



April 9, 2024

**Third Report of  
KSV Restructuring Inc.  
as CCAA Monitor of Balboa Inc.,  
DSPLN Inc., Happy Gilmore Inc.,  
Interlude Inc., Multiville Inc.,  
The Pink Flamingo Inc.,  
Hometown Housing Inc.,  
The Mulligan Inc.,  
Horses In The Back Inc.,  
Neat Nests Inc. and  
Joint Captain Real Estate Inc.**

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COURT FILE NO.: CV-24-00713245-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY  
GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE  
PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE  
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS  
INC. AND JOINT CAPTAIN REAL ESTATE INC.**

**THIRD REPORT OF KSV RESTRUCTURING INC. AS  
MONITOR**

**APRIL 9, 2024**

## **1.0 Introduction**

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on January 23, 2024 (the "Initial Order"), Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "Applicants" and each an "Applicant") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and KSV Restructuring Inc. was appointed monitor of the Applicants (in such capacity, the "Monitor").
2. The Applicants together with certain non-Applicant related entities, including SIDRWC Inc. o/a SID Developments, SID Management Inc. and 2707793 Ontario Inc. o/a SID Renos, are part of a group of companies (collectively, the "Company") specializing in the acquisition, renovation and leasing of distressed residential real estate in undervalued markets throughout Ontario (the "Business").
3. The Applicants' principal purpose of these CCAA proceedings is to create a stabilized environment to enable the Applicants to preserve and maximize value for their stakeholders and provide the stability and liquidity necessary to complete value accretive renovations to their portfolio of residential homes (the "Portfolio") by securing debtor-in-possession ("DIP") financing, pursue a comprehensive refinancing or restructuring transaction and implement a consensual plan of compromise or arrangement while continuing operations in the ordinary course of business.

4. Pursuant to the Initial Order, the Court, among other things:
  - a) granted a stay of proceedings until February 2, 2024 (the “Stay Period”) in respect of the Applicants, the Monitor, the Business and the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Applicants’ Property”) and three of the Applicants’ directors and officers, being Aruba Butt, Dylan Suitor and Ryan Molony (the “Additional Stay Parties”);
  - b) appointed Chaitons LLP (“Chaitons”) as representative counsel (the “Secured Lender Representative Counsel”) to all of the Applicants’ secured creditors (the “Secured Lenders”) and unsecured promissory noteholders (the “Unsecured Lenders”) and approved a mechanism by which a committee of up to six parties would form a committee to instruct Secured Lender Representative Counsel (the “Secured Lender Representatives”); and
  - c) granted a charge (the “Administration Charge”) in the amount of \$750,000 on the Applicants’ Property to secure the fees and disbursements of the Monitor and its legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), the Applicants’ legal counsel, Bennett Jones LLP (“Bennett Jones”), and Secured Lender Representative Counsel.
5. On January 31, 2024, the Court granted an amended Initial Order which, among other things:
  - a) extended the Stay Period to February 16, 2024;
  - b) approved the Applicants’ ability to borrow under a DIP credit facility (the “DIP Facility”) pursuant to a DIP Agreement dated January 26, 2024 (the “DIP Agreement”) between the Applicants and Harbour Mortgage Corp. (the “DIP Lender”) and granted a charge in favour of the DIP Lender in the maximum amount of \$4 million (plus interest, fees and expenses) to secure the Applicants’ obligations under the DIP Agreement and DIP Facility (the “DIP Lender’s Charge”);
  - c) increased the maximum amount of the Administration Charge from \$750,000 to \$1 million; and
  - d) authorized the Applicants to pay certain amounts owing to suppliers for goods and services supplied to the Applicants prior to the date of the Initial Order, subject to the consent of the Monitor.
6. Pursuant to an Amended and Restated Initial Order granted on February 15, 2024 (the “ARIO”), the Court, among other things:
  - a) extended the Stay Period to March 28, 2024;
  - b) increased the maximum amount of the Administration Charge to \$1.5 million;
  - c) increased the maximum amount of the DIP Facility and the DIP Lender’s Charge to \$12 million (plus interest, fees and costs);

- d) amended the scope of Secured Lender Representative Counsel's mandate by removing the Unsecured Lenders such that the group of creditors represented by Secured Lender Representative Counsel includes only the Secured Lenders; and
  - e) directed and empowered the Monitor to (i) conduct an investigation into the use of funds borrowed by the Applicants, pre-filing transactions conducted by the Applicants and/or their principals and affiliates, and such other matters as may be requested by the Lender Representatives and agreed by the Monitor, in each case, to the extent such investigation relates to the Applicants' Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor (the "Investigation"), and (ii) report to the Secured Lender Representatives and the Court on the findings of such investigation as the Monitor deems necessary and appropriate.
7. Pursuant to a Second Amended and Restated Initial Order granted on March 28, 2024 (the "Second ARIO"), a copy of which is attached as Appendix "A", the Court, among other things:
- a) extended the Stay Period to April 30, 2024; and
  - b) appointed Goldman Sloan Nash & Harber LLP as representative counsel (the "Unsecured Lender Representative Counsel") to the Applicants' unsecured lenders other than (i) The Lion's Share Group Inc.<sup>1</sup> ("Lion's Share") and (ii) any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with, Lion's Share or its principal, Claire Drage.

## 1.1 Purposes of this Report

1. The purposes of this report ("Report") are to:
  - a) summarize developments in these proceedings since the granting of the Second ARIO;
  - b) detail the proposed sale, refinancing and investment solicitation process (the "SISP") to be carried out by the Monitor, supported by the SISP Advisors (as defined below) and in consultation with the Applicants, Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and The Fuller Landau Group Inc., in its capacity as Court-appointed receiver and licensed insolvency trustee of Lion's Share (the "Lion's Share Representative");
  - c) set out the basis on which it is proposed that Howards Capital Corp. ("HCC") and CBRE Limited ("CBRE" and jointly with HCC, the "SISP Advisors") be retained to support the Monitor to carry out the SISP;

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<sup>1</sup> On March 16, 2024, Lion's Share filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*. The Fuller Landau Group Inc. was appointed as proposal trustee. On April 3, 2024, Lion's Share was placed into receivership and bankruptcy proceedings. The Fuller Landau Group Inc. is the receiver and licensed insolvency trustee administering Lion's Share's receivership and bankruptcy proceedings.

- d) summarize the Applicants' cash flow forecast (the "Cash Flow Forecast") for the period April 6, 2024 to June 24, 2024 (the "Forecast Period");
- e) summarize the fees and disbursements of the Monitor and Cassels, from the commencement of the CCAA proceedings to and including March 31, 2024; and
- f) recommend that the Court issue an order (the "SISP Approval Order"), among other things:
  - approving the SISP, including the engagement of the SISP Advisors to assist the Monitor in carrying out the SISP;
  - extending the Stay Period from April 30, 2024 to June 24, 2024;
  - approving the fees and disbursements of the Monitor and Cassels for the period ended March 31, 2024; and
  - temporarily sealing the unredacted copy of the engagement letter between CBRE and the Applicants.

## 1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the unaudited financial information of the Applicants, the Applicants' books and records and discussions with representatives of the Applicants and their legal counsel.
2. KSV has not audited, or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

## 1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

## 2.0 Background

1. The Applicants are Canadian privately-held corporations that are the principal owners of the Company's rental units and the residential properties on which they are situated. The Applicants' corporate chart is attached as Appendix "B".

- The Applicants disclosed ownership in 405 residential properties (collectively, the “Properties”) containing 631 rental units, of which 424 are tenanted, as well as a non-operating golf course. The Properties are located in tertiary markets in Ontario, including Timmins, Sault Ste. Marie, Sudbury, Kirkland Lake, Capreol, Temiskaming Shores and Val Caron. A summary of the Properties disclosed by the Applicants is provided below.

Location	Number of Occupied Units	Number of Unoccupied Units	Total
Timmins	217	73	290
Sault Ste Marie	122	79	201
Sudbury	53	25	78
Other	32	30	62
<b>Total</b>	<b>424</b>	<b>207</b>	<b>631</b>

- The Applicants’ principal stakeholders are their first and second mortgagees, which are owed approximately \$81.5 million and \$8.6 million, respectively. The Applicants have advised the Monitor that they believe that the amount owing to the Unsecured Lenders is significantly less than the amount initially provided by Ms. Drage, being approximately \$54.2 million. The Applicants’ creditor listings reflect obligations owing to Lion’s Share totalling approximately \$39.2 million. Subject to Court approval at a subsequent hearing before the Court, a claims process will be required to ultimately determine the quantum of the Applicants’ secured and unsecured obligations.
- The Affidavits of Robert Clark sworn January 23, 2024 (the “First Clark Affidavit”), January 28, 2024 (the “Second Clark Affidavit”) March 24, 2024 (the “Third Clark Affidavit”) and March 27, 2024 (the “Fourth Clark Affidavit”, and together with the First Clark Affidavit, Second Clark Affidavit and Third Clark Affidavit, the “Clark Affidavits”) and KSV’s Pre-Filing Report dated January 23, 2024 (the “Pre-Filing Report”), First Report to Court dated January 29, 2024 (the “First Report”), Supplement to the First Report dated February 13, 2024 (the “Supplemental Report”) and Second Report to Court dated March 26, 2024 (the “Second Report”) each sets out detailed information with respect to the Applicants’ Business, property and creditor composition. The Monitor recommends that readers review the application materials filed in respect of the CCAA proceedings, including the Clark Affidavits and the Monitor’s reports, which are available on the Monitor’s website at the following link: <https://www.ksvadvisory.com/experience/case/sid> (the “Case Website”).

### 3.0 The Investigation

- The Second Report provided an update on the status of the Monitor’s Investigation. A copy of the Second Report, without appendices, is provided in Appendix “C”.
- Since the Second Report, the Monitor is continuing to receive and review information from the Applicants and its principals in response to its requests and Cassels, on the Monitor’s behalf, has sent requests to interview each of Dylan Suitor, Aruba Butt, Ryan Molony and Robert Clark under oath. Those interviews are presently being scheduled and are expected to take place, in person, in the coming weeks.
- Following the in-person interviews under oath, and the Monitor’s review of the responses that result therefrom, the Monitor intends to prepare a report which summarizes its findings on the Investigation.

## 4.0 SISP<sup>2</sup>

1. Since the granting of the Second ARIO, the Applicants, the Monitor, Secured Lender Representative Counsel and Unsecured Representative Counsel have been negotiating the terms of a SISP, including the selection of financial advisors to assist with the SISP. Those negotiations also involved the Lion's Share Representative and its counsel following its appointment on April 3, 2024.
2. The proposed SISP represents a consensual resolution of those discussions and reflects terms suggested by the Monitor, which considered and seeks to balance the interests of, and views expressed by, the Applicants, the Secured Lender Representatives, Unsecured Lender Representatives and the Lion's Share Representative.
3. This section summarizes the key provisions of the proposed SISP; however, interested parties are encouraged to review the SISP in its entirety. A copy of the proposed SISP (the "SISP Terms") is attached as Appendix "D" and as Schedule "A" to the proposed SISP Approval Order.
4. This SISP sets out the manner in which the Monitor, with the assistance of the SISP Advisors, and in consultation with the Applicants, the Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative, shall solicit non-binding letters of intent ("LOIs") for one or more refinancing, sale and/or other strategic investments or transactions involving the Applicants' Property or any part thereof from interested parties. Interested parties may submit LOIs for any subset of the Applicants' Property, whether or not it is specifically marketed by the applicable SISP Advisors.
5. The SISP shall be conducted in all respects by the Monitor, supported by and with the assistance of the SISP Advisors and in consultation with the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative.
6. The SISP contemplates a two-stage process that involves the submission by interested parties of non-binding LOIs in Phase 1 by June 10, 2024. The parameters for the submission and evaluation of binding offers in Phase 2 shall be determined and communicated to the applicable interested parties following the completion of Phase 1, as detailed below. The purpose of this two-phased approach, and the basis on which the terms of Phase 2 are not set at this time, is to maximize optionality and flexibility under the SISP, which will be better understood once the market is canvassed and Phase 1 non-binding LOIs are submitted and considered by the applicable parties.

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<sup>2</sup> Capitalized terms not otherwise defined in this section of the Report have the meanings provided to them in the SISP Terms.



7. The following table provides a summary of key process milestones and dates under the proposed SISP.

Milestone	Deadline
Potential Bidder List to be Submitted to the Monitor by the SISP Advisors	April 26, 2024
Virtual Data Room (“VDR”) to be established by the Monitor	April 28, 2024
Launch of the SISP	April 29, 2024
Phase 1 Bid Deadline	June 10, 2024
Phase 2 Milestones	TBD

8. The SISP milestones/timelines may be extended by the Monitor with the prior consent of the Applicants, in consultation with Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion’s Share Representative, or as may otherwise be ordered by the Court.

#### 4.1 Solicitation of Interest

1. The Monitor, through the SISP Advisors, will:
  - a) cause the SISP Advisors to each independently prepare and deliver to the Monitor a list of potential interested parties to solicit (the “Known Potential Bidders”), which shall include any parties suggested by the Monitor, the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel or the Lion’s Share Representative (collectively, the “Other Interested Parties”);
  - b) disseminate marketing materials and a process letter to all of the Known Potential Bidders and the Other Interested Parties to solicit interest from all of the Known Potential Bidders and Other Interested Parties with a view to entering into non-disclosure agreements with such parties (each an “NDA”);
  - c) provide each party that has executed the NDA (a “Potential Bidder”) with: (i) a confidential information memorandum; and (ii) access to the VDR; and
  - d) request that each Potential Bidder submit a non-binding LOI no later than 5:00 p.m. (Toronto time) on June 10, 2024 (the “LOI Deadline”).

#### 4.2 Phase 1 Bid Deadline

1. An LOI will be considered a “Qualified LOI” if it meets the requirements outlined in paragraph 12 of the SISP Terms. The Monitor, in consultation with the SISP Advisors and Applicants, may waive strict compliance with one or more of the requirements specified in the SISP Terms and deem any LOI to be a Qualified LOI.

2. Subsequent to the LOI Deadline, the Monitor will provide copies of all of the LOIs received to the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative, provided that the directors and officers of the Applicants (the "D&Os"), Secured Lender Representatives, Unsecured Lender Representatives and the Lion's Share Representative, respectively, have previously executed an NDA and have provided written confirmation that they will not directly or indirectly, acting individually or in concert, submit or actively participate as a bidder in an LOI or any other bid in the SISP. However, a Potential Bidder's proposed retention of the Applicants' existing management, 2707793 Ontario Inc. o/a SID Renos and/or SID Management Inc. or any of their directors or officers, as reflected within an LOI, any other bid in the SISP or otherwise, shall not constitute the D&Os' direct or indirect involvement in the submission of or participation as a bidder in such LOI or bid in the SISP and shall not disqualify the D&Os from receiving or reviewing copies of the LOIs or from being consulted with respect to the LOIs or the next steps to be taken in respect of any Qualified LOI. Similarly, participation as a Potential Bidder will not include a credit bid of no more than a Secured Lender's individual claim (including principal, interest and any other obligations owing to such Secured Lender), plus any amounts owing in priority thereto, submitted by such Secured Lender pursuant to the SISP Terms.

#### **4.2.1 Selection of Qualified LOIs**

1. The Monitor, the SISP Advisors, the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative (collectively, the "Reviewing Parties") shall review the LOIs received, and the Monitor in consultation with the SISP Advisors, the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative, shall determine which of the LOIs, if any, constitute Qualified LOIs.
2. The Reviewing Parties shall then discuss what next steps should be taken in respect of the Qualified LOIs received (if any). Such steps may include, among other things: (i) pursuing refinancing, sale or hybrid components of any Qualified LOI or collection of Qualified LOIs, including a recombination or reconstitution of subsets of the Applicants' Property which may create the best opportunity to maximize value for all stakeholders; (ii) coordinating the aggregation of certain or all of the Qualified Bids; (iii) remarketing certain or all of the Applicants' Property; (iv) engaging one or more local real estate agents or brokerages to assist in marketing and selling of certain or all of the Applicants' Property; (v) the parameters that will govern the submission of binding offers in Phase 2 of the SISP; and (vi) any auction procedures to be implemented in connection with Phase 2 of the SISP.
3. If no Qualified LOIs have been received or the Monitor determines that no Qualified LOIs are likely to result in a binding offer for the benefit of the Applicants and their stakeholders, the Monitor, with the prior consent of the Applicants or by order of the Court, may terminate the SISP and in such case shall advise all Potential Bidders that submitted an LOI by the LOI Deadline of such termination.
4. If the Reviewing Parties cannot agree on (i) whether the SISP should progress to Phase 2 or (ii) appropriate parameters for the submission and evaluation of binding offers in Phase 2, the Monitor shall forthwith bring a motion seeking the Court's advice and directions on same, which motion shall be served within 14 days following the LOI Deadline.

### 4.3 Miscellaneous

1. Any amendments to the SISP may only be made with the consent of all of the Reviewing Parties, or by further order of the Court.
2. Any Secured Lender of the Applicants, and the DIP Lender, each acting on its own behalf, shall have the right to credit bid their secured debt against the assets secured thereby up to the full face value of such Secured Lender's claims, including principal, interest and any other obligations owing to such Secured Lender; provided that any such secured lender shall be required to: (i) pay in full in cash any obligations of the Applicants in priority to its secured debt, including any obligations secured by the Charges and allocated to the applicable Property; and (ii) pay appropriate consideration for any assets of the Applicants which are contemplated to be acquired and that are not subject to such Secured Lender's security.

### 4.4 SISP Recommendation

1. The Monitor recommends that this Court grant the order approving the SISP for the following reasons:
  - a) the terms of the SISP were developed by the Monitor in consultation with the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative;
  - b) in the Monitor's view, the SISP is commercially reasonable and will provide for a wide canvassing of the market with a view to preserving optionality to pursue a sale, refinancing and/or investment transaction(s) which maximizes value for the Applicants and their stakeholders;
  - c) the duration of Phase 1 of the SISP is sufficient to allow Potential Bidders to undertake the due diligence necessary to submit non-binding LOIs and, based on the Cash Flow Forecast, the Applicants are projected to have sufficient funding to operate in the normal course for the duration of the proposed SISP timeline;
  - d) the SISP provides flexibility in respect of its deadlines if they need to be amended or extended by the Monitor, with the consent of the Applicants, in consultation with Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative;
  - e) the SISP has been designed to maximize flexibility to allow the Monitor, with the assistance and support of the SISP Advisors, to explore all sale and restructuring options, including a refinancing, sale or hybrid transaction. Preserving flexibility on transaction nature and structure is particularly critical in this context given the unique Portfolio held by the Applicants and the potential diversity of interests of their stakeholders;
  - f) the SISP Advisors were selected after reviewing proposals and interviewing five parties. They are both qualified to perform the mandate and have distinct roles within the SISP. HCC has intimate knowledge of the Applicants and their Portfolio and CBRE is a leading national real estate brokerage;

- g) the SISP will be carried out under the supervision of the Monitor to facilitate fairness and transparency in the process;
- h) the SISP is supported by the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative; and
- i) in the Monitor's view, the consultative rights provided to the Reviewing Parties are reasonable and appropriate in the circumstances.

## 5.0 SISP Advisors

1. With the assistance of the Monitor, the Applicants identified and solicited proposals from five potential advisors to serve as a SISP Advisor in these proceedings. Each proposal contained background information regarding each firm's experience and proposed fee structure. The Monitor and/or the Applicants interviewed each advisor to discuss the potential mandate.
2. The Monitor, Secured Lender Representative Counsel and Unsecured Lender Representative Counsel attended presentations, held virtually, by HCC and CBRE in respect of their proposals. Following its appointment, the Lion's Share Representative and its legal counsel also conducted videoconference meetings with HCC and CBRE.
3. The determination of the appropriate SISP Advisor(s) has been negotiated among the parties for the last several weeks. In this regard, the Monitor proposed a hybrid solution whereby HCC would act as SISP Advisor solely in respect of any refinancing of or other strategic investment in the Applicants' Property and CBRE would act as SISP Advisor solely in respect of any sale transaction(s) of the Applicants' Property.
4. The SISP Advisors are being proposed based on, *inter alia*:
  - a) HCC's familiarity with the Applicants and their Portfolio. HCC was initially retained by the Applicants in August 2023 to assist the Applicants to identify a comprehensive refinancing solution. HCC was also proposed to be appointed under the ARIO as the Applicants' financial advisor in these proceedings, which appointment never materialized; and
  - b) CBRE's national platform and reputation as a leading real estate brokerage.
5. On April 6, 2024, each of the Monitor, the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative agreed to the retention of HCC and CBRE to act jointly as the SISP Advisors, subject to their engagement terms being finalized.
6. Subject to Court approval, the Applicants will retain HCC and CBRE pursuant to agreements to be entered into with terms consistent with those described below, which agreements must be acceptable to the Monitor. It is the Applicants' intention to file those engagement letters with the Court prior to the return of the motion on April 12, 2024.

7. The fees payable to the SISP Advisors are summarized as follows:

- a) HCC is entitled to a work fee of \$30,000 per month (plus applicable taxes and excluding legal fees) (the “HCC Work Fee”) plus, only in the event of a refinancing of or other strategic investment in the Applicants’ Property, an amount equal to 1% of the financing/investment obtained or restructured indebtedness (the “HCC Success Fee”). The HCC Work Fee is to be credited against any HCC Success Fee. The Applicants shall also reimburse HCC for all reasonable documented out-of-pocket expenses incurred (plus applicable taxes), including in connection with consultants retained with the prior consent of the Applicants and the Monitor, provided such expenses are pre-approved by the Monitor; and
- b) CBRE is entitled to a total work fee of \$100,000 plus applicable taxes (the “CBRE Work Fee”) to cover out-of-pocket costs incurred by CBRE in reviewing, underwriting, marketing and negotiating the sale of property, plus in the event of a sale transaction(s) in respect of the Applicants’ Property, a performance-based commission, calculated as a percentage of the value of the property sold, as follows:

Value Range	Sale Transaction Fee
Full Portfolio Sale	0.75% of the gross sale price of the Portfolio
Individual Property	5% (or equivalent standard MLS fee per market)

In the event of a partial sale of the Portfolio, CBRE will be entitled to a variable percentage of the gross sale price, which percentage decreases as the gross sale proceeds increase. The CBRE Work Fee is to be credited against any commissions payable to CBRE.

8. The Monitor recommends that the Court approve the retention of the SISP Advisors for the following reasons:

- a) the retention of HCC and CBRE is the result of significant negotiation among the parties. The Monitor believes involving both parties for their respective role is a reasonable compromise which will enable a SISP to be initiated at this time and avoid the substantial cost and delay of a contested SISP approval motion;
- b) HCC’s prior mandate with the Applicants, in which it sourced term sheets referenced in the Applicants’ CCAA Application materials, makes it well positioned to assist to solicit refinancing proposals;
- c) CBRE is a leading national brokerage and is highly qualified to advise the Monitor on the solicitation of sale proposals for the Applicants’ Property;
- d) Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion’s Share Representative have each advised the Monitor of their support for the retention of the SISP Advisors subject to satisfactory engagement terms being finalized; and
- e) the SISP Advisors’ fees are reasonable in the circumstances and, importantly, both have agreed to credit their work fees against any success fees and/or commissions earned over the course of the mandate.

9. The Monitor understands that the Applicants seek to seal CBRE's variable sales fees, as will be set out in the CBRE engagement agreement. If this information was disclosed, the Monitor's ability to consummate a value-maximizing sale transaction in respect of a portion of the Portfolio could be prejudiced. The Monitor believes that maintaining the confidentiality of the CBRE variable sales fee will protect the integrity of the SISF, and given that information to be sealed is limited in scope and remain sealed subject to further order of the Court, the Monitor is supportive of the Applicants' request and believes it is appropriate in the circumstances.

## 6.0 Cash Flow Forecast

1. The Applicants have prepared the Cash Flow Forecast with the assistance of the Monitor. The Cash Flow Forecast and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "E".
2. A comparison between the Applicants' actual cash flow for the 10-week period ended April 5, 2024 and the cash flows previously filed with the Court is reflected in the table below.

(unaudited; C\$000s)	Actual	Projected <sup>3</sup>	Variance
Receipts			
Net rent collections	686	775	(88)
Miscellaneous receipts	8	-	8
Total Receipts	694	775	(81)
Disbursements			
Insurance	(414)	(147)	(267)
Property taxes	(413)	(219)	(194)
Other	(137)	(86)	(51)
Repairs & Maintenance	(219)	(179)	(40)
Utilities	-	(126)	126
Total Disbursements	(1,183)	(757)	(426)
Other Disbursements			
Property tax arrears	(2,389)	(2,234)	(155)
Professional fees	(1,509)	(2,924)	1,415
DIP Facility costs and interest	(494)	(490)	(4)
Pre-filing arrears <sup>4</sup>	(154)	(1,240)	1,086
Renovations	(144)	(2,760)	2,616
Total Other Disbursements	(4,690)	(9,648)	4,959
Net Cash Flow	(5,179)	(9,630)	4,452
Opening Cash Balance	(10)	-	(10)
Net Cash Flow	(5,179)	(9,630)	4,452
DIP Funding	6,133	9,000	(2,867)
Closing Cash Balance	945	(630)	1,575

<sup>3</sup> The projected column represents the combined projected results from the first cash flow filed with the Court which was appended to the First Report (eight-week period ending March 22), plus the second cash flow filed with the Court which was appended to the Second Report (two-week period ending April 5).

<sup>4</sup> The ARIO requires the Monitor's prior written consent for the Applicants to pay any pre-filing obligations and sets out specific criteria the Monitor is to consider before authorizing any pre-filing payments. The Monitor has not authorized any such payment of arrears owing to related parties.

3. As reflected in the table above, the Applicants have drawn approximately \$6.1 million of the \$12 million available under the DIP Facility. The Applicants were projected to have drawn approximately \$9 million to-date. Consistent with the trend reported in the Second Report, the favourable variances reflected above, including for renovations and professional fees, are largely expected to be timing differences. In respect of the delay in forecasted renovations, in accordance with the Second ARIO, the Monitor has been requesting and reviewing scope of work information, photos and other supporting documentation before providing its approval for the Applicants to incur renovation costs. Renovation activity has increased over the last few weeks, which will cause the Applicants to draw on the DIP Facility imminently, as reflected in the Cash Flow Forecast.
4. Subject to the underlying assumptions, the Cash Flow Forecast reflects that there is sufficient funding available to the Applicants to carry out the SISP in accordance with its proposed terms and timelines. Based on the Monitor's review of the Cash Flow Forecast, the underlying assumptions appear reasonable. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "F".

## 7.0 Stay Extension

1. The Stay Period currently expires on April 30, 2024. The Applicants are requesting an extension of the Stay Period until June 24, 2024, as well as an extension of the benefit of the stay of proceedings to the Additional Stay Parties and the Additional Stay Parties' Property (each as defined in the Second ARIO) for the remainder of the Stay Period.
2. Based on the information available to the Monitor at this time, the Monitor supports the extension request for the following reasons:
  - a) the Applicants are acting in good faith and with due diligence to advance these CCAA proceedings;
  - b) based on the Cash Flow Forecast, there is funding available under the DIP Facility to fund operations and the costs of these proceedings during the extension period;
  - c) an extension of the Stay Period will provide the time necessary for the SISP to be carried out through to a Phase 1 bid deadline, at which point the Monitor believes it is appropriate to return to Court with an update on the SISP to justify a further extension, if required; and
  - d) an extension should provide the Monitor with the time required to complete its Investigation, including to conduct interviews under oath of the Additional Stay Parties and Robert Clark and to prepare a report setting out the Monitor's findings and results of the Investigation.

## 8.0 Overview of the Monitor's Activities

1. The Monitor provided an update on its activities since its appointment in the Second Report. Since the date of the Second Report (March 26, 2024), the Monitor's activities have included, among other things:
  - developing and negotiating the terms of the SISF and engaging in discussions concerning the retention of the SISF Advisors with the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative;
  - engaging in discussions with the SISF Advisors and other potential financial advisors regarding their proposals and the financial terms of their prospective mandate;
  - conducting activities to further the Investigation, including preparing for the upcoming interviews of the Additional Stay Parties and Robert Clark;
  - arranging at the Applicants' request, and attending, virtual town hall meetings<sup>5</sup> convened by the Applicants with the Secured Lenders and Unsecured Lenders on April 1, 2024 and April 2, 2024, respectively;
  - assisting the Applicants to prepare the Cash Flow Forecast;
  - monitoring the Applicants' receipts and disbursements in accordance with the Second ARIO and dealing on a daily basis with the Applicants on cash management issues;
  - reviewing and commenting on Court materials filed for this motion;
  - drafting this Report; and
  - corresponding extensively with the Applicants, Secured Lender Representative Counsel, Unsecured Lender Representative Counsel and the Lion's Share Representative, as well as with individual secured and unsecured lenders, on all matters in these proceedings.

## 9.0 Professional Fees

1. The fees (excluding disbursements and HST) of the Monitor<sup>6</sup> and Cassels to March 31, 2024 total \$517,837 and \$679,604, respectively.
2. The average hourly rates for KSV and Cassels for the referenced billing periods were \$572.29 and \$974.48, respectively.

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<sup>5</sup> The Applicants have advised that they intend to convene virtual townhall meetings with their Secured and Unsecured Lenders on a weekly basis. The Monitor considered the cost/benefit of its participation in these meetings and advised the Applicants that the Monitor and its counsel will not be attending such weekly meetings convened by the Applicants.

<sup>6</sup> The Monitor's invoice for the month of January includes time incurred prior to the CCAA Application assisting the Applicants to prepare for the filing, including time incurred to draft the Pre-Filing Report, assist in negotiations of the DIP Facility and prepare the initial cash flow forecast filed with the Court.



3. Redacted invoices in respect of the fees and disbursements of the Monitor and Cassels are provided in appendices to the affidavits (together, the "Fee Affidavits") filed by KSV and Cassels, which Fee Affidavits attached as Appendices "G" and "H", respectively.
4. As set out in the invoices attached to the Fee Affidavits, the fees of the Monitor and Cassels for the referenced billing periods include those incurred to perform the aforementioned activities.
5. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Cassels' billings reflect work performed consistent with the Monitor's instructions, and that the overall fees charged by Cassels and the Monitor are reasonable and appropriate in the circumstances.

## 10.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court make the SISP Approval Order.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR  
OF BALBOA INC., DSPLN INC.,  
HAPPY GILMORE INC., INTERLUDE INC.,  
MULTIVILLE INC., THE PINK FLAMINGO INC.,  
HOMETOWN HOUSING INC., THE MULLIGAN INC.,  
HORSES IN THE BACK INC., NEAT NESTS INC.  
AND JOINT CAPTAIN REAL ESTATE INC.  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

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

THE HONOURABLE ) THURSDAY, THE 28<sup>TH</sup>  
 )  
JUSTICE KIMMEL ) DAY OF MARCH, 2024  
 )

**IN THE MATTER OF THE *COMPANIES' CREDITORS***  
***ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR**  
**ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY**  
**GILMORE INC., INTERLUDE INC., MULTIVILLE INC.,**  
**THE PINK FLAMINGO INC., HOMETOWN HOUSING**  
**INC., THE MULLIGAN INC., HORSES IN THE BACK INC.,**  
**NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE**  
**INC. (collectively the "Applicants", and each an "Applicant")**

**SECOND AMENDED AND RESTATED INITIAL ORDER**  
**(Amending Initial Order Dated January 23, 2024, as Amended and Restated on February**  
**15, 2024)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for a Second Amended and Restated Initial Order was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavits of Robert Clark sworn January 23, 2024 and the Exhibits thereto, January 28, 2024 and the Exhibits thereto (the "**First Clark Affidavit**"), March 24, 2024 and the Exhibits thereto, and March 27, 2024 and the Exhibits thereto, the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated January 23, 2024, the First Report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated January 29, 2024, the Supplement to the First Report of the Monitor dated February 13, 2024, the Second Report of the Monitor dated March 26, 2024, the Amended Initial Order of this Court dated January 31, 2024, and the Amended and Restated Initial Order of this Court dated February 15, 2024, and on being advised that the secured creditors who are likely to

be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, the Secured Lender Representative Counsel (as defined below), the Unsecured Lender Representative Counsel (as defined below), counsel to the DIP Lender (as defined below), and such other counsel that were present, no else appearing although duly served as appears from the affidavits of service of Joshua Foster, filed, and on reading the consent of KSV to act as the Monitor,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined shall have the meaning ascribed to them in the First Clark Affidavit.

3. **THIS COURT ORDERS** that, with the exception of paragraphs 30-38, references in this Order to the "date of this Order", the "date hereof" or similar phrases refer to the date the Initial Order of this Court was granted in these proceedings, being January 23, 2024 (the "**Initial Order**").

### **APPLICATION**

4. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

### **PLAN OF ARRANGEMENT**

5. **THIS COURT ORDERS** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with the Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

### **POSSESSION OF PROPERTY AND OPERATIONS**

6. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature

and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement and the Definitive Documents (each as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order with the prior written consent of the Monitor, in consultation with the Secured Lender Representatives (as defined below):

- (a) all outstanding and future wages, salaries, commissions, employee and pension benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses;
- (b) amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address environmental or regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of this Order, including pursuant to the terms of this Order; and

- (c) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Agreement and the Definitive Documents, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, in each case, with the prior written consent of the Monitor, in consultation with the Secured Lender Representatives, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

10. **THIS COURT ORDERS** that, except as specifically permitted herein and in the DIP Agreement and the Definitive Documents, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

11. **THIS COURT ORDERS** that notwithstanding any other provision of this Order and for greater certainty, the Applicants shall not make any payments or incur any liabilities, including without limitation drawing on the credit facility provided under the DIP Agreement, without the prior written consent of the Monitor.

## **RESTRUCTURING**

12. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement and the Definitive Documents, have the right to:

- (a) dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,500,000 in the aggregate, in each case, with the prior written consent of the Monitor; and
- (b) pursue all avenues of refinancing, restructuring, selling or reorganizing its Business or Property, in whole or part, with the oversight and involvement of the Monitor and subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

**NO PROCEEDINGS AGAINST THE APPLICANTS, THE BUSINESS OR THE PROPERTY**

13. **THIS COURT ORDERS** that until and including April 30, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

14. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "**Additional Stay Parties**"), or against or in respect of any of the Additional Stay Parties' current or future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (collectively, the "**Additional Stay Parties' Property**") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities and claims of and against any of the Applicants (collectively, the "**Related Claims**"), except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Additional Stay Parties or the Additional Stay Parties' Property in respect of the Related Claims are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

15. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of the Additional Stay Parties or the Additional



Stay Parties' Property in respect of the Related Claims that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll and benefit services, accounting services, temporary labour and staffing services, warehouse and logistics services, security services, insurance, transportation services, maintenance services, construction services, utility or other services to the Business or

any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **NO PRE-FILING VERSUS POST-FILING SET-OFF**

20. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that (i) are or may become due to any of the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from any of the Applicants in respect of obligations arising on or after the date of this Order, or (ii) are or may become due from any of the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to any of the Applicants in respect of obligations arising on or after the date of this Order, in each case without the prior written consent of the applicable Applicant and the Monitor or further Order of this Court.

#### **APPOINTMENT OF SECURED LENDER REPRESENTATIVE COUNSEL**

21. **THIS COURT ORDERS** that Chaitons LLP (the "**Secured Lender Representative Counsel**") is hereby appointed as representative counsel for all of the secured lenders of the

Applicants (collectively, the "**Secured Lenders**"), including, without limitation, all of the Secured Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in these proceedings, any proceeding under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") or in any other proceeding respecting the insolvency of the Applicants that may be brought before this Court (collectively, the "**Insolvency Proceedings**"), for any issues affecting the Secured Lenders in the Insolvency Proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Secured Lenders.

22. **THIS COURT ORDERS** that the Secured Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Secured Lenders to be nominated as Court-appointed representatives (collectively, the "**Secured Lender Representatives**") as soon as practicable following the date hereof. The Secured Lender Representatives, if and once appointed, shall represent the Secured Lenders other than any Secured Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Secured Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Secured Lenders in the Insolvency Proceedings. The Secured Lender Representative Counsel may rely upon the advice, information and instructions received from the Secured Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Secured Lenders, except as may be recommended by the Secured Lender Representative Counsel or ordered by this Court.

23. **THIS COURT ORDERS** that, with the exception of any Secured Opt-Out Lender, (i) the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, shall represent all of the Secured Lenders in the Insolvency Proceedings, and (ii) the Secured Lenders shall be bound by the actions of the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, in the Insolvency Proceedings.

24. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and Lift Capital Incorporated shall provide the following information to the Secured Lender Representative Counsel (collectively, the "**Secured Lender Information**"), in each case, without charge: (i) the

names, last known address, last known email addresses (if any) and entitlements of all of the Secured Lenders (excluding any Secured Opt-Out Lender that has delivered a Secured Opt-Out Notice (as defined below) prior to the delivery of the Secured Lender Information), in each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated, to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Secured Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Secured Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated. In providing the Secured Lender Information, these parties are not required to obtain the express consent of any Secured Lender authorizing the disclosure of the Secured Lender Information to the Secured Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended (the "PIPEDA") each of these parties is authorized and permitted to disclose the Secured Lender Information to the Secured Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Secured Lenders.

25. **THIS COURT ORDERS** that notice of the appointment of Secured Lender Representative Counsel shall be provided by: (i) the Secured Lender Representative Counsel sending a letter to the Secured Lenders at the addresses provided pursuant to paragraph 24 of this Order, advising of such appointment as soon as practicable following the date hereof; (ii) the inclusion of the details of such appointment in the CCAA Notice (as defined below); and (iii) the posting of notice of such appointment on the Monitor's Website (as defined below).

26. **THIS COURT ORDERS** that any Secured Lender who does not wish to be represented by the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Secured Lender Representative Counsel in writing that such Secured Lender is opting out of representation by the Secured Lender Representative Counsel and the Secured Lender Representatives, if any, by delivering to the Monitor and the Secured Lender Representative Counsel an opt-out notice in the form attached as Schedule "A" hereto (each, a "**Secured Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Secured Lender Representative Counsel or the Secured Lender Representatives, if any, and shall represent itself

or themselves, as the case may be, or be represented by any counsel that such Secured Lender may retain at its or their, as the case may be, sole expense (each such Secured Lender that delivers a Secured Opt-Out Notice in compliance with the terms of this paragraph, a "**Secured Opt-Out Lender**"). The Monitor shall deliver copies of all Secured Opt-Out Notices received to the Applicants as soon as reasonably practicable.

27. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Secured Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Secured Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

28. **THIS COURT ORDERS** that no action or Proceeding may be commenced against the Secured Lender Representative Counsel or the Secured Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Secured Lender Representative Counsel or the Secured Lender Representatives, as applicable, the Applicants and the Monitor.

29. **THIS COURT ORDERS** that the Secured Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Secured Lender Representative Counsel and the Secured Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

#### **APPOINTMENT OF UNSECURED LENDER REPRESENTATIVE COUNSEL**

30. **THIS COURT ORDERS** that Goldman Sloan Nash & Harber LLP (the "**Unsecured Lender Representative Counsel**") is hereby appointed as representative counsel for all of the unsecured lenders of the Applicants other than (i) The Lion's Share Group Inc. and (ii) any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with, The Lion's Share Group Inc. or its principal, Claire Drage (collectively, the

"Unsecured Lenders"), including, without limitation, all of the Unsecured Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in the Insolvency Proceedings, for any issues affecting the Unsecured Lenders in the Insolvency Proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Unsecured Lenders.

31. **THIS COURT ORDERS** that the Unsecured Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Unsecured Lenders to be nominated as Court-appointed representatives (collectively, the "**Unsecured Lender Representatives**") as soon as practicable following the date hereof. The Unsecured Lender Representatives, if and once appointed, shall represent the Unsecured Lenders other than any Unsecured Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Unsecured Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Unsecured Lenders in the Insolvency Proceedings. The Unsecured Lender Representative Counsel may rely upon the advice, information and instructions received from the Unsecured Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Unsecured Lenders, except as may be recommended by the Unsecured Lender Representative Counsel or ordered by this Court.

32. **THIS COURT ORDERS** that, with the exception of any Unsecured Opt-Out Lender, (i) the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, shall represent all of the Unsecured Lenders in the Insolvency Proceedings, and (ii) the Unsecured Lenders shall be bound by the actions of the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, in the Insolvency Proceedings.

33. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and The Lion's Share Group Inc. shall provide the following information to the Unsecured Lender Representative Counsel (collectively, the "**Unsecured Lender Information**"), in each case, without charge: (i) the names, last known address, last known email addresses (if any) and entitlements of all of the Unsecured Lenders (excluding any Unsecured Opt-Out Lender that has delivered an Unsecured Opt-Out Notice (as defined below) prior to the delivery of the Unsecured Lender Information), in

each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or The Lion's Share Group Inc., to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Unsecured Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Unsecured Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or The Lion's Share Group Inc. In providing the Unsecured Lender Information, these parties are not required to obtain the express consent of any Unsecured Lender authorizing the disclosure of the Unsecured Lender Information to the Unsecured Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the PIPEDA, each of these parties is authorized and permitted to disclose the Unsecured Lender Information to the Unsecured Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Unsecured Lenders.

34. **THIS COURT ORDERS** that notice of the appointment of Unsecured Lender Representative Counsel shall be provided by: (i) the Unsecured Lender Representative Counsel sending a letter to the Unsecured Lenders at the addresses provided pursuant to paragraph 33 of this Order, advising of such appointment as soon as practicable following the date hereof; and (ii) the posting of notice of such appointment on the Monitor's Website.

35. **THIS COURT ORDERS** that any Unsecured Lender who does not wish to be represented by the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Unsecured Lender Representative Counsel in writing that such Unsecured Lender is opting out of representation by the Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, by delivering to the Monitor and the Unsecured Lender Representative Counsel an opt-out notice in the form attached as Schedule "B" hereto (each, an "**Unsecured Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, if any, and shall represent itself or themselves, as the case may be, or be represented by any counsel that such Unsecured Lender may retain at its or their, as the case may be, sole expense (each such Unsecured Lender that delivers an Unsecured Opt-Out Notice in compliance with the terms of this paragraph, an "**Unsecured Opt-Out Lender**"). The Monitor

shall deliver copies of all Unsecured Opt-Out Notices received to the Applicants as soon as reasonably practicable.

36. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Unsecured Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Unsecured Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

37. **THIS COURT ORDERS** that no action or Proceeding may be commenced against the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Unsecured Lender Representative Counsel or the Unsecured Lender Representatives, as applicable, the Applicants and the Monitor.

38. **THIS COURT ORDERS** that the Unsecured Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Unsecured Lender Representative Counsel and the Unsecured Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

39. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.



## **APPOINTMENT OF MONITOR**

40. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

41. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court, the Secured Lender Representatives and/or the Unsecured Lender Representatives at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) liaise and consult with the Applicants, the Secured Lender Representatives and/or the Unsecured Lender Representatives, to the extent required, with respect to all matters relating to the Property, the Business, the Restructuring, and such other matters as may be relevant to these proceedings;
- (d) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender, which may be used in these proceedings including reporting on a basis as agreed with the DIP Lender;
- (e) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed

with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed with the DIP Lender;

- (f) monitor all payments, obligations and transfers as between the Applicants and parties related thereto;
- (g) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (h) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (i) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Business and financial affairs or to perform its duties arising under this Order;
- (j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (k) (i) conduct an investigation into the use of funds borrowed by the Applicants, pre-filing transactions conducted by the Applicants and/or their principals and affiliates, and such other matters as may be requested by the Secured Lender Representatives and agreed by the Monitor, in each case, to the extent such investigation relates to the Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor, and (ii) report to the Secured Lender Representatives, the Unsecured Lender Representatives and the Court on the findings of such investigation as the Monitor deems necessary and appropriate; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

42. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

43. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act*, and regulations thereunder (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

44. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

45. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees, advisors and other representatives acting in such capacities shall incur any liability or obligation

as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

46. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings on a bi-weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Monitor, and counsel to the Applicants are hereby authorized to maintain their respective retainers, if any, provided by the Applicants prior to the commencement of these proceedings, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

47. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

48. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicants' counsel, the Secured Lender Representative Counsel and the Unsecured Lender Representative Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 55 and 57 hereof.

#### **DIP FINANCING**

49. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Harbour Mortgage Corp. or its permitted assignee (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other

general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed \$12,000,000, plus interest, fees and expenses, unless permitted by further Order of this Court.

50. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP agreement between the Applicants and the DIP Lender dated as of January 26, 2024 and attached to the First Clark Affidavit as Exhibit "F" (as may be amended and/or assigned from time to time, the "**DIP Agreement**").

51. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

52. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$12,000,000, plus interest, fees and expenses, unless permitted by further Order of this Court, or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 55 and 57 hereof.

53. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven (7) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement,

Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

54. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the DIP Agreement and the Definitive Documents.

#### **VALIDITY AND PRIORITY OF THE CHARGES CREATED BY THIS ORDER**

55. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,500,000); and

Second – DIP Lender's Charge (to the maximum amount of \$12,000,000, plus interest, fees and expenses).

56. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

57. **THIS COURT ORDERS** that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other

security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

58. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any of the Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

59. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

60. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a charge in the applicable Applicant's interest in such real property lease.

### **SERVICE AND NOTICE**

61. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA (the "**CCAA Notice**"); and (ii) within ten (10) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

62. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksv advisory.com/experience/case/sid> (the "**Monitor's Website**").



63. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Applicants, the Monitor, and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown in the books and records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

64. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

65. **THIS COURT ORDERS** that any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these proceedings shall, subject to further order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Eastern Time) on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

#### **GENERAL**

66. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on not less than seven (7)

business days' notice to the Service List and any other party or parties likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 55 and 57 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

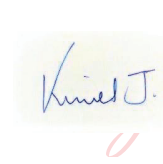
67. **THIS COURT ORDERS** that, notwithstanding paragraph 66 of this Order, each of the Applicants, the Monitor, the Secured Lender Representative Counsel or the Unsecured Lender Representative Counsel may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

68. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

69. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

70. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

71. **THIS COURT ORDERS** that the Initial Order, as amended and restated on February 15, 2024, is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

 Digitally signed  
by Jessica  
Kimmel  
Date: 2024.03.28  
15:13:50 -04'00'

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**SCHEDULE "A"**  
**FORM OF SECURED LENDER OPT-OUT NOTICE**

To: Chaitons LLP, in its capacity as  
Court-appointed Lender  
Representative Counsel  
5000 Yonge Street, 10<sup>th</sup> Floor  
North York, ON M2N 7E9  
Attention: George Benchetrit  
Email: [george@chaitons.com](mailto:george@chaitons.com)

KSV Restructuring Inc., in its capacity as  
Court-appointed Monitor  
220 Bay Street, 13th Floor  
Toronto, ON M5J 2W4  
Attention: Christian Vit  
Email: [cvit@ksvadvisory.com](mailto:cvit@ksvadvisory.com)

with a copy to:

Bennett Jones LLP  
Applicants' Counsel  
3400 One First Canadian Place  
Toronto, ON M5X 1A4  
Attention: Joshua Foster  
Email: [fosterj@bennettjones.com](mailto:fosterj@bennettjones.com)

with a copy to:

Cassels Brock & Blackwell LLP  
Monitor's Counsel  
Suite 3200, Bay Adelaide Centre – North  
Tower  
40 Temperance Street  
Toronto, ON M5H 0B4  
Attention: Ryan Jacobs and Joseph Bellissimo  
Email:  
[rjacobs@cassels.com](mailto:rjacobs@cassels.com)/[jbello@bellissimo.com](mailto:jbello@bellissimo.com)

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Chaitons LLP, representative counsel (the "**Lender Representative Counsel**") for all of the secured lenders of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

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Witness

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Signature of Opt-Out Lender or its  
authorized representative

Name of individual or authorized  
representative of the Opt-Out Lender:

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Name of Opt-Out Lender  
(if not a natural person):

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Address:

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Telephone:

**TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE  
ABOVE ADDRESS ON OR BEFORE FEBRUARY 22, 2024.**

**SCHEDULE "B"**  
**FORM OF UNSECURED LENDER OPT-OUT NOTICE**

To: Goldman Sloan Nash & Harber LLP, KSV Restructuring Inc., in its capacity as  
in its capacity as Court-appointed Court-appointed Monitor  
Lender Representative Counsel 220 Bay Street, 13th Floor  
480 University Ave, Suite 1600 Toronto, ON M5J 2W4  
Toronto, ON M5G 1V6 Attention: Christian Vit  
Attention: Mario Forte Email: cvit@ksvadvisory.com  
Email: forte@gsnh.com

with a copy to:

Bennett Jones LLP  
Applicants' Counsel  
3400 One First Canadian Place  
Toronto, ON M5X 1A4  
Attention: Joshua Foster  
Email: fosterj@bennettjones.com

with a copy to:

Cassels Brock & Blackwell LLP  
Monitor's Counsel  
Suite 3200, Bay Adelaide Centre – North  
Tower  
40 Temperance Street  
Toronto, ON M5H 0B4  
Attention: Ryan Jacobs and Joseph Bellissimo  
Email:  
rjacobs@cassels.com/jbellissimo@cassels.com

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Goldman Sloan Nash & Harber LLP, representative counsel (the "**Lender Representative Counsel**") for certain of the unsecured lenders of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Opt-Out Lender or its  
authorized representative

Name of individual or authorized  
representative of the Opt-Out Lender:

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Name of Opt-Out Lender  
(if not a natural person):

---

Address:

---

---

Telephone:

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**TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE  
ABOVE ADDRESS ON OR BEFORE APRIL 27, 2024.**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA  
INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE  
PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN  
THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.**

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

Proceeding commenced at Toronto

**SECOND AMENDED AND RESTATED  
INITIAL ORDER**

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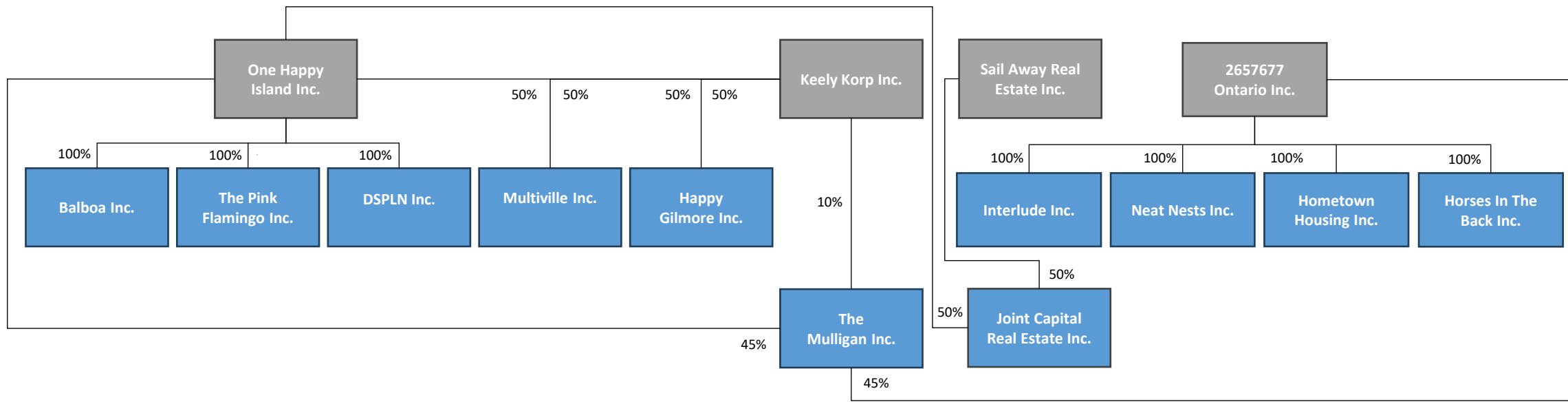
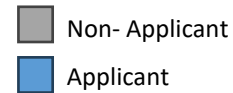
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Lawyers for the Applicants



## **Appendix “B”**



## **Appendix “C”**



March 26, 2024

**Second Report of  
KSV Restructuring Inc.  
as CCAA Monitor of Balboa Inc.,  
DSPLN Inc., Happy Gilmore Inc.,  
Interlude Inc., Multiville Inc.,  
The Pink Flamingo Inc.,  
Hometown Housing Inc.,  
The Mulligan Inc.,  
Horses In The Back Inc.,  
Neat Nests Inc. and  
Joint Captain Real Estate Inc.**

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COURT FILE NO.: CV-24-00713245-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY  
GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE  
PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE  
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS  
INC. AND JOINT CAPTAIN REAL ESTATE INC.**

**SECOND REPORT OF KSV RESTRUCTURING INC. AS  
MONITOR**

**MARCH 26, 2024**

## **1.0 Introduction**

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on January 23, 2024 (the "Initial Order"), Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "Applicants" and each an "Applicant") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and KSV Restructuring Inc. was appointed monitor of the Applicants (in such capacity, the "Monitor").
2. The Applicants together with certain non-Applicant related entities, including SIDRWC Inc. o/a SID Developments, SID Management Inc. and 2707793 Ontario Inc. o/a SID Renos, are part of a group of companies (collectively, the "Company") specializing in the acquisition, renovation and leasing of distressed residential real estate in undervalued markets throughout Ontario (the "Business").
3. The principal purpose of these CCAA proceedings is to create a stabilized environment to enable the Applicants to preserve and maximize value for their stakeholders and provide the stability and liquidity necessary to complete value accretive renovations to their portfolio of residential homes by securing debtor-in-possession ("DIP") financing, pursue a comprehensive refinancing or restructuring transaction and implement a consensual plan of compromise or arrangement while continuing operations in the ordinary course of business.

4. Pursuant to the terms of the Initial Order, the Court, among other things:
  - a) granted a stay of proceedings until February 2, 2024 (the “Stay Period”) in respect of the Applicants, the Monitor, the Business and the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Applicants’ Property”) and three of the Applicants’ directors and officers, being Aruba Butt, Dylan Suitor and Ryan Molony (the “Additional Stay Parties”);
  - b) appointed Chaitons LLP (“Chaitons”) as representative counsel (the “Lender Representative Counsel”) to all of the Applicants’ secured creditors (the “Secured Lenders”) and unsecured promissory noteholders (the “Unsecured Lenders”) and approved a mechanism by which a committee of up to six parties would form a committee to instruct Lender Representative Counsel (the “Lender Representatives”); and
  - c) granted a charge (the “Administration Charge”) in the amount of \$750,000 on the Applicants’ Property to secure the fees and disbursements of the Monitor and its legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), the Applicants’ legal counsel, Bennett Jones LLP (“Bennett Jones”), and Lender Representative Counsel.
5. On January 31, 2024, the Court granted an amended Initial Order which, among other things:
  - a) extended the Stay Period to February 16, 2024;
  - b) approved the Applicants’ ability to borrow under a DIP credit facility (the “DIP Facility”) pursuant to a DIP Agreement dated January 26, 2024 (the “DIP Agreement”) between the Applicants and Harbour Mortgage Corp. (the “DIP Lender”) and granted a charge in favour of the DIP Lender in the maximum amount of \$4 million (plus interest, fees and expenses) to secure the Applicants’ obligations under the DIP Agreement and DIP Facility (the “DIP Lender’s Charge”);
  - c) increased the maximum amount of the Administration Charge from \$750,000 to \$1 million; and
  - d) authorized the Applicants to pay certain amounts owing to suppliers for goods and services supplied to the Applicants prior to the date of the Initial Order, subject to the consent of the Monitor.
6. Pursuant to an Amended and Restated Initial Order granted on February 15, 2024 (the “ARIO”), a copy of which is attached as Appendix “A”, the Court, among other things:
  - a) extended the Stay Period to March 28, 2024;
  - b) increased the maximum amount of the Administration Charge and the DIP Lender’s Charge to \$1.5 million and \$12 million, respectively;

- c) amended the scope of Lender Representative Counsel by removing the Unsecured Lenders such that the group of creditors represented by Lender Representative Counsel includes only the Secured Lenders; and
- d) directed and empowered the Monitor to (i) conduct an investigation into the use of funds borrowed by the Applicants, pre-filing transactions conducted by the Applicants and/or their principals and affiliates, and such other matters as may be requested by the Lender Representatives and agreed by the Monitor, in each case, to the extent such investigation relates to the Property, the Business or such other matters as may be relevant to the proceedings herein as determined by the Monitor (the “Investigation”), and (ii) report to the Lender Representatives and the Court on the findings of such investigation as the Monitor deems necessary and appropriate.

## 1.1 Purposes of this Report

1. The purposes of this report (“Report”) are to:
  - a) summarize developments in these proceedings since the granting of the ARIO, including the Applicants’ use of funds drawn on the DIP Facility;
  - b) discuss the rationale for the appointment of Mario Forte of Goldman Sloan Nash & Haber LLP (“GSNH”) as unsecured representative counsel (if appointed in such capacity, the “Unsecured Representative Counsel”) for all of the Applicants’ Unsecured Lenders other than The Lion’s Share Group Inc. (“Lion’s Share”)<sup>1</sup> and any other unsecured lenders directly or indirectly controlled by, or under common control or otherwise affiliated with Lion’s Share or its principal, Claire Drage;
  - c) provide an update on the status of the Investigation being performed by the Monitor pursuant to Paragraph 32(k) of the ARIO;
  - d) summarize the Applicants’ cash flow forecast (the “Cash Flow Forecast”) for the period March 25, 2024 to April 30, 2024 (the “Forecast Period”);
  - e) provide an overview of the Monitor’s activities since its appointment; and
  - f) provide the Monitor’s recommendations regarding the relief sought by the Applicants.

## 1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the unaudited financial information of the Applicants, the Applicants’ books and records and discussions with representatives of the Applicants and its legal counsel.

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<sup>1</sup> On March 16, 2024, Lion’s Share filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*. The Fuller Landau Group was appointed as proposal trustee.



2. KSV has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Applicants’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

### 1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

## 2.0 Background

1. The Applicants are Canadian privately-held corporations that are the principal owners of the Company’s rental units and the residential properties on which they are situated. The Applicants’ corporate chart is attached as Appendix “B”.
2. The Applicants disclosed ownership in 405 residential properties (collectively, the “Properties” and each, a “Property”) containing 631 rental units, of which 424 are tenanted, as well as a non-operating golf course. The Properties are located in tertiary markets in Ontario, including Timmins, Sault Ste. Marie, Sudbury, Kirkland Lake, Capreol, Temiskaming Shores and Val Caron. A summary of the Properties disclosed by the Applicants is provided below.

Location	Number of Occupied Units	Number of Unoccupied Units	Total
Timmins	217	73	290
Sault Ste Marie	122	79	201
Sudbury	53	25	78
Other	32	30	62
<b>Total</b>	<b>424</b>	<b>207</b>	<b>631</b>

3. Through due diligence searches, the Monitor has recently discovered and made inquiries of the Applicants concerning four properties that may have been misidentified or are incremental to the Properties. The Applicants have responded to the Monitor’s inquiries concerning these properties and the Monitor will report further if and as required.
4. The Applicants’ principal stakeholders are their first and second mortgagees, which are owed approximately \$81.5 million and \$8.6 million, respectively. The Applicants have advised the Monitor that they believe that the amount owing to the Unsecured Lenders is significantly less than the amount initially provided by Ms. Drage, being approximately \$54.2 million. A claims process to be carried out over the course of these proceedings will ultimately determine the quantum of the Applicants’ secured and unsecured obligations.

5. The Affidavits of Robert Clark sworn January 23, 2024 (the “First Clark Affidavit”) and January 28, 2024 (the “Second Clark Affidavit”) and KSV’s Pre-Filing Report dated January 23, 2024 (the “Pre-Filing Report”), First Report to Court dated January 29, 2024 (the “First Report”) and the Supplement to the First Report dated February 13, 2024 (the “Supplemental Report”) each sets out detailed information with respect to the Applicants’ Business, property and creditor composition. The Monitor recommends that readers review the application materials filed in respect of the CCAA proceedings, including the First Clark Affidavit, the Second Clark Affidavit and the Monitor’s reports, which are available on the Monitor’s website at the following link: <https://www.ksvadvisory.com/experience/case/sid> (the “Case Website”).

### 3.0 Unsecured Lender Representative Counsel

1. The Initial Order appointed Chaitons as Lender Representative Counsel for both the Secured and Unsecured Lenders in these CCAA proceedings. As a result of, *inter alia*, potential conflict and other issues raised by certain Secured Lenders, the ARIO removed the Unsecured Lenders from the group represented by Chaitons.
2. Since the issuance of a notice sent to the Unsecured Lenders on February 12, 2024 and the ARIO, the Monitor has heard from a number of Unsecured Lenders expressing the view that separate legal representation for the Unsecured Lenders should be restored and that the costs of such separate counsel should be borne by the Applicants.
3. On February 26, 2024, the Monitor convened a virtual townhall with the Unsecured Lenders to discuss, among other things, the appointment of Unsecured Representative Counsel. On March 4, 2024, the Monitor convened another virtual townhall at which Mr. Forte of GSNH was introduced to the Unsecured Lenders as proposed Unsecured Representative Counsel. Since that time, the Monitor has communicated to stakeholders that GSNH’s appointment as Unsecured Representative Counsel would be sought at the next Court attendance in these proceedings.
4. The proposed Order excludes Ms. Drage, Windrose and Lion’s Share from representation by the Unsecured Representative Counsel. It is the Monitor’s understanding that they have retained their own counsel.
5. The Monitor is supportive of GSNH’s appointment as Unsecured Representative Counsel in these proceedings for the following reasons:
  - a) Unsecured Lenders had access to Court-appointed paid legal representation at the outset of these CCAA proceedings, but such representation ended when the mandate of Chaitons was amended such that they became counsel for the Secured Lenders only;
  - b) there are over 800 promissory notes and 300 Unsecured Lenders. The Monitor believes that the appointment of Unsecured Representative Counsel and the terms thereof are in the best interests of the Applicants and all of their stakeholders. It will provide an efficient way to streamline communications and dealings with the Unsecured Lender group, absent which significant cost and confusion may result if individual counsel were to represent some or all of the Unsecured Lenders, many of which would likely not have the benefit of experience acting in complex CCAA proceedings;

- c) the proposed terms of GSNH's mandate mirror those of Chaitons, meaning the Unsecured Lenders are effectively being granted the same Court-ordered legal representation as they were afforded under the Initial Order, including that the costs of Unsecured Representative Counsel are to be borne by the Applicants and covered by the Administration Charge;
- d) Mr. Forte of GSNH is highly qualified for this role. He has extensive experience acting as representative counsel in complex CCAA proceedings;
- e) the Monitor has only heard positive feedback about Mr. Forte and/or GSNH from Unsecured Lenders following the townhall meeting on March 4, 2024;
- f) the Monitor understands that the Applicants support, and that the Lender Representatives consent to, the appointment of Mr. Forte of GSNH as Unsecured Representative Counsel;
- g) each Unsecured Lender will have the ability to opt-out of the proposed representation; and
- h) approximately 602 of the promissory notes were issued to Lion's Share, of which Ms. Drage is the Chief Executive Officer. The remaining promissory notes were issued in favour of various individual lenders sourced by The Windrose Group Inc. ("Windrose"), a mortgage brokerage, through its principal broker, Ms. Drage. Given the potential conflicts resulting from claims made by certain Unsecured Lenders against Lion's Share, Windrose and/or Ms. Drage, the Monitor believes it is appropriate for these parties to be excluded from the group of Unsecured Lenders represented by Unsecured Representative Counsel. The Monitor has advised Ms. Drage of the proposed exclusion and understands that Lion's Share, Windrose and/or Ms. Drage are not opposed to the proposed relief in this regard.

## 4.0 The Investigation

1. Immediately following the granting of the ARIO, the Monitor commenced its Investigation. As at the date of this Report, the Monitor's activities in connection with the Investigation have included:
  - preparing and sending an information request to the Applicants, including for bank statements, credit card statements, general ledger and other accounting information;
  - corresponding with Cassels to design and plan an approach for the Investigation, particularly as it relates to the Applicants' use of lender advances prior to these proceedings and other pre-filing and related party transactions;
  - corresponding with Bank of Montreal and TD Bank to request bank statements and other supporting documentation, including canceled cheques and wire payment information;
  - reviewing and analyzing eleven general ledgers provided by the Applicants covering the period from March 2019 to December 2022 and preparing a summary of receipts and disbursements;

- reviewing and analyzing the Applicants' bank statements covering periods from July 2020 to December 2022 and performing a reconciliation of the general ledger information to bank statements;
  - reviewing and analyzing credit card statements for Interlude Inc. covering a period from January 2022 to February 2024 and performing a reconciliation of the transactions reflected on the credit card statements to the general ledgers;
  - summarizing the Applicants' bank statements to analyze certain of the Applicants' transactions, including related-party transactions;
  - summarizing the net disbursements from the Applicants' bank accounts to the Additional Stay Parties and other related parties;
  - reviewing property title searches, PINs and other real property information to identify and examine certain property transfers, including to related parties;
  - corresponding with several creditors regarding allegations of property transfers and misappropriation of assets;
  - working with Cassels to prepare letters to Bennett Jones dated March 8, 13 and 21, 2024 outlining the Monitor's preliminary questions and further information requests on certain payments and other transactions identified by the Monitor over the course of its Investigation; and
  - reviewing the responses received from Bennett Jones dated March 15, 20, 24 and 25 2024<sup>2</sup>.
2. In the course of its investigation, including its review of property title searches, bank statements and/or credit card statements, the Monitor has identified, among other things, certain transactions, property transfers and payments (including business development expenses) involving the Additional Stay Parties that the Monitor believes requires further and deeper investigation. The Monitor, through Cassels, has made diligence requests and inquiries of the Applicants and the Additional Stay Parties in respect of the foregoing. The Applicants have been responsive to the requests made by the Monitor to date.
  3. At this time, the Monitor has not received a substantive response from the Additional Stay Parties in respect of issues it has identified. Letter correspondence was sent to the Additional Stay Parties dated February 28, 29 and March 8, 2024. On March 15, 2024, legal counsel to the Additional Stay Parties and Robert Clark sent a letter to Cassels, to which Cassels responded on March 18, 2024. Copies of these letters are provided in Appendix "C". The Additional Stay Parties have since committed to cooperate with the Monitor in the fulfillment of its Investigation mandate.
  4. As at the date of this Report, the Investigation is ongoing. The Monitor has not formed any conclusions at this time. The Monitor does not intend to respond to stakeholder inquiries on the Investigation at this time. The Monitor's overall findings will be summarized in a report to be filed with the Court once the Investigation is completed.

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<sup>2</sup> The letters and exhibits provided by Bennett Jones were marked as confidential and, accordingly, are not appended to this Report. The Monitor's review of these responses is in process.

## 5.0 Cash Flow Forecast

1. The Applicants have prepared the Cash Flow Forecast with the assistance of the Monitor. The Cash Flow Forecast and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "D".
2. A comparison between the Applicant's actual cash flow for the eight-week period ended March 22, 2024 and the cash flow previously filed with the Court is reflected in the table below.

(unaudited; C\$000s)	Actual	Projected	Variance
<b>Receipts</b>			
Net rent collections	686	775	(88)
Miscellaneous receipts	8	-	8
<b>Total Receipts</b>	<b>694</b>	<b>775</b>	<b>(81)</b>
<b>Disbursements</b>			
Property taxes	(413)	(179)	(234)
Insurance	(391)	(120)	(271)
Repairs & Maintenance	(212)	(139)	(73)
Other	(104)	(66)	(38)
Utilities	-	(76)	76
<b>Total Disbursements</b>	<b>(1,119)</b>	<b>(580)</b>	<b>(540)</b>
<b>Other Disbursements</b>			
Property tax arrears	(2,355)	(2,200)	(155)
DIP Facility costs and interest	(494)	(490)	(4)
Professional fees	(536)	(2,000)	1,464
Pre-filing arrears <sup>3</sup>	(121)	(1,180)	1,059
Renovations	(53)	(2,625)	2,572
<b>Total Other Disbursements</b>	<b>(3,558)</b>	<b>(8,495)</b>	<b>4,937</b>
<b>Net Cash Flow</b>	<b>(3,984)</b>	<b>(8,300)</b>	<b>4,316</b>
Opening Cash Balance	(10)	-	(10)
Net Cash Flow	(3,984)	(8,300)	4,316
DIP Funding	6,133	9,000	(2,867)
<b>Closing Cash Balance</b>	<b>2,140</b>	<b>700</b>	<b>1,440</b>

3. As reflected in the table above, the Applicants have drawn approximately \$6.1 million of the \$12 million available under the DIP Facility. The Applicants were projected to have drawn approximately \$9 million to-date. The favourable variances reflected above, including for renovations and professional fees, are largely expected to be timing differences. In respect of the delay in forecasted renovations, in accordance with the ARIO, the Monitor has been requesting and reviewing scope of work information, photos and other supporting documentation before providing its approval for the Applicants to incur renovation costs.

<sup>3</sup> The ARIO requires the Monitor's prior written consent for the Applicants to pay any pre-filing obligations and sets out specific criteria the Monitor is to consider before authorizing any pre-filing payments. The Monitor has not authorized any such payment of arrears owing to related parties.

4. Based on the Monitor's review of the Cash Flow Forecast, the underlying assumptions appear reasonable. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "E".

## 6.0 Stay Extension

1. The Stay Period currently expires on March 28, 2024. The Applicants are requesting an extension of the Stay Period until April 30, 2024, as well as an extension of the benefit of the stay of proceedings to the Additional Stay Parties and the Additional Stay Parties' Property (each as defined in the ARIO) for the remainder of the Stay Period.
2. The Monitor has advised the Applicants that it will only support a stay extension until April 30, 2024 and that the Monitor and Secured Representative Counsel expect the Applicants to bring a motion to approve a sale and investment solicitation process ("SISP") and claims process as soon as possible and in any event prior to the end of the Stay Period. The Applicants and the Monitor agreed that such motion requires input from Unsecured Representative Counsel and, accordingly, could not be sought prior to this motion.
3. Based on the information available to the Monitor at this time, the Monitor supports the extension request for the following reasons:
  - a) the Applicants are acting in good faith and with due diligence to advance these CCAA proceedings;
  - b) the Applicants have been working with Bennett Jones to respond to the Monitor's preliminary information requests in the context of the Investigation;
  - c) the Investigation remains ongoing and the Monitor has not yet come to any conclusions;
  - d) an extension of the Stay Period will provide the Applicants time to work with the Monitor, Lender Representative Counsel and Unsecured Representative Counsel (if appointed) to develop and implement (if approved) the SISP. In this regard, the Monitor has assisted the Applicants to obtain proposals (or revised proposals) from a total of four firms to serve as a financial advisor for the principal purpose of executing a SISP under the oversight of the Monitor. The Applicants and the Monitor are speaking with those potential candidates and it is expected that a motion to approve a SISP will be brought as soon as possible and in any event prior to the proposed expiry of the Stay Period; and
  - e) the Applicants have advised that they intend to work with the Monitor, Lender Representative Counsel and Unsecured Representative Counsel to formulate and seek Court approval of a claims process prior to the expiry of the Stay Period.

## 7.0 Overview of the Monitor's Activities

1. At the next motion in these proceedings, the Monitor will be seeking approval of this Report, the Pre-Filing Report, the First Report and the Supplemental Report, including the Monitor's activities described therein.
2. Since its appointment, the Monitor's activities have included, among other things:
  - corresponding regularly with the Applicants, Bennett Jones and Cassels regarding all aspects of this CCAA proceeding;
  - corresponding daily with the Applicants' creditors;
  - mailing and emailing the CCAA notice to the Applicants' creditors and filing Forms 1 and 2 with the Office of the Superintendent of Bankruptcy, as required under the CCAA and the Initial Order, as applicable;
  - arranging for notice of the CCAA proceeding to be published in the *Globe and Mail (National Edition)* on January 30, 2024, as required under the Initial Order;
  - posting the CCAA notice, list of creditors and other Court materials on the case website;
  - monitoring the Applicants' receipts and disbursements on a daily basis;
  - performing the Investigation, including the activities detailed in Section 4 of this Report;
  - preparing multiple statements of receipts and disbursements to reconcile and summarize all activity in the Applicants' bank accounts;
  - assisting the Applicants to prepare updated cash flow forecasts;
  - reviewing and commenting on multiple versions of the DIP Agreement between the Applicants and the DIP Lender;
  - corresponding with the Applicants and Bennett Jones regarding advance requests under the DIP Facility;
  - reviewing multiple critical payment requests submitted by the Applicants;
  - reviewing scope of work requests from the Applicants in respect of renovations to be completed during these proceedings;
  - reviewing weekly progress reports submitted by the Applicants regarding the status of renovations and discussing related issues with the Applicants;
  - corresponding with Chaitons in respect of the formation of a committee of Lender Representatives and attending weekly update meetings with the Lender Representatives and Chaitons;

- working with the Applicants, Chaitons and Bennett Jones to settle a form of non-disclosure agreement (“NDA”) between the Applicants and the Lender Representatives, which NDA remains outstanding as at the date of this Report;
- corresponding with GSNH regarding its potential appointment as Unsecured Representative Counsel to the Unsecured Lenders;
- attending and convening a meeting with the Unsecured Lenders and GSNH on February 26, 2024;
- corresponding with Co-operators Insurance Brokerage in respect of the Applicants’ insurance policies;
- corresponding with various cities and municipalities regarding the payment of property tax arrears;
- reviewing and commenting on all Court materials filed in these proceedings; and
- drafting the Pre-Filing Report, the First Report, the Supplemental Report and this Report.

## 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court make the Order sought by the Applicants.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
 IN ITS CAPACITY AS MONITOR  
 OF BALBOA INC., DSPLN INC.,  
 HAPPY GILMORE INC., INTERLUDE INC.,  
 MULTIVILLE INC., THE PINK FLAMINGO INC.,  
 HOMETOWN HOUSING INC., THE MULLIGAN INC.,  
 HORSES IN THE BACK INC., NEAT NESTS INC.  
 AND JOINT CAPTAIN REAL ESTATE INC.  
 AND NOT IN ITS PERSONAL CAPACITY**



## **Appendix “D”**

**SALE, REFINANCING AND INVESTMENT SOLICITATION PROCESS FOR THE PROPERTY OR BUSINESS OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.**

1. On January 23, 2024, Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") were granted an initial order (as amended, and amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Among other things, the Initial Order:
  - (a) appointed KSV Restructuring Inc. as the Monitor in the Applicants' proceedings under the CCAA (in such capacity, the "**Monitor**");
  - (b) approved the Applicants' ability to borrow under a debtor-in-possession credit facility pursuant to a DIP Agreement dated January 26, 2024 between the Applicants and Harbour Mortgage Corp. or its permitted assignee (the "**DIP Lender**");
  - (c) appointed Chaitons LLP as representative counsel (in such capacity, the "**Secured Lender Representative Counsel**") for all of the Secured Lenders in the Insolvency Proceedings; and
  - (d) appointed Goldman Sloan Nash & Harber LLP as representative counsel (in such capacity, the "**Unsecured Lender Representative Counsel**") for all of the Unsecured Lenders in the Insolvency Proceedings.
2. On April 12, 2024 the Court granted an order (the "**SISP Approval Order**") that, among other things: (i) authorized the Applicants to implement and undertake a sale, refinancing and investment solicitation process ("**SISP**") in accordance with the terms hereof; and (ii) approved the Applicants' retention of the SISP Advisor (as defined below) in connection therewith.
3. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the Initial Order or the SISP Approval Order, as applicable. Copies of the Initial Order and the SISP Approval Order can be found at the following website maintained by the Monitor: <https://www.ksvadvisory.com/experience/case/SID> (the "**Monitor's Website**").

***The Opportunity***

4. This SISP sets out the manner in which the Monitor, with the assistance of the SISP Advisors (as defined below), and in consultation with the Applicants, shall solicit non-binding letters of intent ("**LOIs**" and each, a "**LOI**") for a refinancing, sale and/or other strategic investment or transaction involving the business, assets and/or equity of the Applicants (collectively, the "**Property**") or any part thereof from interested parties (the "**Opportunity**").
5. The SISP contemplates a two-stage process that involves the submission by interested parties of LOIs in Phase 1 and the submission of binding offers in Phase 2. This SISP currently only prescribes the process for the submission of LOIs in Phase 1. The parameters for the submission

and evaluation of binding offers in Phase 2 shall be determined and communicated to the applicable interested parties following the completion of Phase 1, as detailed below.

6. The SISP shall be conducted in all respects by the Monitor, supported by and with the assistance of the SISP Advisors and, subject to para 13, in consultation with the Applicants, Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and The Fuller Landau Group Inc. in its capacity as court-appointed receiver and trustee in bankruptcy of The Lion's Share Group Inc. (in such capacity, the "**Lion's Share Representative**"). In connection therewith, the Monitor with the assistance of the applicable SISP Advisors, and in consultation with the Applicants, may identify one or more subsets of the Property to be marketed pursuant to the SISP for a refinancing, sale or other strategic investment or transaction while concurrently marketing the remainder or whole of the Property for a refinancing, sale or other strategic investment or transaction. Interested parties may submit LOIs for any subset of the Property, whether or not such Property is specifically marketed by the applicable SISP Advisors.
7. Parties who wish to have their offers for the Property considered must participate in the SISP.

#### ***SISP Advisors***

8. In connection with the SISP, the Applicants have retained: (i) Howards Capital Corp. to assist solely in respect of any refinancing of or other strategic investment in the Property, and (ii) CBRE Limited solely in respect of any sale transaction(s) in respect of the Property (in such capacities, collectively the "**SISP Advisors**"). At the appropriate stage of the SISP, the SISP Advisors, as applicable, with the consent of the Monitor and in consultation with the Applicants, are authorized to engage one or more local real estate agents or brokerages to market the Property or any subsets of the Property.

#### ***Milestones***

9. The SISP shall be conducted subject to the terms hereof and the following key milestones, which milestones may be extended by the Monitor, with the prior consent of the Applicants, in consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, or as may otherwise be ordered by the Court:
  - (a) the SISP Advisors will each independently prepare and deliver to the Monitor a list of potential interested parties to be solicited (collectively, the "**Known Potential Bidders**") as soon as reasonably practicable after the granting of the SISP Approval Order and, in any event, by no later than April 26, 2024. The SISP Advisors shall include as Known Potential Bidders any parties suggested by the Monitor, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel or the Lion's Share Representative;
  - (b) the SISP Advisors will commence the solicitation process to all Known Potential Bidders by no later than April 29, 2024, it being understood that the SISP Advisors shall be at liberty to provide marketing materials approved by the Monitor and commence discussions with interested parties (with the involvement of the Monitor) prior to such date;
  - (c) the Monitor, with the assistance of the Applicants and the SISP Advisors, shall establish a virtual data room (the "**VDR**") by no later than April 28, 2024; and

- (d) non-binding LOIs shall be submitted by no later than 5:00 p.m. (Toronto time) on June 10, 2024 (the "**LOI Deadline**").
10. The timing and certain other parameters for Phase 2 of the SISP shall be determined following a review of the non-binding LOIs submitted by the LOI Deadline as detailed in sections 15-18 below.

***Solicitation of Interest***

11. The Monitor, through the SISP Advisors, will:
- (a) disseminate marketing materials and a process letter (which letter shall, among other things, direct recipients to the Monitor's Website for a copy of this SISP) to all of the Known Potential Bidders, and any other party who contacts the Monitor, the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel or the Lion's Share Representative, or who the Monitor, the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel or the Lion's Share Representative become aware may have an interest in the Opportunity (collectively, "**Other Interested Parties**");
  - (b) solicit interest from all of the Known Potential Bidders and Other Interested Parties with a view to such parties entering into non-disclosure agreements in form and substance satisfactory to the Applicants and the Monitor (each an "**NDA**") (only Known Potential Bidders and Other Interested Parties that execute an NDA shall be deemed to be potential bidders in the SISP (each, a "**Potential Bidder**") and obtain access to the VDR);
  - (c) provide each Potential Bidder with: (i) a confidential information memorandum in respect of the Opportunity; and (ii) access to the VDR containing diligence information in respect of the Opportunity and such other diligence opportunities as the Monitor or SISP Advisors consider advisable or appropriate; and
  - (d) request that each Potential Bidder submit a non-binding LOI that meets the requirements set forth in Section 12 below by the LOI Deadline.

***Phase 1***

12. Any Potential Bidder who wishes to submit a non-binding LOI in the SISP must submit an LOI that complies with the following criteria (it being understood that the Monitor, in consultation with the SISP Advisors and Applicants, may waive strict compliance with any one or more of the requirements specified below) (each such LOI, a "**Qualified LOI**"):
- (a) it sets forth the identity of the Potential Bidder, including its contact information, full disclosure of its direct and indirect principals and equity holders, and information as to the Potential Bidder's wherewithal to complete a refinancing, sale or other strategic investment or transaction pursuant to the SISP;
  - (b) it sets forth the principal terms of the proposed refinancing, sale or other strategic investment or transaction (the "**Transaction**"), including:
    - (i) the structure, financing and nature of the Transaction (refinancing, recapitalization, reorganization, sale, investment, etc.), including, without limitation, the sources of financing for the purchase price;

- (ii) whether all or a specifically identified subset of the Property will be subject to the Transaction (and if applicable, whether the specifically identified subset of the Property was marketed pursuant to the SISP or was separately identified by the Potential Bidder);
  - (iii) the purchase price or other consideration offered in connection with the Transaction, including any material assumed liabilities;
  - (iv) a description of any conditions or approvals required and any additional due diligence required for the Potential Bidder to make a final binding bid;
  - (v) all conditions to closing that the Potential Bidder may wish to impose on the closing of the Transaction;
  - (vi) whether the Potential Bidder requires any services from the Applicants' existing property manager;
  - (vii) any anticipated corporate, shareholder, internal or regulatory approvals required to close the Transaction and the anticipated timeframe for obtaining such approvals;
  - (viii) in the case of a restructuring, refinancing or hybrid Transaction, it identifies (A) the aggregate amount of the equity and debt investment, including liabilities to be assumed by the Potential Bidder (including the sources of such capital, preliminary evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed Transaction and any related contingencies, as applicable) to be made in the Applicants, (B) the underlying assumptions regarding the *proforma* capital structure, and (C) the consideration to be allocated to the Applicants' stakeholders;
  - (ix) any other terms or conditions that the Potential Bidder believes are material to the Transaction; and
  - (x) any other information as may be reasonably requested by the Applicants, the SISP Advisors or the Monitor, in consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative; and
- (c) it is received by the Monitor by no later than the LOI Deadline at the email addresses specified on Schedule "A" hereto.
13. Forthwith following the LOI Deadline, the Monitor shall provide copies of all of the LOIs received to the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, provided that the directors and officers of the Applicants (the "**D&Os**"), the Secured Lender Representatives, the Unsecured Lender Representatives and the Lion's Share Representative, respectively, have previously executed an NDA (or are otherwise subject to confidentiality obligations) acceptable to the Applicants and the Monitor and provided written confirmation to the Monitor that they have not and will not directly or indirectly, acting individually or in concert, submit or actively participate as a bidder in an LOI or any other bid in the SISP. The D&Os, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative shall not be entitled to consultation with respect to the review of LOIs received by the LOI Deadline or

the next steps to be taken in respect of any Qualified LOI in the event that any of the D&Os, the Secured Lender Representatives, the Unsecured Lender Representatives or the Lion's Share Representative, respectively, fail to execute an NDA (or remain subject to confidentiality obligations with the Applicants) or elect to actively participate as a bidder in and/or submit an LOI or any other bid in the SISP. For greater certainty, a Potential Bidder's proposed retention of the Applicants' existing management, 2707793 Ontario Inc. o/a SID Renos and/or SID Management Inc. or any of their directors or officers, as reflected within an LOI, any other bid in the SISP or otherwise, shall not constitute the D&Os' direct or indirect involvement in the submission of or participation as a bidder in such LOI or bid in the SISP and shall not disqualify the D&Os from receiving or reviewing copies of the LOIs or from being consulted with respect to the LOIs or the next steps to be taken in respect of any Qualified LOI. For greater certainty, participation as a bidder for the purpose of this Section shall not include a credit bid of no more than a Secured Lender's individual claim (including principal, interest and any other obligations owing to such Secured Lender), plus any amounts owing in priority thereto, submitted by such Secured Lender pursuant to Section 23.

14. Notwithstanding any other provision of this SISP, the Monitor may take protective measures to limit access to LOIs or the identity of Potential Bidders to safeguard the integrity of the SISP.

***Assessment of LOIs and Determination of Phase 2 Parameters***

15. Subject to Section 13, the Monitor, the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative (collectively, the "**Reviewing Parties**") shall review the LOIs received, and the Monitor in consultation with the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, shall determine which of the LOIs, if any, constitute Qualified LOIs.
16. The Monitor (including through the SISP Advisors) may request clarification from any Potential Bidder that submitted an LOI.
17. Subject to Section 13, following the review and assessment contemplated under Section 15, the Reviewing Parties shall discuss what next steps should be taken in respect of the Qualified LOIs received (if any). Such steps may include, without limitation: (i) pursuing refinancing, sale or hybrid components of any Qualified LOI or collection of Qualified LOIs, including a recombination or reconstitution of subsets of the Property which may create the best opportunity to maximize value for all stakeholders; (ii) coordinating the aggregation of certain or all of the Qualified LOIs; (iii) remarketing certain or all of the Property; (iv) engaging one or more local real estate agents or brokerages to assist in marketing and selling certain or all of the Property; (v) the parameters that will govern the submission of binding offers in Phase 2 of the SISP; and (vi) any auction procedures to be implemented in connection with Phase 2 of the SISP.
18. If no Qualified LOIs have been received or the Monitor determines that no Qualified LOIs are likely to result in a binding offer for the benefit of the Applicants and their stakeholders, the Monitor, with the prior consent of the Applicants or by order of the Court, may terminate the SISP and in such case shall advise all Potential Bidders that submitted an LOI by the LOI Deadline of such termination.
19. Subject to Section 13, if the Reviewing Parties all agree on appropriate parameters for the submission and evaluation of binding offers in Phase 2, those parameters shall be communicated

by the SISP Advisors to parties that submitted Qualified LOIs in binding process letters acceptable to the Reviewing Parties (the "**Process Letters**").

20. The Process Letters may provide for different timing and commercial parameters in respect of different Qualified LOIs based on, among other things, the type of transaction, local market conditions and such other commercial parameters that would reasonably be expected to apply to such a Transaction in the circumstances. Such parameters must provide that any Transaction will be subject to approval by the Court and will be consummated on an "as is, where is" basis without surviving representations, warranties, covenants or indemnities of any kind, nature or description.
21. If the Reviewing Parties cannot agree on (i) whether the SISP should progress to Phase 2 or (ii) appropriate parameters for the submission and evaluation of binding offers in Phase 2, the Monitor shall forthwith bring a motion seeking the Court's advice and directions on same. Unless the Monitor and Applicants consent otherwise after consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, such motion shall be served and filed by the Monitor within 14 days following the LOI Deadline.

### *Miscellaneous*

22. Any amendments to this SISP may only be made with the consent of all of the Reviewing Parties, or by further order of the Court.
23. Any Secured Lender of the Applicants, and the DIP Lender, each acting on its own behalf, shall have the right to credit bid their secured debt against the assets secured thereby up to the full face value of such Secured Lender's claims, including principal, interest and any other obligations owing to such Secured Lender; provided that any such secured lender shall be required to: (i) pay in full in cash any obligations of the Applicants in priority to its secured debt, including any obligations secured by the Charges and allocated to the applicable Property; and (ii) pay appropriate consideration for any assets of the Applicants which are contemplated to be acquired and that are not subject to such Secured Lender's security.
24. Notwithstanding any other provision of this SISP, the Lion's Share Representative shall be entitled to consult with and provide any information it receives to Aird & Berlis LLP, the court appointed representative counsel in The Lion's Share Group Inc.'s receivership proceedings (Court File No CV-24-00717669-00CL), provided that the Lion's Share Representative shall have entered into an NDA with Aird & Berlis LLP that is in form and substance satisfactory to the Applicants and the Monitor prior to sharing any confidential information.

DRAFT  
PRIVILEGED & CONFIDENTIAL  
WITHOUT PREJUDICE

**SCHEDULE "A": E-MAIL ADDRESSES FOR DELIVERY OF BIDS**

To the Monitor at:

KSV Restructuring Inc., as Monitor of  
the Applicants  
220 Bay Street  
13th Floor, PO Box 20  
Toronto, ON, M5J 2W4

Attention: Noah Goldstein / David Sieradzki / Christian Vit  
Email: [ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com)/[dsieradzki@ksvadvisory.com](mailto:dsieradzki@ksvadvisory.com)/[cvit@ksvadvisory.com](mailto:cvit@ksvadvisory.com)

with a copy to counsel for the Monitor at:

Cassels Brock & Blackwell LLP  
Suite 3200  
Bay Adelaide Centre – North Tower  
40 Temperance Street  
Toronto, ON M5H 0B4

Attention: Ryan Jacobs / Shayne Kukulowicz / Joseph Bellissimo  
Email: [rjacobs@cassels.com](mailto:rjacobs@cassels.com) / [skukulowicz@cassels.com](mailto:skukulowicz@cassels.com) / [jbellissimo@cassels.com](mailto:jbellissimo@cassels.com)



## **Appendix “E”**

Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc.,  
Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc.

**Projected Cash Flow Statement**

For the Period Ending June 24, 2024

(Unaudited; \$CAD in 000's)

	Note	Week Ending											Total	
		12-Apr-24	19-Apr-24	26-Apr-24	3-May-24	10-May-24	17-May-24	24-May-24	31-May-24	7-Jun-24	14-Jun-24	21-Jun-24		24-Jun-24
<i>Receipts</i>														
Net rent collections	2	-	-	480	-	-	-	-	520	-	-	-	565	1,565
<b>Total Receipts</b>		-	-	480	-	-	-	-	520	-	-	-	565	1,565
<i>Disbursements</i>														
Property taxes		-	(15)	(31)	(84)	-	-	-	-	-	-	-	(40)	(170)
Repairs & Maintenance		(20)	(15)	(10)	(10)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(10)	(125)
Utilities		-	-	(25)	(25)	-	-	-	(23)	(23)	-	-	(22)	(118)
Insurance		-	(37)	-	(12)	-	(37)	-	(12)	(14)	(37)	-	-	(149)
Other	3	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(240)
<b>Total Disbursements</b>		(40)	(87)	(86)	(151)	(29)	(66)	(29)	(64)	(66)	(66)	(29)	(92)	(802)
<i>Other Disbursements</i>														
Renovations	4	(100)	(110)	(125)	(150)	(150)	(175)	(150)	(175)	(200)	(200)	(225)	(250)	(2,010)
Pre-filing arrears	5	-	(75)	-	(75)	-	-	-	-	-	-	-	-	(150)
Professional fees	6	-	(900)	-	-	-	(700)	-	-	-	-	(500)	-	(2,100)
SISP Advisors	7	-	-	-	(147)	-	-	-	-	(34)	-	-	-	(181)
DIP Facility costs & interest		-	(1)	-	-	-	(1)	-	-	(300)	-	(1)	-	(302)
<b>Total Other Disbursements</b>		(100)	(1,086)	(125)	(372)	(150)	(876)	(150)	(175)	(534)	(200)	(726)	(250)	(4,742)
<b>Net Cash Flow</b>		(140)	(1,173)	269	(523)	(179)	(941)	(179)	282	(599)	(266)	(754)	223	(3,979)
Opening Cash Balance		945	805	1,132	1,401	879	700	1,009	831	1,112	513	247	243	945
Net Cash Flow		(140)	(1,173)	269	(523)	(179)	(941)	(179)	282	(599)	(266)	(754)	223	(3,979)
DIP Funding	8	-	1,500	-	-	-	1,250	-	-	-	-	750	-	3,500
Closing Cash Balance		805	1,132	1,401	879	700	1,009	831	1,112	513	247	243	466	466
DIP Facility balance		6,133	7,633	7,633	7,633	7,633	8,883	8,883	8,883	8,883	8,883	9,633	9,633	9,633

**Projected Statement of Cash Flows**

For the Period Ending June 24, 2024

(Unaudited; \$CAD)

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**Purpose and General Assumptions**

1. The purpose of the projection is to present a cash flow forecast of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (the "Applicants") for the period April 6, 2024 to June 24, 2024 (the "Period") in respect of the proceedings under the Companies' Creditors Arrangement Act ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

**Hypothetical**

2. Represents rents collected from tenants, net of property management fees payable to SID Management in the normal course.

**Most Probable**

3. Represents miscellaneous expenses, capital expenditures and tenant concessions for repairs.
4. Represents renovation costs for the Applicants' vacant units, which are subject to the Monitor's prior approval.
5. Represents a contingency for expenses not otherwise captured in the projection, including potential payments to critical vendors.
6. Represents accrued and projected fees and disbursements of the Applicants' legal counsel, Secured and Unsecured Lender Representative Counsel, the Monitor and its legal counsel and the DIP Lender's legal counsel.
7. Represents the work fees of the SISP Advisors.
8. Represents funding to be advanced under the DIP Facility.

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE  
INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE  
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN  
REAL ESTATE INC.**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 10(2)(b) of the CCAA)

The management of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "Applicants") have developed the assumptions and prepared the attached statement of projected cash flow as of the 7<sup>th</sup> day April, 2024 for the period April 6, 2024 to June 24, 2024 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

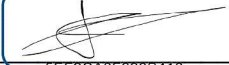
The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

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

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 7<sup>th</sup> day of April, 2024.

**BALBOA INC., DSPLN INC., HAPPY GILMORE INC.,  
INTERLUDE INC., MULTIVILLE INC.,  
THE PINK FLAMINGO INC., HOMETOWN HOUSING INC.,  
THE MULLIGAN INC., HORSES IN THE BACK INC.,  
NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.**

DocuSigned by:  
  
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Dylan Suitor, Director

DocuSigned by:  
*Aruba Butt*  
8F00F87C9F414C8...

Aruba Butt, Director

DocuSigned by:  
*[Signature]*  
49ECD94004294AD...

Ryan Molony, Director

## **Appendix “F”**

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE  
INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE  
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN  
REAL ESTATE INC.**

**MONITOR'S REPORT ON CASH FLOW STATEMENT**

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "Applicants") as of the 7<sup>th</sup> day April, 2024, consisting of a weekly projected cash flow statement for the period April 6, 2024 to June 24, 2024 ("Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

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

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

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

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 7<sup>th</sup> day of April, 2024.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR  
OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC.,  
INTERLUDE INC., MULTIVILLE INC.,  
THE PINK FLAMINGO INC., HOMETOWN HOUSING INC.,  
THE MULLIGAN INC., HORSES IN THE BACK INC.,  
NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.  
AND NOT IN ITS PERSONAL CAPACITY**



## **Appendix “G”**

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY  
GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK  
FLAMINGO INC., HOMETOWN HOUSING INC., THE  
MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS  
INC. AND JOINT CAPTAIN REAL ESTATE INC.**

**AFFIDAVIT OF NOAH GOLDSTEIN  
(sworn April 9, 2024)**

I, **NOAH GOLDSTEIN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Managing Director of KSV Restructuring Inc. ("KSV"), the Court-appointed monitor (the "Monitor") of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "Applicants"), and as such I have knowledge of the matters deposed to herein.
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") made on January 23, 2024, the Applicants were granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and KSV was appointed as the Monitor in this proceeding.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period January 2, 2024 to March 31, 2024 (the "Period").
4. The Monitor's invoices for the Period disclose in detail: the nature of the services rendered; the time expended by each person and their hourly rates; the total charges for the services rendered; and the disbursements charged. A copy of the Monitor's invoices are attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".

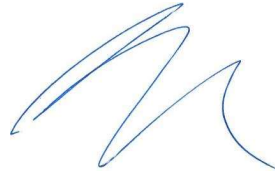
5. The Monitor spent a total of 904.85 hours on this matter during the Period, resulting in fees totalling \$517,836.75, excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$572.29.
7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

**SWORN** before me at the City of  
Toronto, in the Province of Ontario  
this 9<sup>th</sup> day of April, 2024



\_\_\_\_\_  
Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario for KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025

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**NOAH GOLDSTEIN**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 9<sup>th</sup> day of April, 2024



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Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario for KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025



**ksv advisory inc.**

220 Bay St., Suite 1300 PO Box 20  
Toronto, Ontario, M5J 2W4  
T +1 416 932 6262  
F +1 416 932 6266

ksvadvisory.com

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**INVOICE**

February 7, 2024

Invoice No: 3474  
HST #: 818808768RT0001

Balboa Inc. et al.  
394 Appleby Line  
Burlington, ON L7L 2X8

**Attention: Robert Clark**

**Re: Balboa Inc. et al (the "Company")**

For professional services rendered for the period ended January 31, 2024 in our capacity as Monitor in the Company's proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

Total fees	\$	144,506.75
HST		18,785.88
Total due	\$	<u>163,292.63</u>

KSV Restructuring Inc.

Balboa Inc. et al.

**Time Summary**

For the period ending January 31, 2024

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
David Sieradzki	750	41.00	30,750.00
Noah Goldstein	750	71.30	53,475.00
Christian Vit	500	78.00	39,000.00
Nisan Thurairatnam	475	40.00	19,000.00
Matt Saturno	340	1.00	340.00
Other staff and administration		8.05	1,941.75
Total Fees		239.35	144,506.75



**ksv advisory inc.**

220 Bay St., Suite 1300 PO Box 20  
Toronto, Ontario, M5J 2W4  
T +1 416 932 6262  
F +1 416 932 6266

ksvadvisory.com

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**INVOICE**

March 19, 2024

Invoice No: 3566  
HST #: 818808768RT0001

Balboa Inc. et al.  
394 Appleby Line  
Burlington, ON L7L 2X8

**Attention: Robert Clark**

**Re: Balboa Inc. et al (the “Company”)**

For professional services rendered for the period ended February 29, 2024 in our capacity as Monitor in the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

**General and Operational Matters**

- Corresponding extensively with the Company, Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, Chaitons LLP (“Chaitons”), representative counsel to the secured lenders, and Bennett Jones LLP (“Bennett Jones”), counsel to the Company, in respect of the Company’s operations and the CCAA proceedings generally, including multiple calls and email correspondence on a daily basis as more specifically outlined herein;
- Attending calls with Claire Drage, CEO of The Windrose Group (“Windrose”), regarding the Company’s mortgages and promissory notes;
- Reviewing multiple rounds of critical payment requests submitted by the Company;
- Attending a call on February 2, 2024 with the Company to discuss, among other things, the Company’s banking and cash management system, customer relationship management software and rent collections;
- Setting up user accounts to have view-only access to the Company’s online banking system for the purposes of monitoring the Company’s receipts and disbursements;

- Preparing and sending a CCAA notice dated February 2, 2024 to all known creditors of the Company in accordance with the Initial Order;
- Preparing a notice to secured creditors dated February 2, 2024 regarding a meeting to be convened by the Monitor on February 5, 2024 (the “Secured Creditors Meeting”);
- Attending a call with Cassels on February 4, 2024 to prepare for the Secured Creditors Meeting;
- Attending and convening the Secured Creditors Meeting;
- Reviewing and commenting on multiple versions of a DIP Term Sheet between the Company and Harbour Mortgage Corporation (the “DIP Term Sheet”);
- Corresponding with Bennett Jones and Cassels regarding the DIP Term Sheet;
- Corresponding with Co-operators Insurance Brokerage to confirm insurance is active on all properties owned by the Company;
- Corresponding with Howard Steinberg and his counsel regarding his prospective appointment as the Company’s Financial Advisor and the termination of his engagement letter following the hearing of the Company’s CCAA application and comeback motion;
- Corresponding with various cities and municipalities regarding the payment of property tax arrears;
- Opening a new bank trust account to be used for, among other things, DIP funding and payment of property taxes, maintenance and insurance;
- Corresponding extensively with several secured lenders on a near daily basis regarding a lender authorization form that was distributed after the Secured Creditors Meeting;
- Preparing and e-filing Form 2 – Debtor Company Information Summary, with the Office of the Superintendent of Bankruptcy, as required under the CCAA;
- Corresponding with creditors and the Company regarding planned renovations and the leased status of each creditor’s respective property;
- Reviewing all backup information provided by the Company in connection with its planned renovations;
- Creating a separate email, [balboa@ksvadvisory.com](mailto:balboa@ksvadvisory.com), to be used for creditor communication for this mandate;
- Corresponding with various utility service providers to discuss the stay of proceedings and to ensure continuity of services;
- Drafting the Monitor’s Supplement to the First Report to Court dated February 13, 2024 (the “Supplemental Report”);
- Corresponding extensively with Cassels and Chaitons regarding the Supplemental Report;



- Corresponding extensively with Chaitons, including in respect of the constitution of a six-member committee for the Company's secured lenders (the "Secured Lender Committee");
- Attending weekly update meetings with the Secured Lender Committee, including on February 20, 23 and 29, 2024;
- Responding to numerous emails and information requests submitted by the Secured Lender Committee;
- Corresponding extensively with Bennett Jones and Chaitons in connection with a dispute over a non-disclosure agreement for the Secured Lender Committee to execute;
- Reviewing and editing a non-disclosure agreement to be signed by the Secured Lender Committee;
- Corresponding with creditors regarding anonymous letters they were receiving in the mail regarding the Company and Windrose;
- Corresponding with Kroll LLP to prepare to backup and image the Company's network and computers;
- Corresponding extensively with the Company regarding, among other things, daily reporting of receipts, requests for payment of utilities and property taxes, payment of pre-filing arrears and renovation scope of work;
- Preparing a summary of receipts and disbursements since the date of the CCAA and reconciling rent collections and payments made;
- Reviewing the first round of the scope of renovation work to be completed and discussing the same with the Company;
- Drafting a notice to unsecured lenders dated February 20, 2024 regarding a meeting to be convened by the Monitor on February 26, 2024 (the "Unsecured Lenders Meeting");
- Attending and convening the Unsecured Lenders Meeting;
- Corresponding with Goldman Sloan Nash & Haber LLP regarding its potential appointment as representative counsel to the unsecured lenders;
- Attending a call on February 22, 2024 with Yardi Canada Ltd., the Company's rent management software provider, regarding the continuation of services;
- Reviewing and summarizing the disbursements noted on the Company's bank statements and general ledger;
- Attending at Court on February 15, 2024 for the Company's motion seeking approval of the amended and restated initial order (the "ARIO");
- Corresponding with the Company and Bennett Jones in connection with the funding requests submitted to the DIP Lender;
- Monitoring the Company's receipts and disbursements on a daily basis;

### Investigation Mandate

- Preparing an information request for the Company to provide the Monitor with the information required for the Monitor to perform an investigation into certain allegations made by lenders in accordance with the ARIO (the “Investigation”);
- Corresponding with Cassels to design and plan an approach for the Investigation of the Company’s use of lender advances prior to these proceedings and other pre-filing transactions;
- Preparing information requests to the Company in relation to the Company’s bank accounts, general ledgers and credit cards;
- Corresponding with the Bank of Montreal and Toronto-Dominion Bank regarding the Company’s bank statements;
- Reviewing and analyzing eleven general ledgers provided by the Company and preparing a summary of receipts and disbursements;
- Reviewing and analyzing bank statements and credit card statements and vouching the same to the general ledgers;
- Summarizing the Company’s bank statements and transferring data into one consolidated workbook in order to prepare an analysis of the Company’s transactions, including related party transactions;
- Providing Cassels with a summary of questions and preliminary findings of the Investigation;
- Corresponding with several creditors regarding allegations of property transfers, misappropriation of assets and altered appraisal reports;
- Reviewing property title searches conducted by Cassels and identifying the transferee of the respective properties;
- Reviewing and commenting on a draft letter from Cassels to Bennett Jones regarding the Monitor’s preliminary questions and findings in respect of the Investigation;

### Other

- Corresponding daily with several creditors and providing updates regarding the CCAA proceedings;
- Maintaining the Service List in these proceedings on the Monitor’s case website and posting all Court materials on the Monitor’s case website;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$	197,942.27
HST		<u>25,732.50</u>
Total due	\$	<u><u>223,674.77</u></u>

KSV Restructuring Inc.

Babola et al

**Time Summary**

For the Month Ending February 29, 2024

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<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	750	97.40	73,050.00
David Sieradzki	750	47.00	35,250.00
Christian Vit	500	81.75	40,875.00
Nisan Thurairatnam	475	83.50	39,662.50
Other Staff and administration	195-525	24.05	7,748.75
Total fees		<u>236.30</u>	<u>196,586.25</u>
Out-of-pocket disbursements			<u>1,356.02</u>
Total fees and disbursements			<u><u>197,942.27</u></u>



**ksv advisory inc.**

220 Bay St., Suite 1300 PO Box 20  
Toronto, Ontario, M5J 2W4  
T +1 416 932 6262  
F +1 416 932 6266

ksvadvisory.com

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**INVOICE**

April 9, 2024

Invoice No: 3609  
HST #: 818808768RT0001

Balboa Inc. et al.  
394 Appleby Line  
Burlington, ON L7L 2X8

**Attention: Robert Clark**

**Re: Balboa Inc. et al (the “Company”)**

For professional services rendered for the period ended March 31, 2024 in our capacity as Monitor in the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

**General Matters**

- Corresponding extensively with the Company, Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, Chaitons LLP (“Chaitons”), representative counsel to the secured lenders, Goldman Sloan Nash & Haber LLP (“GSNH”), representative counsel to the unsecured noteholders, and Bennett Jones LLP (“Bennett Jones”), counsel to the Company, in respect of the Company’s operations and the CCAA proceedings generally, including multiple calls and email correspondence on a daily basis as more specifically outlined herein;
- Reviewing multiple rounds of critical payment requests submitted by the Company;
- Attending a twice weekly call with the Company to discuss, among other things, the Company’s operations;
- Monitoring the Company’s receipts and disbursements on a daily basis;

- Preparing a notice to unsecured creditors regarding a meeting to be convened by the Monitor on March 4, 2024 (the “Unsecured Creditors Meeting”);
- Attending and convening the Unsecured Creditor Meeting;
- Attending a call on March 7, 2024 with Bennett Jones to discuss these proceedings;
- Attending a call on March 7, 2024 with Bennett Jones and Chaitons to discuss these proceedings;
- Attending a call on March 12, 2024 with The Fuller Landau Group Inc., the Receiver of Lion Share Group Inc. (“Lion’s Share”) (“Fuller Landau”);
- Reviewing a letter dated March 15, 2024 from Reconstruct LLP, counsel to certain of the Company’s directors (the “Reconstruct Letter”);
- Attending a call on March 16, 2024 with Cassels to discuss the Reconstruct Letter;
- Reviewing and commenting on a letter dated March 18, 2024 prepared by Cassels in response to the Reconstruct Letter;
- Attending a call on March 18, 2024 with Cassels and Chaitons to discuss the CCAA proceedings;
- Attending a call on March 18, 2024 with the secured lender committee;
- Attending a call on March 18, 2024 with Cassels and Bennett Jones to discuss the CCAA proceedings;
- Attending a call on March 20, 2024 with Cassels to discuss the CCAA proceedings;
- Attending a call on March 20, 2024 with Cassels and Bennett Jones to discuss the CCAA proceedings;
- Attending a call on March 23, 2024 with the Companies and Bennett Jones to discuss the CCAA cash flow;
- Reviewing the motion record of the Company dated March 24, 2024 in connection with seeking a stay extension and representative counsel for the unsecured noteholders (the “March 24 Motion Record”);
- Reviewing the responding motion record of Chaitons dated March 26, 2024;
- Reviewing the Factum of the Applicants dated March 27, 2024 in connection with the March 24 Motion Record;
- Reviewing the Affidavit of Robert Clark sworn March 27, 2024;
- Preparing the Second Report of the Monitor dated March 26, 2024 (the “Second Report”) in connection with the March 24 Motion Record, including reviewing a cash flow projection;

- Reviewing and summarizing receipts and disbursements noted on the Company's bank statements;
- Preparing a summary of receipts and disbursements since the date of the CCAA through March 22, 2024 in connection with the Second Report;
- Attending a call on March 25, 2024 with Cassels to discuss the CCAA proceedings;
- Attending a call on March 27, 2024 with Cassels and Bennett Jones to discuss the CCAA proceedings;
- Attending a call on March 27, 2024 with Harbour Mortgage Inc., the DIP lender, to provide an update on the CCAA proceedings;
- Attending Court on March 28, 2024 (the "March 28 Hearing");
- Attending a call on March 28, 2024 with Cassels, Bennett Jones and Chaitons to discuss the March 28 Hearing;
- Attending a call on March 29, 2024 with Cassels to discuss the Endorsement issued from the March 28 Hearing;
- Attending a call on March 31, 2024 with Mario Forte of GSNH to discuss the CCAA proceedings;
- Corresponding with Co-operators Insurance Brokerage to confirm insurance is active on all properties owned by the Company;
- Reviewing preliminary proposals from various parties in connection with the sale and investment solicitation process ("SISP"), including from the Potential SISP Advisors (as defined below);
- Corresponding with Howard Steinberg regarding a potential appointment as the Company's Financial Advisor; Corresponding with CBRE Limited ("CBRE" and together with Mr. Steinberg, the "Potential SISP Advisors") regarding its prospective appointment as listing agent;
- Corresponding with various cities and municipalities regarding the payment of property tax arrears;
- Corresponding with creditors and the Company regarding planned renovations and the leased status of each creditor's respective property;
- Reviewing all backup information provided by the Company in connection with its planned renovations;
- Corresponding with various utility service providers to discuss the stay of proceedings and to ensure continuity of services;
- Corresponding extensively with the Company regarding, among other things, reporting of receipts, requests for payment of utilities and property taxes, payment of pre-filing arrears and multiple scope of work renovation requests;

- Reviewing weekly progress updates from the Company in respect of approved renovations;

### **Investigation Mandate**

- Considering information received from the Company in connection with an investigation into certain allegations made by lenders in accordance with the amended and restated initial order (the “Investigation”);
- Corresponding with the Bank of Montreal and Toronto-Dominion Bank regarding the Company’s bank statements and requests for information in respect of same;
- Reviewing and analyzing eleven general ledgers provided by the Company and preparing a summary of receipts and disbursements;
- Reviewing and commenting on a letter prepared by Cassels dated March 8, 2024 in connection with the Investigation (the “March 8 Letter”);
- Reviewing a letter from Bennett Jones in respect of the Company’s responses to Cassels’ March 8 Letter;
- Reviewing letters from Bennett Jones dated March 24 and 25, 2024 in respect of information requests related to the Investigation;
- Reviewing, analyzing and summarizing bank statements and credit card statements received from the Company, and vouching the same to the general ledgers;
- Corresponding with several creditors regarding allegations of property transfers, misappropriation of assets and altered appraisal reports;
- Reviewing property title searches conducted by Cassels and identifying the transferee of the respective properties;
- Reviewing statements of adjustment and trust ledger statements in connection with the purchase of the Company’s owned properties;
- Reviewing the Company’s fiscal 2021 and 2022 financial statements and corporate tax returns;
- Preparing and sending a joint letter to Claire Drage, The Windrose Group Inc. (“Windrose”), The Lion’s Share Group Inc. and Fuller Landau in connection with a request for information regarding promissory notes issued by the Company to Lion’s Share and/or brokered by Windrose;
- Reviewing multiple promissory notes issued by the Company to the unsecured noteholders;

Other

- Corresponding daily with several creditors and providing updates regarding the CCAA proceedings;
- Maintaining the Service List in these proceedings on the Monitor's case website and posting all Court materials on the Monitor's case website;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$ 176,961.62
HST	<u>23,005.01</u>
Total due	\$ <u><u>199,966.63</u></u>



KSV Restructuring Inc.

Balboa Inc. et al.

**Time Summary**

For the period ending March 31, 2024

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
David Sieradzki	750	42.50	31,875.00
Noah Goldstein	750	44.40	33,300.00
Christian Vit	500	116.75	58,375.00
Nisan Thurairatnam	475	52.50	24,937.50
Maha Shah	450	35.30	15,885.00
Other staff and administration		40.35	12,371.25
Total Fees		331.80	176,743.75
Total Disbursements			217.87
Total Fees and Disbursements			176,961.62

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 9<sup>th</sup> day of April, 2024



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Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario for KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025

Exhibit "B"

**Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc.,  
Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and  
Joint Captain Real Estate Inc. (collectively, the "Applicants")  
Schedule of Professionals' Time and Rates  
For the Period January 2, 2024 to March 31, 2024**

Name	Role	Hours	Billing Rate (Per Hour)	Total Fees by Professional (\$)
David Sieradzki	Overall Responsibility	130.50	\$ 750	\$ 97,875
Noah Goldstein	Overall Responsibility	213.10	\$ 750	\$ 159,825
Christian Vit	All aspects of mandate	276.50	\$ 500	\$ 138,250
Nisan Thurairatnam	All aspects of mandate	176.00	\$ 475	\$ 83,600
Maha Shah	Aspects of mandate	35.30	\$ 450	\$ 15,885
Matt Saturno	Aspects of mandate	13.00	\$ 340	\$ 4,420
Other Staff and administration		60.45	\$ 195 - 275	\$ 17,982
Total hours				904.85
Total fees				<u>\$ 517,836.75</u>
Average hourly rate				572.29

## **Appendix “H”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**.IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY  
GILMORE INC., INTERLUDE INC., MULTIVILLE INC.,  
THE PINK FLAMINGO INC., HOMETOWN HOUSING  
INC., THE MULLIGAN INC., HORSES IN THE BACK INC.,  
NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE  
INC. (collectively the "Applicants", and each an "Applicant")**

**AFFIDAVIT OF RYAN JACOBS  
(sworn April 9, 2024)**

I, Ryan Jacobs, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a lawyer qualified to practice law in Ontario and a Partner<sup>1</sup> with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for KSV Restructuring Inc., in its capacity as the monitor (the "**Monitor**") of the Applicants, as appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 23, 2024, as amended and restated from time to time. As such, I have knowledge of the matters to which I depose.

2. During the period from January 17, 2024 to March 31, 2024, Cassels incurred fees and disbursements, including Harmonized Sales Tax ("**HST**"), in the amount of \$773,304.10. Particulars of the work performed are contained in the invoices (each an "**Invoice**"; collectively, the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this affidavit, which have been redacted to remove any information which may be privileged, sensitive or confidential.

3. Attached as **Exhibit "B"** is a schedule with tables summarizing each Invoice in Exhibit "A", including the total billable hours charged per Invoice, the total fees charged per Invoice, and

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<sup>1</sup> My services are provided through a professional corporation.

the average hourly rate charged per Invoice. The average hourly rate charged by Cassels was \$974.48.

4. Attached as **Exhibit "C"** is a schedule summarizing the respective years of call and billing rates of each individual at Cassels who acted for the Monitor, as the case may be.

5. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

**SWORN BEFORE ME** by video conference on this 9<sup>th</sup> day of April 2024. The affiant and I were both located at the City of Toronto, in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)



\_\_\_\_\_  
RYAN JACOBS

Commissioner Name: William Onyeaju

Law Society of Ontario Number: 81919E

This is Exhibit "A" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on April 9, 2024 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



.....  
A Commissioner for Taking Affidavits

Commissioner Name: William Onyeaju  
Law Society of Ontario Number: 81919E

**EXHIBIT "A"**

**Redacted Copies of the Invoices issued to the Monitor  
for fees and disbursements incurred by  
Cassels Brock & Blackwell LLP**



# Cassels

Attn: Noah Goldstein  
KSV Advisory  
150 King St W, Suite 2308  
Toronto, ON M5H 1J9

Invoice No: 2226982  
Date: January 31, 2024  
Matter No.: 057984-00012  
GST/HST No.: R121379572  
Lawyer: Jacobs, Ryan  
Tel.: (416) 860-6465  
E-mail: RJacobs@cassels.com

Re: Balboa et al Restructuring

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Fees for professional services rendered up to and including January 31, 2024

Our Fees	117,852.00
HST @ 13.00%	15,320.76
<b>TOTAL DUE (CAD)</b>	<b>133,172.76</b>

*We are committed to protecting the environment.*

*Please provide your email address to [payments@cassels.com](mailto:payments@cassels.com) to receive invoice and reminder statements electronically.*

**Payment due upon receipt. Please return remittance advice(s) with cheque.**

**REMITTANCE ADVICE: Email payment details to [payments@cassels.com](mailto:payments@cassels.com)**

**CAD EFT and Wire:**

Bank of Nova Scotia  
44 King St. West,  
Toronto, ON, M5H 1H1

Bank I.D.: 002  
Transit No.: 47696  
Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

**Cheque Payments:**

Cassels Brock & Blackwell LLP  
Finance & Accounting (Receipts)  
Suite 3200, Bay Adelaide Centre - North Tower  
40 Temperance St., Toronto, ON, M5H 0B4 Canada

**Online Bill Payments:**

Vendor name is **Cassels Brock Blackwell LLP** and  
you are required to enter the first six digits of the  
matter #

Invoice No: 2226982  
Matter No.: 057984-00012  
Amount: **CAD 133,172.76**

**e-Transfer Payments:** [payments@cassels.com](mailto:payments@cassels.com)

**Credit Card Payments:** [payments.cassels.com](http://payments.cassels.com)

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**Cassels Brock Blackwell LLP** | [cassels.com](http://cassels.com)

Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Jan-17-24	R. Jacobs	Review and comment on draft initial Order. Review and comment on draft affidavit. Correspondence with N. Goldstein and S. Zweig regarding same. Meeting with KSV regarding CCAA proceeding. Discuss scope of security opinions with M. Wunder.	2.00
Jan-17-24	J. Bellissimo	Emails with R Jacobs and M Wunder; review draft Initial Order; call with KSV and Cassels teams; emails regarding draft Initial Order;	1.40
Jan-17-24	M. Wunder	Meeting with Bennett Jones and KSV teams to discuss security review. Review draft initial order.	1.30
Jan-17-24	S. Kukulowicz	Telephone attendance with R. Jacobs regarding filing and objectives; advise KSV team on issues regarding same;	1.10
Jan-18-24	R. Jacobs	Review and comment on affidavit. Review and comment on revised draft initial order. Attend meeting with Bennett Jones and Cassels team regarding filing prep and issues. Correspondence with KSV regarding pre-filing report.	2.00
Jan-18-24	J. Bellissimo	Review and comment on draft CCAA initial affidavit; emails regarding same;	1.00
Jan-18-24	S. Kukulowicz	Advise KSV on rep counsel issues and experienced counsel for same; emails regarding same;	1.30
Jan-18-24	M. Wunder	Status call with KSV and counsel for debtor group. Review draft CCAA initial order and confer with Cassels team.	0.90
Jan-19-24	R. Jacobs	Review and comment on draft CCAA materials. Correspondence with Bennett Jones and KSV teams regarding same. Correspondence regarding pre-filing report. Correspondence with M. Wunder regarding security reviews.	2.30
Jan-19-24	S. Kukulowicz	Telephone call to J. Bellissimo; provided comments on draft affidavit and order;	1.80
Jan-20-24	R. Jacobs	Review and comment on draft CCAA materials. Correspondence with KSV team regarding pre-filing report.	2.00
Jan-20-24	J. Bellissimo	Emails throughout day re updated court materials and comments on same;	2.10
Jan-20-24	S. Kukulowicz	Draft portions of report;	1.50
Jan-20-24	M. Wunder	Review and comment on on portions draft pre-filing report of proposed Monitor. Correspondence with advisors for debtor and KSV.	1.10
Jan-21-24	R. Jacobs	Review and comment on draft Monitor's pre-filing report. Correspondence with KSV regarding same. Review BJ comments on pre-filing report. Review revised drafts of affidavit and initial order.	2.50
Jan-21-24	J. Bellissimo	Review draft pre-filing report; emails with R Jacobs regarding same; various emails with counsel re revisions to draft report;	1.80
Jan-21-24	S. Kukulowicz	Calls and correspondence with KSV team regarding case objectives, order terms and issues;	0.70

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Jan-21-24	M. Wunder	Review portions of draft CCAA affidavit for initial hearing. Correspondence with Bennett Jones and KSV teams regarding same and revised pre-filing report for proposed Monitor.	0.50
Jan-22-24	M. Wunder	Review final motion record. Review draft DIP submission. Advise KSV team regarding same;	1.50
Jan-22-24	S. Kukulowicz	Consider rep counsel issues; discussions with J. Bellissimo and N. Goldstein regarding same;	2.20
Jan-22-24	R. Jacobs	Review and comment on latest drafts of court material. Review and finalize final pre-filing report. Correspondence with KSV and Bennett Jones teams regarding comeback application. Review draft factum. Correspondence with J. Bellissimo regarding initial hearing. Review updated comms package.	2.70
Jan-22-24	J. Bellissimo	Emails regarding pre-filing report and filing matters;	0.40
Jan-23-24	M. Wunder	Examine DIP issues, advise KSV on same. Consider issues regarding security review. Work on security review.	2.30
Jan-23-24	S. Kukulowicz	Discussions with S. Zweig and J. Bellissimo re rep counsel; review of endorsement; correspondence and advice to KSV regarding rep counsel matters; Examine precedent orders; Correspondence regarding townhall;	3.40
Jan-23-24	R. Jacobs	Prep for and attend initial order hearing. Review endorsement. Correspondence with Chaitons regarding town hall and communications. Correspondence with Cassels and Monitor teams regarding action items from IO. Discussions with KSV regarding scope of report for comeback. Review DIP term sheet.	3.00
Jan-23-24	J. Bellissimo	Finalize, serve and file Pre-Filing Report; emails re same; prepare for court hearing; attend initial application court hearing; debrief with Cassels team; call with KSV, Bennett Jones, Chaitons and R Jacobs; review court decision;	3.60
Jan-24-24	M. Wunder	Review and comment on portions of amended and restated initial order addressing DIP. Calls with KSV and Cassels regarding same. Confer with R Jacobs regarding security review process.	1.60
Jan-24-24	S. Kukulowicz	Comment on portions of Amended and Restated Initial Order addressing rep counsel matters; review of draft comeback documents; correspondence with KSV team;	1.90
Jan-24-24	R. Jacobs	Discussions with N. Goldstein and email correspondence with Bennett Jones re case issues. Review emails regarding DIP, discuss DIP process and latest offer with N. Goldstein. Comment on draft offer terms. Correspondence with M. Wunder regarding security review.	2.10
Jan-25-24	M. Wunder	Emails regarding next steps and lender inquiries. Confer with KSV and Cassels regarding comeback motion and DIP.	0.60
Jan-26-24	R. Jacobs	Discussion regarding town hall. Discussions with N. Goldstein regarding comeback hearing, draft report.	1.30
Jan-27-24	M. Wunder	Emails with KSV regarding DIP loan and approval for	0.30

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		comeback hearing.	
Jan-27-24	R. Jacobs	Review and comment on revised draft ARIO and affidavit. Correspondence with KSV team and then Bennett Jones regarding same.	1.70
Jan-27-24	J. Bellissimo	Review draft motion materials; emails with KSV regarding same;	1.20
Jan-28-24	M. Wunder	Continue work on security review.	1.20
Jan-28-24	R. Jacobs	Correspondence with N. Goldstein regarding first report. Review comeback motion record.	1.00
Jan-29-24	J. Bellissimo	Review draft Monitor's First Report; review R Jacobs revisions to same; emails with KSV re same; attend lender townhall meeting; finalize and serve First Report;	2.60
Jan-29-24	R. Jacobs	Review and comment on draft report. Emails with KSV and Cassels teams. Review emails from lenders, investors and consider issues. Correspondence with J. Bellissimo regarding town hall. Consider issues for comeback hearing.	2.20
Jan-29-24	W. Onyeaju	Revising First Report of the Monitor; draft affidavit of service; commission affidavit of service; file First Report of the Monitor and affidavit of service.	1.40
Jan-29-24	S. Kukulowicz	Meetings with KSV regarding case issues, strategy for Monitor on same. Examine correspondence. Correspondence and meetings with Bennett Jones team;	3.30
Jan-29-24	M. Wunder	Review and consider DIP loan terms and conditions. Review conditions precedent for DIP loan advances. Consider reporting obligations to DIP lender.	1.20
Jan-30-24	W. Onyeaju	Email correspondence with Bennett Jones regarding Caselines document management.	0.90
Jan-30-24	R. Jacobs	Prep for comeback hearing. Review objection of secured creditors and affidavit evidence. Meeting with S. Zweig and N. Goldstein regarding same. Discussion with J. Bellissimo regarding same.	2.30
Jan-30-24	S. Kukulowicz	Examine rep counsel issues raised and discuss lender objections and legal argument with KSV and Cassels teams;	1.80
Jan-30-24	J. Bellissimo	Emails with KSV regarding lender counsel questions; calls with S Zweig re same; call with S Zweig and lender counsel; call with KSV, Bennett Jones and Chaitons; various emails from stakeholders; emails regarding regulatory stay issues; review lender affidavit regarding comeback hearing; consider issues/positions for comeback hearing;	3.40
Jan-30-24	M. Wunder	Review objection filed by counsel for pre-filing mortgagees and consider responses for CCAA comeback hearing. Calls and emails with Monitor and Cassels team to discuss.	0.80
Jan-31-24	R. Jacobs	Discussions with Bennett Jones and KSV teams regarding decision, necessary revisions to ARIO, action items for Monitor. Planning for Monitor action items including meeting with lenders. Discussions with KSV regarding cost allocation. Review and comment on revised draft ARIO and	2.20

Date	Name	Description	Hours
Jan-31-24	S. Kukulowicz	correspondence with company counsel regarding same. Review of revised draft order and related emails; emails regarding meeting with company counsel and Monitor; emails regarding secured lender meeting; Examine research regarding rep counsel issues; Advise Cassels team regarding same.	4.40
Jan-31-24	J. Bellissimo	Prepare for comeback court hearing; attend comeback hearing; post-hearing emails/calls regarding next steps; various emails regarding form of order and endorsement; consider next steps;	6.50
Jan-31-24	M. Wunder	Continue review of DIP loan agreement and related conditions. Discussions with Cassels and KSV teams regarding objections for comeback hearing and options. Work on security review.	2.00

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Jacobs, Ryan	Partner	29.30	1,650.00	48,345.00
Bellissimo, Joseph J.	Partner	24.00	1,005.00	24,120.00
Wunder, Michael	Partner	15.30	1,050.00	16,065.00
Kukulowicz, Shayne	Partner	23.40	1,200.00	28,080.00
Onyeaju, William	Associate	2.30	540.00	1,242.00
<b>Total (CAD)</b>		<b>94.30</b>		<b>117,852.00</b>
Our Fees			117,852.00	
HST @ 13.00%			15,320.76	
<b>TOTAL FEES &amp; TAXES (CAD)</b>				<b>133,172.76</b>

<b>TOTAL FEES</b>	<b>117,852.00</b>
<b>TOTAL TAXES</b>	<b>15,320.76</b>
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>133,172.76</b>

# Cassels

Attn: Noah Goldstein  
KSV Advisory  
150 King St W, Suite 2308  
Toronto, ON M5H 1J9

Invoice No: 2230243  
Date: March 08, 2024  
Matter No.: 057984-00012  
GST/HST No.: R121379572  
Lawyer: Jacobs, Ryan  
Tel.: (416) 860-6465  
E-mail: RJacobs@cassels.com

Re: Balboa et al Restructuring

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Fees for professional services rendered up to and including February 29, 2024

Our Fees	254,501.00
Disbursements	1,633.80
Total Fees and Disbursements	256,134.80
HST @ 13.00%	33,229.42
<b>TOTAL DUE (CAD)</b>	<b>289,364.22</b>

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Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

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40 Temperance St., Toronto, ON, M5H 0B4 Canada

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Invoice No: 2230243  
Matter No.: 057984-00012  
Amount: **CAD 289,364.22**

**e-Transfer Payments:** [payments@cassels.com](mailto:payments@cassels.com)

**Credit Card Payments:** [payments.cassels.com](http://payments.cassels.com)

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Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Feb-01-24	M. Wunder	Call with Monitor and Bennett Jones teams regarding DIP and terms.	0.80
Feb-01-24	S. Kukulowicz	Review and comment on court materials and issues for next hearing; conference call with KSV regarding secured creditor meeting; emails regarding planning for secured creditor meeting; comment on draft meeting notice;	3.30
Feb-01-24	J. Bellissimo	Emails with KSV re secured lenders meeting; emails with lender counsel re forms of order and endorsement; prepare draft notice of secured lenders meeting; emails re same; emails throughout day with KSV re lender issues;	2.70
Feb-02-24	M. Wunder	Analysis of interlender issues and protections. Discuss with S. Kukulowicz and advise KSV re same	1.30
Feb-02-24	R. Jacobs	Email correspondence with lender advisors. Correspondence with KSV regarding lender meeting and logistics. Review endorsement and revisions to initial order. Advise KSV team regarding same.	2.50
Feb-02-24	S. Kukulowicz	Analysis of potential interlender issues and discuss with M. Wunder;	0.40
Feb-02-24	J. Bellissimo	Review Justice Kimmel's endorsement and consider next steps; emails with KS and Cassels teams re same and secured lenders meeting; emails with lenders' counsel re same; call with KSV, Chaitons, Bennett Jones and Cassels teams; call with R. Jacobs;	3.80
Feb-03-24	R. Jacobs	Review and consider various questions by secured creditors;	0.50
Feb-03-24	S. Kukulowicz	Review of various questions by secured creditors/court to Monitor; review of amendment to DIP Agreement;	0.50
Feb-03-24	J. Bellissimo	Draft email for secured lenders meeting; emails re same; emails re lender rep issues;	1.30
Feb-04-24	M. Wunder	Markup draft DIP amendment. Review DIP loan milestone and notice requirements and confer with Cassels team regarding same. Confer with Cassels team regarding meeting with lenders and lender rep counsel and prep for same.	1.60
Feb-04-24	R. Jacobs	Review emails from lenders and discuss responses with KSV. Correspondence with lender advisors. Meeting with S. Nash and KSV team. Prep work for lender meeting.	2.90
Feb-04-24	S. Kukulowicz	Review of letter of opinion regarding sale of properties (timing and effect on values); review of meeting agenda and emails regarding secured creditor meeting; review of response by Monitor to various questions;	1.10
Feb-04-24	J. Bellissimo	Emails to address creditor inquiries; emails with KSV re same; emails re details for secured lenders meeting and related matters; call with KSV and Cassels team to prep for meeting;	2.30
Feb-05-24	M. Wunder	Review and comment on draft amendment to DIP loan agreement. Review draft assignment agreement to new	2.50

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		lender for DIP loan, prepare and circulate revised draft with commentary and emails with KSV, Bennett Jones and counsel for DIP lender re same. Attend lender town hall meeting and confer with KSV and Cassels re next steps.	
Feb-05-24	R. Jacobs	Emails with Monitor regarding secured lender meeting. Emails with Company counsel regarding DIP amendment and assignment. Prep for and participate in secured lender meeting. Follow up discussions with KSV regarding meeting action items and next steps. Correspondence regarding examining allegations raised by lenders.	3.00
Feb-05-24	W. Onyeaju	Attending secured creditors meeting with the court-appointed Monitor and representative counsel.	2.90
Feb-05-24	S. Kukulowicz	Review analysis re lender issues. Discuss with KSV team. Begin review of creditor allegations and inquiries. Research re same. Review "Authorization and Direction" and respond to related emails;	4.20
Feb-05-24	J. Bellissimo	Calls and emails with KSV team re case issues, lender issues, action items and legal analysis. Discuss lender authorization and direction with Cassels team; emails re same; Review and research on creditor inquiries, property diligence, security.	5.70
Feb-06-24	M. Wunder	Confer with Monitor and Cassels team regarding property and diligence analysis.	1.10
Feb-06-24	W. Onyeaju	Reviewing FAQ for secured creditors.	0.40
Feb-06-24	J. Bellissimo	Emails re secured lender communications and direction; update call with KSV, Bennett Jones, Chaitons and Cassels teams; lender emails throughout day;	2.80
Feb-06-24	R. Jacobs	Emails with Chaitons, KSV and BJs regarding secured lender inquiries. Review and comment on consent form.	1.20
Feb-06-24	S. Kukulowicz	Review of revised authorization and related emails; review and analysis of property appraisals and property debt summaries; review of court materials;	3.80
Feb-07-24	M. Wunder	Status call with Monitor and counsel for borrower group and discuss next steps for DIP loan advances. Review DIP loan milestone dates and required deliveries by Applicants and Monitor.	0.70
Feb-07-24	R. Jacobs	Email correspondence with KSV, Chaitons and BJs regarding secured lender developments. Calls with N. Goldstein regarding same. Consider scope of Monitor's report. Examine secured lender positions and discuss potential Monitor investigation with N. Goldstein.	2.20
Feb-07-24	S. Kukulowicz	Review of spreadsheet with outstanding property taxes; discussed same with J. Bellissimo; review of proposed revisions to Amended and Restated Initial Order;	3.20
Feb-08-24	W. Onyeaju	Legal research regarding public utilities and associated charges and fees in Ontario; email correspondence with Monitor team re same.	0.80
Feb-08-24	R. Jacobs	Review and carefully consider emails from lenders.	1.20



<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		Correspondence with Cassels and KSV teams regarding same. Correspondence with KSV regarding draft report.	
Feb-08-24	J. Bellissimo	Emails with lenders and counsel throughout day; call with KSV, Cassels and G Benchetrit (Chaitons) re same;	0.80
Feb-08-24	S. Kukulowicz	Review of social media posts; review of applicants' press releases; zoom conference with KSV and rep. counsel; follow up discussions with J. Bellissimo	2.60
Feb-09-24	R. Jacobs	Consider issues from lenders and respond to emails with KSV re same. Review draft ARIO received from BJs. Correspondence with KSV re report.	1.70
Feb-09-24	J. Bellissimo	Review and consider letter from Scotiabank; emails re same; comment on revised ARIO; emails with R. Jacobs re same; emails with KSV re CRA notice;	1.80
Feb-09-24	S. Kukulowicz	Review of letters from lenders; review of CBC news report and related emails; correspondence re BNS; diligence and analysis re lender issues;	2.90
Feb-10-24	R. Jacobs	Review and consider emails from Chaitons re ARIO. Correspondence with N. Goldstein re same. Correspondence with Cassels team re strategy on ARIO and comeback hearing, Monitor position. Call with Chaitons. Call with S. Zweig and N. Goldstein re lender issues and manner to address same.	2.90
Feb-10-24	S. Kukulowicz	Emails regarding expansion of the Monitor's powers; review of letters regarding complaints against Companies and mortgage broker; further review of ARIO;	1.40
Feb-11-24	M. Wunder	Emails with Bennett Jones regarding revised order. Advise KSV on DIP and terms.	1.30
Feb-11-24	R. Jacobs	Meeting with KSV team re ARIO. Review and comment on draft of same to reflect lender issues and concerns. Correspondence with BJs team and then with lender rep counsel re same. Consider FA language and develop rider. Review and comment on draft notice to lenders.	2.70
Feb-11-24	W. Onyeaju	Email correspondence with counsel to the Applicant.	0.20
Feb-11-24	J. Bellissimo	Call with KSV and Cassels teams re amendments to ARIO; work on draft language for ARIO; emails with Cassels and KSV teams re same; emails with BJ and Chaitons re same; emails re notice to lenders re change to rep counsel mandate; prepare draft notice; emails re same;	2.10
Feb-11-24	S. Kukulowicz	Conference call with KSV regarding status of rep counsel and ARIO; revised ARIO regarding enhanced Monitor powers; drafted rider for ARIO regarding financial advisor; review of emails regarding Monitor oversight and rep. counsel issues; review of draft notice to lenders regarding role of rep. counsel to secured lenders;	2.90
Feb-12-24	M. Wunder	Attend on calls with counsel to Company. Review and comment on portions of draft Monitor's report. Discuss DIP issues with KSV.	1.80
Feb-12-24	W. Onyeaju	Email correspondence with representative counsel and	0.10

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		counsel to the Applicant.	
Feb-12-24	R. Jacobs	Review and consider emails from Lender Rep Counsel and from lenders and advise KSV regarding same. Discussions with BJ team regarding issues on ARIO. Review and comment on draft Monitor's report. Correspondence with Cassels and KSV teams regarding same. Call with Chaitons regarding notice to lenders. Review Chaitons comments on report and notice.	2.90
Feb-12-24	S. Kukulowicz	Review of draft supplemental report and provided comments; review of other proposed revisions; review of various revisions regarding notice to lenders; review of cash flow breakdown of expenses;	3.80
Feb-13-24	M. Wunder	Review and comment on portions of draft Monitor's report. Review application record. Review DIP loan terms. Confer with Cassels team.	1.40
Feb-13-24	A. Hoy	Commissioning Affidavit	0.20
Feb-13-24	W. Onyeaju	CaseLines review; email correspondence with BJ; revise service list; email correspondence with Monitor; drafting service email; email correspondence from representative counsel; drafting affidavit of service; commissioning affidavit of service; filing Supplemental Monitor's Report and Affidavit of Service onto the JSO website; placing Supplemental Monitor's Report on CaseLines.	4.00
Feb-13-24	R. Jacobs	Review emails from unsecured lenders and advise KSV regarding same. Calls with S. Zweig regarding same. Review latest draft report and comment on same. Calls with KSV regarding same. Review additional comments on report. Review and consider feedback from Chaitons. Develop strategy regarding rep counsel issues.	2.70
Feb-13-24	S. Kukulowicz	Review of numerous emails regarding unsecured lenders concerns over representation. Zoom conference with KSV and Bennett Jones; review of proposed revisions to draft supplemental report and provided comments; review of emails regarding unsecured lender issues;	5.80
Feb-14-24	W. Onyeaju	Reviewing ARIO materials; reviewing documents uploaded to CaseLines; uploading documents to CaseLines; email correspondence with counsel to the Applicant; call with KSV; call with counsel to the Applicant; analyzing Commitment Letters and Solicitor's Packages pertaining to an additional stay party.	2.20
Feb-14-24	S. Kukulowicz	Preparation for court hearing on adjourned comeback; review and consider communications with concerned lenders; exchanged emails with various unsecured lenders; numerous emails regarding settlement of ARIO provisions;	6.20
Feb-15-24	M. Wunder	Confer with Cassels team regarding security review process and planning re next steps.	1.70
Feb-15-24	R. Jacobs	Attend portion of comeback hearing. Discuss requirements for Monitor regarding investigation and lender meeting	2.00

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		with KS and BJs teams. Correspondence regarding FA engagement and proposed terms. Correspondence with J. Foster (Bennett Jones) regarding information requests and NDA.	
Feb-15-24	W. Onyeaju	Reviewing Initial Order and ARIO; reviewing documents uploaded to CaseLines.	0.30
Feb-15-24	S. Kukulowicz	Prepared for and attended court hearing; follow-up discussions with KSV on case next steps; review of court endorsement and signed order; review of further emails to KSV from various investors; review of emails regarding termination of the pre-filing financial advisor agreement;	5.80
Feb-16-24	R. Jacobs	Advise KSV team on lender requests for information.	0.50
Feb-16-24	S. Kukulowicz	Reviewed and exchanged emails regarding update and planning call and unsecured lender meeting; review and consider further lender communications; review of confidentiality issues;	1.10
Feb-17-24	R. Jacobs	Review and comment on draft NDA for lenders received from BJs. Correspondence with KSV team and then S. Zweig regarding issues on same. Correspondence with KSV regarding CCAA action items.	0.80
Feb-17-24	S. Kukulowicz	Emails to R. Jacobs re confidentiality issues;	0.30
Feb-18-24	R. Jacobs	Emails with KSV regarding investigation and next steps. Consider scope of investigation and legal issues.	1.30
Feb-18-24	S. Kukulowicz	Review of further emails regarding unsecured lender meeting and draft notice;	0.20
Feb-19-24	R. Jacobs	Correspondence with KSV team regarding notice to unsecured lenders. Review and comment on draft notice. Correspondence with KSV and Cassels team regarding Court directed investigation. Outline scope of investigation.	2.30
Feb-19-24	S. Kukulowicz	Work on developing scope of Monitor investigation;	1.20
Feb-20-24	C. Pendrith	Discussion with Cassels team; Review background materials in CCAA; [REDACTED]	1.70
Feb-20-24	W. Onyeaju	Reviewing email correspondence delivered by KSV.	0.10
Feb-20-24	J. Picone	Discussion with insolvency team to discuss scope of investigation; reviewing materials filed with the court; discussion with Colin Pendrith; correspondence with the Monitor;	2.30
Feb-20-24	R. Jacobs	Meeting with J. Picone and C. Pendrith regarding court ordered investigation. Correspondence with N. Goldstein regarding scope of same. Review correspondence from lenders. Review sale transaction proposal. Correspondence with KSV regarding same. Review email from BJs regarding HCC termination.	2.10
Feb-20-24	S. Kukulowicz	Review of final notice to unsecured lenders; review of emails regarding controlling attendees to unsecured lender meeting; review of further investor communications; review of letter of intent regarding offer; zoom conference	1.80

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Feb-21-24	J. Oliveira	regarding investigation mandate; Review PIN re [REDACTED] [REDACTED]	1.10
Feb-21-24	M. Wunder	Arrange for multiple real estate and corporate searches. Review search results and send to KSV with summaries.	2.60
Feb-21-24	R. Jacobs	Attend meeting with KSV and Cassels teams regarding investigation. Work on outline and correspondence with N. Goldstein regarding same. Emails with KSV regarding lender feedback and considerations relevant to investigation. Review updated proposed NDA for lender committee members.	1.50
Feb-21-24	C. Pendrith	Continued review of background documents; Work on memo outlining investigation process; Discussion with John Picone and Rob Sniderman; Discussion with KSV team;	1.90
Feb-21-24	R. Sniderman	Detailed review of background materials, including interim orders, affidavits, monitor reports, and correspondence between Cassels team and KSV team; Draft memo to KSV outlining proposed investigation steps;	1.70
Feb-21-24	W. Onyeaju	Reviewing the Application Record; reviewing and extracting secured creditor property information.	0.20
Feb-21-24	A. Slota	Attending to Ontario corporate due diligence search in respect of [REDACTED] [REDACTED] reviewing search results with respect to same;	0.50
Feb-21-24	J. Picone	Videoconference with Monitor to discuss scope and timing of investigation; internal discussions regarding same; correspondence with the monitor; internal correspondence; reviewing and considering materials filed with the court; reviewing background documents;	2.90
Feb-21-24	S. Kukulowicz	Analysis of lender communications; emails regarding investigation;	1.10
Feb-22-24	C. Pendrith	Draft memo to KSV; Emails and discussion concerning same; Review of background documents;	1.50
Feb-22-24	R. Sniderman	Detailed review of background materials, including interim orders, affidavits, monitor reports, and correspondence between Cassels team and KSV team; Draft memo to KSV outlining proposed investigation steps; Correspondence with J. Picone and C. Pendrith regarding same;	5.50
Feb-22-24	J. Picone	Document review and correspondence relating to investigation; instructions to Robert Sniderman regarding revisions to draft investigation plan; reviewing and revising investigation plan;	1.80
Feb-22-24	S. Kukulowicz	Emails regarding promissory notes and claims process;	1.10
Feb-22-24	R. Jacobs	Review memorandum to KSV regarding scope of investigation and action items. Correspondence with KSV and Cassels team regarding same. Review emails between Chaitons and BJs on NDA.	2.10

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Feb-22-24	A. Im	Attending to corporate searches; Reviewing search results and preparing report with respect to same; Email correspondence with R. Sniderman.	0.30
Feb-23-24	R. Jacobs	Emails with BJs regarding NDA for lender committee. Emails with KSV regarding unsecured lender meeting, representation issues.	1.30
Feb-23-24	C. Pendrith	Discussions concerning title review; Emails with Cassels team and KSV re same;	0.50
Feb-23-24	J. Freeman	Call with C. Pendrith re: title review matters;	0.20
Feb-23-24	R. Sniderman	Review KSV comments on draft memo; Revisions to same; Correspondence with J. Picone and C. Pendrith regarding same;	1.10
Feb-23-24	J. Picone	Reviewing and considering diligence documents for investigation; reviewing comments on investigation plan; correspondence in connection with same;	0.80
Feb-23-24	S. Kukulowicz	Exchanged emails with KSV regarding agenda for unsecured creditor meeting and lender rep attendance; review of emails from KSV regarding investigation;	0.70
Feb-24-24	R. Sniderman	Update draft memo to outline investigation steps;	0.10
Feb-24-24	S. Kukulowicz	[REDACTED]	0.50
Feb-25-24	R. Jacobs	Attend meeting with KSV regarding prep for unsecured lender meeting. Review emails from C. Drage.	1.00
Feb-25-24	S. Kukulowicz	Zoom conference with KSV regarding preparation for unsecured lender meeting; review of communications between C. Drage and KSV regarding creditor meeting;	0.80
Feb-26-24	C. Pendrith	Consider next steps in investigation; Discussion with Rob Sniderman;	0.50
Feb-26-24	C. Pendrith	Discussions with J. Freeman; Review recent sale documents;	0.40
Feb-26-24	R. Jacobs	Prep for meeting with unsecured lenders and correspondence with KSV team regarding same. Examine emails from lenders and correspondence with KSV regarding same. Attend meeting of unsecured lenders. Consider counsel options and correspondence with M. Forte regarding same.	2.70
Feb-26-24	J. Freeman	Review and respond to email correspondence from C. Pendrith re investigation issues;	0.30
Feb-26-24	W. Onyeaju	Attending meeting of unsecured creditors;	1.60
Feb-26-24	N. Pelech	Review step memo; Review title documentation;	0.50
Feb-26-24	R. Lysy	Review search results;	0.40
Feb-26-24	J. Picone	Revise summary of investigation plan; correspondence in connection with same; reviewing and considering correspondence relating to investigation items;	0.80
Feb-26-24	S. Kukulowicz	Review of communications with C. Drage; review of emails regarding Olympia Trust actions and stay of proceedings; exchanged emails regarding scheduling CPO motion; attended virtual meeting of unsecured lenders; reviewed	3.30

Date	Name	Description	Hours
		communications from various unsecured lenders and provided responses; review of emails with M. Forte regarding rep counsel mandate;	
Feb-27-24	C. Pendrith	Discussion with real estate team; Emails with KSV re: [REDACTED] [REDACTED]	1.20
Feb-27-24	D. Waud	Review and analysis of diligence material to support investigation;	2.70
Feb-27-24	E. Hyderman	Meeting with N Pelech and R Lysy re data in PIN documents; Review data;	1.10
Feb-27-24	G. Hashemi-Chochani	Reviewing and organizing title documentation;	5.30
Feb-27-24	R. Sniderman	Review correspondence and update re investigation findings;	0.30
Feb-27-24	N. Pelech	Review title documentation; Summarize same;	2.80
Feb-27-24	C. Wong	Reviewing and summarizing [REDACTED]	1.50
Feb-27-24	R. Jacobs	Consider strategic case next steps and upcoming hearing relief. Discussions with KSV team regarding same. Correspondence with Cassels and KSV teams investigation and key issues.	1.50
Feb-27-24	R. Lysy	Discussions with C. Pendrith re real estate investigations and findings; call to Bennett Jones;	2.00
Feb-27-24	J. Picone	Document review and correspondence, including coordination correspondence from Monitor; reviewing title searches;	1.30
Feb-27-24	S. Kukulowicz	Review of emails regarding rep counsel mandate; review of emails regarding unsecured lender questions and issues; review of emails regarding property transfers and investigation issues;	2.70
Feb-28-24	C. Pendrith	Meeting with KSV and Cassels team; Drafting letter to Dylan Suitor; Discussion with real estate team;	2.10
Feb-28-24	M. Wunder	Arrange for title searches and report on same to KSV. Emails re same.	0.70
Feb-28-24	C. Wong	Continue review and summary of PINs	3.20
Feb-28-24	D. Waud	Assist with review of PINs;	5.20
Feb-28-24	E. Hyderman	Assist with review of PINs;	6.00
Feb-28-24	G. Hashemi-Chochani	Reviewing and organizing title documentation;	2.50
Feb-28-24	R. Sniderman	Draft letter to A. Butt and R. Molony; Correspondence with C. Pendrith regarding same;	0.70
Feb-28-24	R. Lysy	Review property searches; emails to Bennett Jones re same;	1.00
Feb-28-24	J. Picone	Reviewing documents relating to real estate and potential real estate sales; preparing for and attending on a videoconference with Monitor; discussion with Colin Pendrith regarding investigation issues; reviewing and revising correspondence;	1.90
Feb-28-24	J. Oliveira	Examine PINs re [REDACTED] [REDACTED]	0.40

Date	Name	Description	Hours
Feb-28-24	R. Jacobs	Call with S. Zweig regarding upcoming motions and relief. Discussion with N. Goldstein regarding same. Meeting with M. Forte as potential counsel to unsecured lenders. Review and comment on letter regarding investigation.	1.80
Feb-28-24	S. Kukulowicz	Zoom conference regarding investigation findings; zoom conference with M. Forte regarding potential rep counsel mandate for the unsecured lenders; review of follow-up emails regarding rep counsel mandate; Review of emails and documents regarding Applicant transactions; review of draft letter to D. Suitor and provided comments;	3.30
Feb-29-24	C. Pendrith	Prepare letter to Aruba Butt and Ryan Molony; Emails with KSV team; Discussion with Rob Lysy;	1.10
Feb-29-24	N. Pelech	Review title search summary;	0.60
Feb-29-24	R. Lysy	Review summary of searches; emails with Bennett Jones; discussions re: searches with deleted instruments;	2.00
Feb-29-24	J. Picone	Considering issues relating to searches and findings; reviewing correspondence relating to potential sales of real estate;	0.80
Feb-29-24	J. Oliveira	Discussion with R. Lysy; Review email and attachment; Provide numerous PINs;	2.80
Feb-29-24	R. Jacobs	Emails with KSV and Cassels team regarding developments on investigation, unsecured lender meeting and representation. Discussion with S. Zweig regarding motion record and relief. Consider management discussions regarding representation and correspondence with KSV regarding same.	2.30
Feb-29-24	S. Kukulowicz	Further emails regarding investigation and rep. counsel for the unsecured lenders; review of letters to the Additional Stay Parties; review of emails and draft notice regarding follow-up meeting of unsecured lenders;	2.80

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Pendrith, Colin	Partner	10.90	760.00	8,284.00
Wunder, Michael	Partner	17.50	1,050.00	18,375.00
Jacobs, Ryan	Partner	49.60	1,650.00	81,840.00
Freeman, Jonathan	Partner	0.50	910.00	455.00
Kukulowicz, Shayne	Partner	68.80	1,200.00	82,560.00
Lysy, Robert	Partner	5.40	880.00	4,752.00
Picone, John M.	Partner	12.60	995.00	12,537.00
Bellissimo, Joseph J.	Partner	23.30	1,005.00	23,416.50
Hoy, Alec	Associate	0.20	485.00	97.00
Onyeaju, William	Associate	12.80	540.00	6,912.00

Name	Title	Hours	Rate	Amount
Sniderman, Robert	Associate	9.40	600.00	5,640.00
Pelech, Nathan	Associate	3.90	600.00	2,340.00
Oliveira, Jane	Law Clerk / Paralegal	4.30	250.00	1,075.00
Slota, Alex	Law Clerk / Paralegal	0.50	400.00	200.00
Im, Anita	Law Clerk / Paralegal	0.30	350.00	105.00
Wong, Courtney	Law Student	4.70	215.00	1,010.50
Waud, Daryl	Law Student	7.90	215.00	1,698.50
Hyderman, Eva	Law Student	7.10	215.00	1,526.50
Hashemi-Ghochani, Golsa	Law Student	7.80	215.00	1,677.00
<b>Total (CAD)</b>		<b>247.50</b>		<b>254,501.00</b>

Our Fees	254,501.00
HST @ 13.00%	33,085.13
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>287,586.13</b>

#### DISBURSEMENT SUMMARY

##### Non-Taxable Disbursements

Electronic Due Diligence	32.00
Parcel Register	491.90
Total Non-Taxable Disbursements	523.90

##### Taxable Disbursements

Parcel Register	1,067.90
Documents & Plans	10.00
Electronic Due Diligence	32.00
Total Taxable Disbursements	1,109.90
HST @ 13.00%	144.29
Total Taxable Disbursements & Taxes	1,254.19

<b>TOTAL DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>1,778.09</b>
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<b>TOTAL FEES</b>	<b>254,501.00</b>
<b>TOTAL DISBURSEMENTS</b>	<b>1,633.80</b>
<b>TOTAL TAXES</b>	<b>33,229.42</b>
<b>TOTAL FEES, DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>289,364.22</b>



# Cassels

Attn: Noah Goldstein  
KSV Advisory  
150 King St W, Suite 2308  
Toronto, ON M5H 1J9

Invoice No: 2233243  
Date: April 03, 2024  
Matter No.: 057984-00012  
GST/HST No.: R121379572  
Lawyer: Jacobs, Ryan  
Tel.: (416) 860-6465  
E-mail: RJacobs@cassels.com

Re: Balboa et al Restructuring

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Fees for professional services rendered up to and including March 31, 2024

Our Fees	307,251.00
Disbursements	3,286.90
Total Fees and Disbursements	310,537.90
HST @ 13.00%	40,229.22
<b>TOTAL DUE (CAD)</b>	<b>350,767.12</b>

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Amount: **CAD 350,767.12**

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**Credit Card Payments:** [payments.cassels.com](http://payments.cassels.com)

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Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Feb-12-24	J. Bellissimo	Emails re draft notice to lenders; revise same; emails re same; emails re lender committee;	1.00
Feb-13-24	J. Bellissimo	Various emails and calls with KSV team re case issues; work on draft monitor report; emails with KSV team re same;	1.60
Feb-19-24	J. Bellissimo	Prepare draft lender meeting notice; various emails re same;	1.00
Feb-20-24	J. Bellissimo	Emails re BNS stay scope issues;	1.00
Feb-21-24	J. Bellissimo	Email re BNS stay issues;	0.80
Feb-24-24	J. Bellissimo	Review and consider LOI; emails with KSV and Cassels teams re same;	0.60
Feb-25-24	J. Bellissimo	Lender meeting preparation call; emails re same;	1.00
Feb-26-24	J. Bellissimo	Emails re unsecured lender meeting and responding to inquiries; attend on unsecured lender meeting;	2.00
Feb-29-24	J. Bellissimo	Emails re notice to unsecured lenders;	0.30
Mar-01-24	D. Waud	Examine PINs and correspondence with Cassels and KSV teams re same;	0.20
Mar-01-24	R. Jacobs	Consider latest case developments and lender issues and correspondence with KSV and Cassels team regarding same. Correspondence regarding unsecured noteholder meeting and comment on draft notice. Advise KSV team re case issues and strategic next steps.	2.00
Mar-01-24	J. Picone	Further review of key documents; reviewing correspondence relating to disclosure of expense records; correspondence from receiver;	0.50
Mar-01-24	R. Lysy	Review property records;	2.70
Mar-01-24	S. Kukulowicz	Emails regarding unsecured lender meeting and rep. counsel; emails regarding retention of counsel by principals and terms thereof; advise KSV on unsecured lender emails;	1.60
Mar-02-24	J. Picone	Reviewing commentary on publicly disclosed allegations; internal correspondence in connection with the same;	0.50
Mar-04-24	N. Pelech	Review revised title documentation charge;	0.60
Mar-04-24	R. Jacobs	Emails regarding rep counsel for unsecureds. Correspondence with KSV and M. Forte regarding same.	0.70
Mar-04-24	M. Wunder	Conduct security review;	0.60
Mar-04-24	C. Pendrith	Engaged in investigation; Discussions with Cassels and KSV teams re key areas of investigation and next steps;	1.50
Mar-04-24	R. Sniderman	[REDACTED]	0.70
Mar-04-24	E. Hyderman	Review and enter ownership and mortgage data from PINs;	1.50
Mar-04-24	D. Waud	Continue review of PINs;	0.50
Mar-04-24	G. Hashemi-Chochani	Revising summary of PINs;	2.20
Mar-04-24	J. Picone	Correspondence relating to certain real estate title searches; reviewing summary of search results; further	0.50

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		correspondence in connection with the same; other review of documents;	
Mar-04-24	J. Oliveira	Review copies of numerous transfers;	0.80
Mar-04-24	R. Lysy	Review historical transfers; preparation of property spreadsheet; preparation of summary for intra-company transfers;	4.10
Mar-04-24	S. Kukulowicz	Attended unsecured lender meeting; exchanged emails and telephone attendance with M. Forte; review of follow-up emails with KSV team;	2.20
Mar-05-24	C. Pendrith	Engaged in investigation; Discussions with Cassels and KSV teams; Prepare letters to Additional Stay Parties;	1.40
Mar-05-24	D. Waud	Conduct diligence related to transfers;	0.40
Mar-05-24	E. Hyderman	Continue review of ownership and mortgage data from PINs;	1.30
Mar-05-24	G. Hashemi-Chochani	Revising summary of PINs and transfers;	0.40
Mar-05-24	R. Sniderman	Review correspondence regarding transfers and properties for sale;	0.10
Mar-05-24	R. Jacobs	Review letter to Applicants and correspondence with N. Goldstein. Correspondence with S. Zweig regarding unsecured lender rep counsel.	1.50
Mar-05-24	J. Picone	Correspondence from the monitor relating to developing issues; other correspondence in connection with the same; considering content of further communications relating to property transfers;	0.70
Mar-05-24	R. Lysy	Review intercompany transfers;	0.60
Mar-05-24	S. Kukulowicz	Review of emails with Torkin Manes regarding Escrow Agreement and Interest Reserve; review of emails regarding property transfers and other transactions; review of follow-up letters to principals regarding transfers;	1.10
Mar-06-24	C. Pendrith	Engaged in investigation; Discussions with Cassels and KSV teams;	2.10
Mar-06-24	R. Sniderman	Meeting with C. Pendrith and R. Lysy to review title searches of Applicants' properties; Preliminary review of corporate profile reports for Applicants and related entities; Review questions from Monitor arising from general ledgers;	1.10
Mar-06-24	P. Seo	Conduct searches, obtain and summarize search results;	0.40
Mar-06-24	J. Picone	Reviewing and considering various analyses relating to property encumbrances and intra-company transfers; correspondence in connection with the same; considering content of further correspondence relating to necessary inquiries;	0.90
Mar-06-24	J. Bellissimo	Emails re tax roll charges;	0.50
Mar-06-24	R. Jacobs	Correspondence with Monitor and BJs team regarding case development and next steps. Review and comment on draft letters. Correspondence with Cassels team and KSV regarding sales process objectives.	1.50

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Mar-06-24	R. Lysy	Conduct property due diligence; preparation of reports for client; preparation of questions for counsel for applicants; emails with client; due diligence on properties transferred prior to filing;	4.40
Mar-06-24	S. Kukulowicz	Review of initial questions and observations from review of financial documents; review of emails regarding investigation;	1.10
Mar-07-24	C. Pendrith	Engaged in investigation; Discussions with Cassels and KSV teams;	2.90
Mar-07-24	R. Sniderman	Correspondence regarding chart summarizing all corporate profile reports; Review chart of corporate profile reports prepared by students;	1.30
Mar-07-24	E. Hyderman	Analyze due diligence results;	0.70
Mar-07-24	D. Waud	Reviewed corporate profiles;	0.80
Mar-07-24	C. Wong	[REDACTED]	1.60
Mar-07-24	P. Seo	Conduct searches and review results;	0.80
Mar-07-24	G. Hashemi-Chochani	Summarizing corporate search results;	1.10
Mar-07-24	J. Picone	Reviewing draft demand letter; reviewing table setting out [REDACTED] reviewing corporate profile searches; internal correspondence; correspondence from the monitor;	1.80
Mar-07-24	R. Lysy	[REDACTED]	3.40
Mar-07-24	S. Kukulowicz	Review of draft letters to D. Sutor and Bennett Jones and related emails; review of summary of inter-company transfers;	1.30
Mar-08-24	J. Oliveira	Continue review of transfers;	0.40
Mar-08-24	C. Pendrith	Engaged in investigation; Discussions with Cassels and KSV teams; Draft letter to Bennett Jones;	2.80
Mar-08-24	R. Sniderman	Revisions to letter to Bennett Jones re: further questions after initial document investigation; Correspondence with C. Pendrith and KSV regarding same;	3.40
Mar-08-24	J. Bellissimo	Emails with client team re information requests/issues; comment on draft letter re same;	0.50
Mar-08-24	J. Picone	Reviewing draft demand letters relating to certain information requested on behalf of the monitor; internal correspondence and correspondence with the monitor in connection with the same; document review;	0.80
Mar-08-24	S. Kukulowicz	Review of KSV comments on draft letter to Bennett Jones; review of emails from KSV regarding various transactions; review of final version of request letter to Bennett Jones; review of letters to principals regarding transactions;	1.20
Mar-08-24	R. Lysy	Continue due diligence to support investigations;	0.80
Mar-10-24	C. Pendrith	Engaged in investigation; Discussions with Cassels and KSV	0.70

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		teams re issues and preliminary findings;	
Mar-10-24	R. Sniderman	Review correspondence from KSV regarding properties excluded from CCAA filing; Correspondence with C. Pendrith and R. Lysy regarding same;	0.60
Mar-10-24	J. Picone	Reviewing internal correspondence and correspondence from the monitor;	0.20
Mar-10-24	R. Lysy	Discussions re: property searches and related companies to support investigation;	0.40
Mar-11-24	J. Picone	Email correspondence with Rob Sniderman and Rob Lysy relating to corporate and title searches;	0.20
Mar-11-24	R. Lysy	Conduct property searches;	1.30
Mar-12-24	C. Pendrith	Engaged in investigation and review of findings;	1.20
Mar-12-24	R. Jacobs	Review and respond to emails with KSV regarding CCAA next steps to advance proceeding. Correspondence with KSV regarding upcoming motion and anticipated scope of relief.	1.20
Mar-12-24	R. Sniderman	Detailed review of evidence filed in CCAA proceedings; Correspondence with C. Pendrith regarding same;	2.10
Mar-12-24	E. Hyderman	Review addition of 8 PINs;	0.20
Mar-12-24	C. Wong	Reviewing PINs for expanded searches and updating chart with lenders and transfers;	0.60
Mar-12-24	P. Seo	Conduct searches [REDACTED] obtain and summarize search results;	0.20
Mar-12-24	J. Picone	Internal correspondence regarding additional property searches; reviewing consolidated table of certain pre-filing sales and expanded searches; correspondence with the monitor;	0.50
Mar-12-24	R. Lysy	Conduct searches of land registry; preparation of reports;	3.10
Mar-13-24	C. Pendrith	Drafting letter to Bennett Jones; Emails and discussions with KSV and Cassels team; Engaged in investigation;	1.60
Mar-13-24	R. Jacobs	Calls with N. Goldstein regarding upcoming relief and Monitor concerns. Examine potential SISP paths and consider timing issues;	1.30
Mar-13-24	R. Sniderman	Continued review of evidence and materials filed in CCAA proceedings to support investigation; Correspondence with C. Pendrith regarding same;	3.10
Mar-13-24	C. Wong	Reviewing PINs for expanded searches and updating chart with lenders and transfers;	0.40
Mar-13-24	J. Picone	Reviewing and considering draft correspondence; reviewing correspondence with the monitor;	0.30
Mar-13-24	S. Kukulowicz	Review of final version of investigation letter to Bennett Jones;	0.20
Mar-13-24	R. Lysy	Examine searches on [REDACTED]; review historical transfers and preparation of reports;	1.80
Mar-14-24	R. Sniderman	Continue detailed review of materials filed in CCAA proceedings to support investigation;	4.00

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Mar-14-24	R. Jacobs	Emails with KSV regarding upcoming relief. Consider and advise clients on related issues;	1.10
Mar-14-24	S. Kukulowicz	Review of emails regarding due diligence on transactions with the principals;	0.40
Mar-15-24	C. Pendrith	Review of emails from Bennett Jones and Reconstruct; Continue investigation;	0.80
Mar-15-24	R. Sniderman	Preliminary review of correspondence and documents received from counsel for the Applicants;	1.70
Mar-15-24	M. Wunder	Correspondence with KSV re security review;	0.80
Mar-15-24	J. Picone	Reviewing responses to inquiries of applicants and others; correspondence in connection with the same;	0.80
Mar-15-24	J. Bellissimo	Review letter from counsel to the principals; emails re same;	0.30
Mar-15-24	S. Kukulowicz	Review of emails regarding further transactions; review of correspondence from S. Kour (counsel for principals) and related emails; review of response from Bennett Jones;	1.50
Mar-15-24	R. Jacobs	Review letter received from Reconstruct. Further correspondence with client team re scope of relief at next hearing and potential issues, consider related feedback from lenders.	1.70
Mar-16-24	C. Pendrith	Engaged in investigation; Discussion with Cassels team; Review Bennett Jones responses to inquiries;	3.10
Mar-16-24	R. Jacobs	Emails and calls with Cassels team regarding Reconstruct letter and response. Meeting with KSV team regarding same. Calls with N. Goldstein regarding update from discussion with Applicant's counsel on motion relief and related issues.	2.00
Mar-16-24	D. Waud	Conduct due diligence to support investigation;	3.00
Mar-16-24	C. Wong	Conduct due diligence to support investigation;	8.30
Mar-16-24	N. Woods	Conduct due diligence to support investigation;	1.50
Mar-16-24	R. Jacobs	Correspondence to KSV regarding CCAA status and upcoming reports, case and lender issues. Correspondence with Cassels team regarding same.	1.50
Mar-16-24	R. Sniderman	Correspondence with C. Pendrith regarding investigation research and diligence; Review results from diligence and searches;	2.00
Mar-16-24	J. Picone	Further review of detailed responses to inquiries of applicants and others; correspondence in connection with the same; videoconference with the monitor to discuss potential response and next steps;	2.70
Mar-16-24	J. Bellissimo	Call with KSV and Cassels teams on CCAA action items;	0.70
Mar-16-24	R. Lysy	review articles re: [REDACTED] [REDACTED]	0.20
Mar-16-24	S. Kukulowicz	Zoom conference with KSV regarding letter from C. Fell (counsel for management);	0.60
Mar-17-24	C. Pendrith	Draft response to Reconstruct; Emails with Cassels team;	1.60
Mar-17-24	M. Wunder	Review correspondence from counsel for principals, and	0.90

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		confer with KSV and Cassels re same. Review ARIO provisions re same.	
Mar-17-24	C. Wong	Reviewing and summarizing pre-search PINs;	0.90
Mar-17-24	R. Sniderman	Review diligence results; Discussions with C. Pendrith regarding same;	0.70
Mar-17-24	R. Jacobs	Email correspondence with KSV regarding update from BJs on scope of motion and relief. Consider issues with same. Discussion with Cassels team re same.	1.80
Mar-17-24	J. Picone	Reviewing and considering various correspondence relating to investigation mandate; revising draft responding letter; internal correspondence regarding the same; correspondence with the monitor;	0.90
Mar-17-24	R. Lysy	Conduct and review results of property searches;	0.60
Mar-17-24	J. Bellissimo	Review draft letter responding to principals counsel;	0.20
Mar-17-24	S. Kukulowicz	Review of draft letter in response to counsel for management; provided comments and review of revisions from others;	0.60
Mar-18-24	C. Pendrith	Finalize letter to Reconstruct; Emails concerning same;	0.40
Mar-18-24	M. Wunder	Correspondence with KSV team on loans and respond to inquiries on same.	1.10
Mar-18-24	E. Hyderman	Review addition of 17 PINs;	0.60
Mar-18-24	D. Waud	Reviewed additional property search results;	0.90
Mar-18-24	C. Wong	Reviewing pre-search PINs and summarizing lenders and charges; review and summarizing corporate profile reports for multiple entities;	2.40
Mar-18-24	A. Im	Attending to corporate searches; Reviewing search results and preparing report with respect to same; Email correspondence with R. Sniderman.	1.70
Mar-18-24	R. Sniderman	Correspondence regarding corporate profile records; Preliminary review of same to determine companies related to Applicants;	0.40
Mar-18-24	G. Hashemi-Chochani	Summarizing additional corporate profile report and correspondence with R. Sniderman for review; reviewing new summarized PINs;	2.20
Mar-18-24	R. Lysy	Review property searches;	0.70
Mar-18-24	R. Jacobs	Review draft of amended ARIO from applicants and consider issues. Discuss same with KSV team. Meeting with Chaitons. Call with S. Zweig and N. Goldstein.	1.70
Mar-18-24	S. Kukulowicz	Conference call with G. Benchetrit and KSV; review of emails regarding further transactions involving [REDACTED]; review of draft Second Amended and Restated Initial Order and related emails;	1.50
Mar-19-24	C. Pendrith	Engaged in investigation;	1.50
Mar-19-24	N. Woods	Assist R. Lysy with conducting Teraview checks for missing PINs associated with CCAA companies; Summarize findings;	3.70
Mar-19-24	J. Picone	Discussion with Colin Pendrith regarding investigation issues	0.30

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		and related matters; reviewing documents;	
Mar-19-24	J. Bellissimo	Review draft motion affidavit; emails with Cassels and KSV teams re same;	1.00
Mar-19-24	R. Lysy	Review property searches for CCAA companies;	3.50
Mar-19-24	R. Jacobs	Calls and emails with Applicants counsel. Discussions with KSV regarding amended ARIO. Review draft amended ARIO and draft affidavit from Applicants. Consider issues.	2.50
Mar-19-24	S. Kukulowicz	Review of draft affidavit in support of amendments to initial order including payment of management's legal costs; review of emails from KSV regarding relief being sought by the Applicants; review of email from G. Benchetrit indicating Secured Lender opposition; review of follow-up emails;	1.80
Mar-20-24	C. Pendrith	Engaged in investigation;	1.90
Mar-20-24	D. Waud	Review additional PINs;	0.90
Mar-20-24	E. Hyderman	Review registry records; correspondence with R Lysy re same;	0.60
Mar-20-24	R. Sniderman	Review correspondence from R. Lysy regarding disclosure of properties; Detailed review of title searches; Call with C. Pendrith to discuss next steps for investigation; [REDACTED]	1.20
Mar-20-24	G. Hashemi-Chochani	Examine and summarize registry record;	0.90
Mar-20-24	J. Picone	Reviewing and considering correspondence from counsel, various relevant documents, and previous correspondence; considering further response, potential support for stay extension, and related matters; considering investigation issues arising from recent correspondence;	1.20
Mar-20-24	J. Bellissimo	Emails with KSV re director counsel fee issues and willingness to engage on investigation;	0.50
Mar-20-24	R. Lysy	Review and summary of search findings; email with client re same;	2.10
Mar-20-24	R. Jacobs	Calls with S. Zweig. Attend meeting with KSV, BJs and Cassels team regarding hearing relief. Consider issues and Monitor concerns, solutions. Discuss scope of report with N. Goldstein.	2.50
Mar-20-24	S. Kukulowicz	Review of emails regarding management fees and renovation costs; conference call with Bennett Jones and KSV regarding overall direction of proceedings to advance matters; review of emails between Cassels and KSV regarding status of investigation and next steps; review of updated letter to Bennett Jones;	1.40
Mar-21-24	C. Pendrith	Engaged in investigation;	2.40
Mar-21-24	J. Picone	Further review of key documents and correspondence; reviewing draft letter to counsel to the applicants; correspondence with the monitor; internal correspondence in connection with the same;	1.30
Mar-21-24	S. Kukulowicz	Emails regarding payments by Applicants and other	0.80



<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		investigation issues; review of revised letter to Bennett Jones regarding investigation follow up requests;	
Mar-21-24	R. Jacobs	Correspondence with KSV and Cassels team regarding case advice. Call with S. Zweig regarding proposed relief to be sought. Calls with N. Goldstein.	2.00
Mar-21-24	R. Lysy	Emails with client re investigation; review correspondence to counsel for Applicants;	0.50
Mar-22-24	M. Wunder	Review correspondence regarding applicants and case next steps. Confer with Cassels team regarding lender issues and advise on same.	1.30
Mar-22-24	R. Sniderman	Work on draft memorandum to client regarding investigation;	0.10
Mar-22-24	J. Picone	Further and ongoing review of correspondence and documents to support ad advance investigation;	0.20
Mar-22-24	S. Kukulowicz	Review and consider emails from unsecured lenders and KSV; review of funding items and emails between Bennett Jones and KSV re same;	1.10
Mar-23-24	R. Jacobs	Correspondence with KSV team regarding scope of report and status of application record;	1.00
Mar-23-24	R. Sniderman	Draft memorandum to client regarding investigation;	2.40
Mar-23-24	S. Kukulowicz	Review of draft Monitor's report and related emails;	0.60
Mar-24-24	C. Pendrith	Engaged in investigation;	1.20
Mar-24-24	R. Jacobs	Review and comment on draft Monitor's report. Correspondence with KSV regarding same. Review application record. Review Applicant's response to letter from Cassels.	2.50
Mar-24-24	M. Wunder	Respond to client inquiries on loan matters and security.	1.40
Mar-24-24	R. Sniderman	Continue work on memorandum to client regarding investigation;	1.90
Mar-24-24	J. Picone	Reviewing draft second report of the monitor; internal correspondence regarding same; correspondence from counsel to the applicant and review of documents and information provided with correspondence; reviewing and considering motion record of the applicant; correspondence in connection with the same;	2.30
Mar-24-24	J. Bellissimo	Review motion record; review draft report; emails with Cassels team re same;	1.20
Mar-24-24	S. Kukulowicz	Exchanged emails with Cassels team regarding issues for draft report; review of Applicant motion record; review of comments from G. Benchetrit on relief to be sought;	1.30
Mar-25-24	C. Pendrith	Revise draft letter to Bennett Jones: Continued review of documents; Consider content of interviews;	2.50
Mar-25-24	M. Wunder	Review and comment on portion of draft Monitor report. Email correspondence with Cassels lit team regarding investigations. Confer with KSV and Cassels re inquiries on security.	0.70

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Mar-25-24	R. Sniderman	Continue work on draft memorandum regarding investigation; Correspondence with C. Pendrith regarding same; Detailed review of correspondence from counsel for the Applicants and enclosures thereto;	5.50
Mar-25-24	J. Picone	Reviewing and considering second draft report of the monitor; videoconference with the monitor to review and discuss draft report and to discuss related matters; internal videoconference to revise draft second report of the monitor; related correspondence; document review;	2.80
Mar-25-24	J. Bellissimo	Call with KSV and Cassels teams re draft Monitor's report; call with Cassels team to revise draft report;	1.50
Mar-25-24	S. Kukulowicz	[REDACTED] participated in conference call to provide comments on Monitor's second report; review of revised report and various additional comments from S. Zweig;	3.60
Mar-25-24	R. Jacobs	Review and comment on draft report. Discussions with Cassels team regarding same. Discussions with KSV. Correspondence with BJs and Chaitons.	2.30
Mar-26-24	C. Pendrith	Engaged in investigation;	3.30
Mar-26-24	M. Wunder	Confer with Cassels and KSV teams regarding status.	1.30
Mar-26-24	R. Sniderman	Discuss memo with C. Pendrith; Detailed review of correspondence from counsel for the Applicants and enclosures thereto;	2.90
Mar-26-24	J. Picone	Further review of draft second report of the monitor; correspondence with the monitor; videoconference to review and discuss various matters relating to the draft report; reviewing and considering the responding motion record of the court-appointed lender representative counsel; further correspondence; internal discussions relating to ongoing investigation;	1.80
Mar-26-24	J. Bellissimo	Emails and calls re second report; finalize and serve same; coordinate filing of same; emails re open issues; review Secured Lender Committee responding motion record; emails re same; review draft letter to C Grage; emails re same;	2.10
Mar-26-24	S. Kukulowicz	Review of final comments on draft Second Report; zoom conference with KSV regarding further revisions; [REDACTED] review of responding motion record from secure lender rep. counsel and related emails; review of note from D. Sieradzki regarding delivery of motion materials to secured and unsecured lenders; preparation for court hearing;	5.80
Mar-26-24	R. Jacobs	Calls and correspondence with S. Zweig. Review responding motion record from Chaitons and correspondence from Applicants counsel regarding same. Finalize Monitor's report.	2.00
Mar-26-24	R. Lysy	Review notes from applicants; updating of property spreadsheet;	0.60

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Mar-27-24	C. Pendrith	Engaged in investigation;	2.50
Mar-27-24	M. Wunder	Emails regarding position of debtors and principals. Respond to email inquiries from KSV on debt instruments.	1.10
Mar-27-24	R. Sniderman	Revise draft memo to client regarding investigation; Meeting with C. Pendrith to discuss same and to discuss preparation for investigation interviews; Draft letter to counsel for the Applicants to discuss scheduling interviews;	2.50
Mar-27-24	J. Picone	Internal discussions relating to contents of documents relevant to the ongoing investigation; correspondence relating to scheduling and scope of interviews; correspondence from the monitor; reviewing draft letter to counsel to the applicants;	1.20
Mar-27-24	S. Kukulowicz	Zoom conference with Bennett Jones, KSV and Chaitons regarding stay extension motion; follow up discussion with G. Benchetrit; review of further communications from creditors; review of correspondence from counsel for noteholders; emails regarding development of a SISP; reviewed draft letter regarding examinations of Additional Stay Parties and exchanged emails regarding strategy; review of further Reply Affidavit from the Applicants and exchanged emails regarding same;	3.80
Mar-28-24	C. Pendrith	Engaged in investigation;	4.20
Mar-28-24	M. Wunder	Review court material in connection with security review. Conduct security review.	1.70
Mar-28-24	R. Sniderman	Call with C. Pendrith to discuss court hearing, second ARIO, and timing for investigation; Call with C. Pendrith and J. Jackson; Meeting with J. Jackson to discuss investigation interviews; Draft correspondence to client seeking additional documents to assist in interview preparation;	3.30
Mar-28-24	W. Onyeaju	Assist S. Kukulowicz re hearing prep.	1.40
Mar-28-24	J. Picone	Internal correspondence and discussions relating to status and next steps in the investigation; correspondence with the monitor;	0.30
Mar-28-24	J. Bellissimo	Attend court hearing; post-hearing call re next steps; various emails re same; review court endorsement; emails re same;	2.00
Mar-28-24	J. Jackson	Office conference with R. Sniderman and C. Pendrith to discuss investigation process and interview preparation timeline; and consideration of CCAA proceeding application record to assist in KSV's interview preparation;	2.60
Mar-28-24	S. Kukulowicz	Various discussions and conference calls with KSV, G. Benchetrit and S. Zweig regarding SISP; preparation for Court hearing; review of position of proposed unsecured Lender Rep. Counsel regarding SISP; attended Court hearing; follow-up discussions with KSV team; exchanged emails with Bennett Jones regarding FA interviews; review of correspondence regarding investigation interviews with principals of the Applicants; review of endorsement of	4.40

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Mar-29-24	C. Pendrith	Justice Kimmel; Engaged in investigation, including preparation for interviews;	8.00
Mar-29-24	R. Sniderman	Conduct preliminary review of new documents received from Applicants; Conduct preliminary analysis and review of Applicant general ledgers;	3.00
Mar-29-24	J. Jackson	Further review CCAA proceeding documents and assist in the investigation process/interview prep;	5.20
Mar-29-24	J. Picone	Correspondence from the monitor; internal correspondence re investigation;	0.20
Mar-29-24	J. Bellissimo	Call with KSV and Cassels teams on CCAA case issues and strategy;	0.50
Mar-29-24	S. Kukulowicz	Teams conference with KSV regarding case issues and strategy; exchanged emails with R. Jacobs; Teams conference with G. Benchetrit; exchanged emails regarding litigation timetable;	3.80
Mar-29-24	R. Jacobs	Meetings and calls with Chaitons, Goldman Sloan and then KSV regarding April 12 hearing issues. Calls and emails with Bennett Jones regarding same. Analysis of issues and discussion with N. Goldstein and S. Kukulowicz.	3.00
Mar-30-24	C. Pendrith	Engaged in preparation for interviews as part of investigation;	2.10
Mar-30-24	R. Sniderman	Prepare for and attend meeting with C. Pendrith, J. Jackson, and client to discuss interview prep; Follow-up meeting with C. Pendrith and J. Jackson to discuss same; Correspondence with client to confirm documents not disclosed; Conduct detailed review of Applicant general ledgers;	10.50
Mar-30-24	J. Jackson	Prepare for and attend at meeting with KSV team, C. Pendrith and R. Sniderman to discuss interview and diligence; further review records to assist in interview preparation; draft memorandum;	8.80
Mar-30-24	J. Picone	Reviewing further information and documentation provided by the monitor relating to ongoing investigation;	0.50
Mar-30-24	S. Kukulowicz	Zoom conference with Bennett Jones regarding SISP, proposed FAs and litigation timeline; zoom conference with M. Forte regarding various issues; emails to counsel for stakeholders regarding FA interviews and litigation timeline; review of emails regarding proposed Applicant "town halls";	3.30
Mar-30-24	R. Jacobs	Emails with BJs team regarding litigation schedule. Correspondence with Chaitons. Meeting with KSV regarding same. Emails regarding FA candidates and interviews. Consider SISP timing and structure. Discussions with Cassels team regarding same.	2.50
Mar-31-24	C. Pendrith	Engaged in investigation; Discussion with team concerning interviews; Emails with Bennett Jones;	2.10
Mar-31-24	R. Sniderman	Meeting with C. Pendrith and J. Jackson to discuss status of interview preparation; Conduct detailed review of Applicant	6.00

Date	Name	Description	Hours
Mar-31-24	M. Wunder	general ledgers; Review court filings regarding mortgages properties and owners for security review.	0.80
Mar-31-24	S. Kukulowicz	Exchanged emails regarding litigation timeline; telephone attendance with R. Jacobs regarding timeline and investigation; review of emails regarding lender meetings and proposed agenda/questions;	1.80
Mar-31-24	R. Jacobs	Calls and emails with S. Zweig. Review emails from Applicants regarding draft litigation schedule. Discuss with KSV and S. Kukulowicz. Review and consider emails from Chaitons. Email correspondence with KSV and Cassels team regarding interviews.	2.20
Mar-31-24	J. Jackson	Prepare for and attend at meeting with C. Pendrith and R. Sniderman to prepare for interviews; further draft internal memorandum re: same; consider email from S. Zweig re: interviews;	9.10

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Pendrith, Colin	Partner	51.80	760.00	39,368.00
Jacobs, Ryan	Partner	40.50	1,650.00	66,825.00
Wunder, Michael	Partner	11.70	1,050.00	12,285.00
Picone, John M.	Partner	23.40	995.00	23,283.00
Lysy, Robert	Partner	30.80	880.00	27,104.00
Bellissimo, Joseph J.	Partner	20.30	1,005.00	20,401.50
Kukulowicz, Shayne	Partner	46.80	1,200.00	56,160.00
Pelech, Nathan	Associate	0.60	600.00	360.00
Sniderman, Robert	Associate	60.50	600.00	36,300.00
Jackson, Joshua	Associate	25.70	575.00	14,777.50
Onyeaju, William	Associate	1.40	540.00	756.00
Oliveira, Jane	Law Clerk / Paralegal	1.20	250.00	300.00
Im, Anita	Law Clerk / Paralegal	1.70	350.00	595.00
Seo, Paulina	Law Clerk / Paralegal	1.40	435.00	609.00
Hyderman, Eva	Law Student	4.90	215.00	1,053.50
Waud, Daryl	Law Student	6.70	215.00	1,440.50
Wong, Courtney	Law Student	14.20	215.00	3,053.00
Woods, Nicola	Law Student	5.20	215.00	1,118.00
Hashemi-Ghochani, Golsa	Law Student	6.80	215.00	1,462.00
<b>Total (CAD)</b>		<b>355.60</b>		<b>307,251.00</b>

Our Fees	307,251.00
HST @ 13.00%	39,942.63
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>347,193.63</b>

**DISBURSEMENT SUMMARY**

**Non-Taxable Disbursements**

Electronic Due Diligence	328.00
Parcel Register	644.35
Agency Fees and Disbursements	110.00
Total Non-Taxable Disbursements	1,082.35

**Taxable Disbursements**

Parcel Register	1,641.55
Electronic Due Diligence	328.00
Agency Fees and Disbursements	235.00
Total Taxable Disbursements	2,204.55
HST @ 13.00%	286.59
Total Taxable Disbursements & Taxes	2,491.14

<b>TOTAL DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>3,573.49</b>
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<b>TOTAL FEES</b>	<b>307,251.00</b>
<b>TOTAL DISBURSEMENTS</b>	<b>3,286.90</b>
<b>TOTAL TAXES</b>	<b>40,229.22</b>
<b>TOTAL FEES, DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>350,767.12</b>

This is Exhibit "B" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on April 9, 2024 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario



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A Commissioner for Taking Affidavits

Commissioner Name: William Onyeaju  
Law Society of Ontario Number: 81919E

**EXHIBIT "B"**

**Calculation of Average Hourly Billing Rates of  
Cassels Brock & Blackwell LLP  
for the period from January 17, 2024 to March 31, 2024**

<b>Invoice No./ Period</b>	<b>Fees (\$)</b>	<b>Disbursements (\$)</b>	<b>HST (\$)</b>	<b>Total Fees, Disbursements and HST (\$)</b>	<b>Hours Billed</b>	<b>Average Billed Rate (\$)</b>
2226982  Up to January 31-24	117,852.00	-	15,320.76	133,172.76	94.30	1249.76
2230243  Up to February 29-24	254,501.00	1,633.80	33,229.42	289,364.22	247.50	1028.29
2233243  Up to to March 31- 24	307,251.00	3,286.90	40,229.22	350,767.12	355.60	864.03
Total	679,604.00	4,920.70	88,779.40	773,304.10	697.40	974.48



This is Exhibit "C" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on April 9, 2024 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



.....  
A Commissioner for Taking Affidavits

Commissioner Name: William Onyeaju  
Law Society of Ontario Number: 81919E

**EXHIBIT "C"**

**Billing Rates of Cassels Brock & Blackwell LLP**

**For the period from January 17, 2024 to March 31, 2024**

<b>Year of Call</b>	<b>Individual</b>	<b>Rate (\$)</b>	<b>Fees Billed (\$)</b>	<b>Hours Worked</b>
1990	Shayne Kukulowicz	1200.00	166,800.00	139.0
1990	Michael Wunder	1050.00	46,725.00	44.50
2000	Robert Lysy	880.00	31,856.00	36.20
2002	Joseph Bellissimo	1005.00	67,938.00	67.60
2004 (New York) 2011 (Ontario)	Ryan Jacobs	1650.00	197,010.00	119.40
2005	Jonathan Freeman	910.00	455.00	0.50
2010	John Picone	995.00	35,820.00	36.0
2011	Colin Pendrith	760.00	47,652.00	62.7
2020	Nathan Pelech	600.00	2,700.00	4.50
2020	Robert Sniderman	600.00	41,940.00	69.90
2020	Joshua Jackson	575.00	14,777.50	25.70
2021	William Onyeaju	540.00	8,910.00	16.50
2022	Alec Hoy	485.00	97.00	0.20
	Golsa Hashemi- Ghochani  (Law Student)	215.00	3,139.00	14.60
	Eva Hyderman  (Law Student)	215.00	2,580.00	12.0
	Daryl Waud  (Law Student)	215.00	3,139.00	14.60
	Courtney Wong  (Law Student)	215.00	4,063.50	18.90
	Nicola Woods  (Law Student)	215.00	1,118.00	5.20
	Anita Im  (Law Clerk/Paralegal)	350.00	700.00	2.0
	Jane Oliveira  (Law Clerk/Paralegal)	250.00	1,375.00	5.50
	Paulina Seo (Law Clerk/Paralegal)	435.00	609.00	1.40
	Alex Slota  (Law Clerk/Paralegal)	400.00	200.00	0.50

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

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**AFFIDAVIT OF RYAN JACOBS  
SWORN APRIL 9, 2024**

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**Cassels Brock & Blackwell LLP**

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Lawyers for the Monitor