Outflow)</b>		<b>(150,820)</b>	<b>(161,768)</b>	<b>(398,796)</b>	<b>(51,486)</b>	<b>(21,680)</b>	<b>202,379</b>	<b>328,598</b>	<b>292,145</b>	<b>223,999</b>	<b>258,350</b>	<b>118,074</b>	<b>(1,650)</b>
<b>Opening Bank Position</b>	21	<b>823,549</b>	<b>672,729</b>	<b>510,961</b>	<b>112,165</b>	<b>60,679</b>	<b>38,999</b>	<b>241,378</b>	<b>569,976</b>	<b>862,121</b>	<b>1,086,121</b>	<b>1,344,471</b>	<b>1,462,545</b>
Net Cash Inflow / (Outflow)		(150,820)	(161,768)	(398,796)	(51,486)	(21,680)	202,379	328,598	292,145	223,999	258,350	118,074	(1,650)
<b>Closing Bank Position</b>		<b>672,729</b>	<b>510,961</b>	<b>112,165</b>	<b>60,679</b>	<b>38,999</b>	<b>241,378</b>	<b>569,976</b>	<b>862,121</b>	<b>1,086,121</b>	<b>1,344,471</b>	<b>1,462,545</b>	<b>1,460,895</b>



Michael Wakefield, President and CEO  
BRR Logistics Limited

This Cash Flow Forecast of BRR Logistics Limited was prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Licensed Insolvency Trustee's Report on the Cash Flow Forecast.

February 22, 2024

**BDO CANADA LIMITED**

In its capacity as Licensed Insolvency Trustee under the Notice of Intention to Make a Proposal of BRR Logistics Limited and not in its personal capacity.



Josie Parisi, CPA, CA, CBV, CIRP, LIT  
Senior Vice-President

**BRR LOGISTICS LIMITED**  
**19-WEEK CASH FLOW FORECAST**

Week Ending	Notes	Week	Week	Week	Week	Week	Week	Week	Weeks
		16	17	18	19	20	21	22	4 to 22
		17-May	24-May	31-May	07-Jun	14-Jun	21-Jun	28-Jun	Total
<b>Receipts</b>									
Accounts Receivable	1	-	-	-	-	-	-	-	1,215,742
Equipment Sales	2	-	-	-	-	-	-	-	500,000
GST/PST/HST Refunds	3	-	-	-	-	-	-	-	52,757
Inventory Sales	4	-	-	-	-	-	-	-	90,000
Warehouse Rent	5	-	-	-	-	-	-	-	50,603
<b>Total Receipts</b>		-	-	-	-	-	-	-	1,909,102
<b>Disbursements</b>									
Contractors (Drivers)	6	-	-	-	-	-	-	-	21,000
Fuel	7	-	-	-	-	-	-	-	35,000
GST/PST/HST Remittances	8	-	-	-	-	-	-	-	14,000
Leases	9	-	-	-	-	-	-	-	
Vehicles		-	-	-	-	-	-	-	2,628
Equipment		-	-	-	-	-	-	-	26,512
Insurance	10	-	-	-	-	-	-	-	25,377
Office and Administration	11	1,650	-	-	-	-	-	-	107,650
Payroll (including source deductions)	12	17,605	-	8,803	-	8,803	-	8,803	451,212
Rent	13	-	-	-	-	-	-	-	
Unit #2-107 Walker Drive (Brampton)		-	-	-	-	-	-	-	305,497
745 Intermodal Drive (Brampton)		-	-	-	-	-	-	-	9,023
Travel	14	-	-	-	-	-	-	-	6,500
Union Remittances	15	-	-	-	-	-	-	-	599
Utilities	16	-	-	-	-	-	-	-	87,422
Contingency	17	2,500	-	2,500	-	2,500	-	2,500	50,000
<b>Total Disbursements</b>		21,755	-	11,303	-	11,303	-	11,303	1,142,419
<b>Cash from Operations</b>		(21,755)	-	(11,303)	-	(11,303)	-	(11,303)	766,683
<b>Restructuring Costs</b>									
Interim / Financing Fees	18	-	-	-	-	-	-	-	-
Company Legal Fees	19	-	-	-	-	-	-	-	50,000
Trustee Fees	20	-	40,000	-	-	-	-	-	115,000
Trustee's Legal Fees	20	-	-	-	-	-	-	-	60,000
<b>Total Restructuring Costs</b>		-	40,000	-	-	-	-	-	225,000
<b>Net Cash Inflow/(Outflow)</b>		(21,755)	(40,000)	(11,303)	-	(11,303)	-	(11,303)	541,683
<b>Opening Bank Position</b>	21	1,460,895	1,439,140	1,399,140	1,387,837	1,387,837	1,376,535	1,376,535	823,549
Net Cash Inflow / (Outflow)		(21,755)	(40,000)	(11,303)	-	(11,303)	-	(11,303)	541,683
<b>Closing Bank Position</b>		1,439,140	1,399,140	1,387,837	1,387,837	1,376,535	1,376,535	1,365,232	1,365,232

## NOTES AND ASSUMPTIONS

### Purpose and Disclaimer

The Cash Flow Forecast contemplates an orderly winddown of operations in order to maximize recoveries for all stakeholders. In preparing the Cash Flow Forecast, Management has relied on unaudited internal financial information and has not attempted to verify the accuracy or completeness of such information. The Cash Flow Forecast includes the assumptions detailed below with respect to the requirements and impact of a Notice of Intention to Make a Proposal (BIA) filing. Since the Cash Flow Forecast is based on assumptions about future events that are not ascertainable, the actual results achieved may vary, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates or forecasts will be realized.

- (1) BRR will continue to collect accounts receivable in the ordinary course, subsequent to Sally Port Commercial Finance ULC recovering amounts owed from the purchased accounts.
- (2) Estimated realizations based on the value equipment (\$400K) assessed by an independent financing company for trailers/reefers, plus an estimate for residual assets (\$100K).
- (3) Expected refunds for the months of Jan and Feb 2024.
- (4) Inventory sales have been estimated based on "short sell" discounts and expected collections within no more than 14-day terms (ideally sold on COD basis).
- (5) Estimated warehousing collections from existing customers.
- (6) One owner operator will be used to make warehouse deliveries and attend to pick ups.
- (7) Estimated fuel for owned / leased vehicles to assist with the orderly winddown.
- (8) Estimated HST remittance for the month of Feb 2024.
- (9) Forecast lease payments to assist with the orderly liquidation of inventory. Two (2) leased forklifts and three (3) rental forklifts will be required with any leased vehicles not necessary being returned.
- (10) Ongoing insurance costs for the winddown period.
- (11) Estimated administrative expenses, inclusive of professional fees for final T2 tax preparation.
- (12) Assume operations wound down by March 30, 2024, and residual finance function wound up six (6) weeks thereafter. Larger payroll expense in Week 4 and Week 10 as a result of vacation payouts for terminated employees.
- (13) Rental costs associated with occupancy during the winddown period.
- (14) Travel costs for Michael Wakefield to/from Ontario to facilitate the orderly winddown.
- (15) Ongoing union remittances.
- (16) Estimated utility costs during the winddown period.
- (17) Contingency for unforeseen expenditures.
- (18) It is not anticipated that any interim financing will be required.
- (19) Estimated legal fees.
- (20) Estimated professional fees associated with an NOI / proposal filing (and/or bankruptcy proceeding).
- (21) Opening bank balance as at February 19, 2024.

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C 1985, C.B-3, AS AMENDED**

District of Ontario  
Division No. 09 – Toronto  
Court No. 31-3038619  
Estate No. 31-3038619

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF BRR LOGISTICS LIMITED**

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

**Proceeding commenced at Toronto**

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**FIRST REPORT OF BDO CANADA LIMITED**

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as Proposal Trustee of BRR Logistics Limited