



**Seventh Report of
KSV Restructuring Inc. as
CCAA Monitor of
Rosebud Creek Financial Corp.,
957855 Alberta Ltd. and
Metro 360 General Partnership**

November 22, 2021

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COURT FILE NO.: CV-20-00642783-00CL

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 957855
ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP.

IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

SEVENTH REPORT OF KSV RESTRUCTURING INC.
AS CCAA MONITOR

NOVEMBER 22, 2021

1.0 Introduction

1. On April 6, 2020, Rosebud Creek Financial Corp. (“Rosebud”) and 957855 Alberta Ltd. (“957”) (jointly, the “Partners”) each filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “NOI Proceedings”). KSV Restructuring Inc.¹ (“KSV”) was appointed the proposal trustee in the NOI Proceedings.
2. On June 17, 2020, the Partners brought a motion before the Ontario Superior Court of Justice (Commercial List) (the “Court”) to have the NOI Proceedings taken up and continued under the *Companies’ Creditors Arrangement Act* (“CCAA”). Pursuant to a Court order made on June 17, 2020 (the “Initial Order”), the Partners were granted protection under the CCAA, and KSV was appointed monitor (in such capacity, the “Monitor”). A copy of the Initial Order is attached as Appendix “A”.
3. Rosebud and 957 are holding companies and the partners of Metro 360 General Partnership (“Metro”, and together with the Partners, the “CCAA Entities”). Pursuant to the Initial Order, the stay of proceedings granted to the Partners was extended to Metro, as was the case pursuant to a Court order issued in the NOI Proceedings. The stay of proceedings presently expires on February 28, 2022 pursuant to a Court order made on November 17, 2021.
4. Prior to the commencement of the NOI Proceedings, Metro’s business was primarily focused on wholesaling and distributing books and magazines to thousands of retailers across Canada (the “Literature Business”). As a result of the TNG Transaction (as defined and described below), Metro’s business is now focused on the distribution of consumer-packaged goods (“CPG”), such as food products, music and consumer electronic accessories, and on the growth of businesses owned by its subsidiaries (the “Subsidiaries”).

¹ Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

5. The principal purpose of these proceedings has been to create a stabilized environment to allow Metro to:
 - a) complete the inventory return process resulting from the TNG Transaction, as more fully detailed below;
 - b) facilitate a restructuring of Metro's business around its CPG business and the Subsidiaries, which are businesses in which Metro and/or Rosebud holds an equity interest, being Well Ventures Corp. ("Well"), Handfuel Inc. ("Handfuel"), All Day Nutritionals Canada Ltd. ("All Day Canada") and All-Day Nutritionals Inc. ("All Day US", and together with All Day Canada, "Swift Work Wellness"), Spectral Agriventures Inc. ("Spectral"), United Library Services Inc. ("ULS"), Recruiter.com Group, Inc. ("Recruiter") and Lucidsoft Inc. (dba Leankor) ("Leankor");
 - c) continue to grow the Subsidiaries, certain of which are integral to generating recoveries for distribution to Affected Creditors (as defined below) under the CCAA Entities' Plan of Compromise and Arrangement (the "Plan"); and
 - d) provide the CCAA Entities with the time to prepare a Plan to present to their creditors so that creditors have the opportunity to fully recover their claims against the CCAA Entities.
6. Pursuant to a Court order made on September 16, 2020 (the "Claims Procedure Order"), the Monitor worked with the CCAA Entities to carry out a claims process (the "Claims Procedure") to solicit and determine claims against the CCAA Entities and their directors and officers. The administration of the Claims Procedure is substantially complete and is discussed in Section 4 below.
7. Pursuant to a Court order made on November 17, 2021 (the "Meeting Order"), the Court, *inter alia*:
 - a) approved the filing of the Plan; and
 - b) authorized the CCAA Entities to convene a virtual meeting (the "Creditors' Meeting") of the CCAA Entities' creditors on December 16, 2021 (the "Meeting Date") to consider and vote on the Plan.
8. Additional information regarding the CCAA Entities and these proceedings can be found in the affidavits sworn by Daniel Shapiro, the CCAA Entities' President and Chief Executive Officer, and in the prior reports filed by KSV in its various capacities in these proceedings, including the Monitor's Sixth Report to Court dated November 10, 2021 (the "Sixth Report"), which provides a discussion of the Plan. A copy of the Sixth Report is provided in Appendix "B," without attachments. Court materials filed in these proceedings are available on the Monitor's website at <https://www.ksvadvisory.com/insolvency-cases/case/metro360> (the "Website").

1.1 Purposes of this Report

1. The purposes of this report (“Report”) are to:
 - a) provide background information about the CCAA Entities and these proceedings;
 - b) discuss Metro’s business plan should the Plan be (i) accepted by a majority in number of Affected Creditors (as defined below), representing two-thirds in dollar value of all voting claims (the “Required Majority”) present in person or by proxy at the Creditors’ Meeting, and (ii) approved by the Court;
 - c) summarize the results of the Claims Procedure;
 - d) discuss the key elements of the Plan;
 - e) compare the estimated recoveries to the CCAA Entities’ arm’s-length proven unsecured creditors (“Affected Creditors”) holding Affected Claims (as defined in the Plan and discussed in Section 5.3.1(b) below) under the Plan to their estimated recoveries if the CCAA Entities are liquidated;
 - f) advise Affected Creditors how they can attend and vote at the Creditors’ Meeting;
 - g) discuss the next steps in these proceedings if the Required Majority of Affected Creditors vote to accept the Plan; and
 - h) recommend that Affected Creditors vote to accept the Plan.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information prepared by, and discussions with, Metro’s management. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of this information in a manner that complies with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the financial information is required to perform its own due diligence and such additional investigations as it requires. KSV makes no representation or warranty as to the accuracy, completeness or fitness for purpose of the financial and other information presented herein.
3. The Monitor has prepared this Report in connection with the Plan and pursuant to section 23(1)(d.1) of the CCAA, and the Report should not be relied on for other purposes.

4. Future oriented financial information relied upon in this Report is based upon management's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or assurance regarding the future oriented financial information presented in this Report.
5. While Metro's financial projections consider the impact of the Covid-19 pandemic (the "Pandemic") on its business and operations, consumer, supply chain, governmental and other macro-economic factors related to the Pandemic may have a material affect on the CCAA Entities and the Subsidiaries, and such impact is unknown and cannot be determined at this time.

2.0 Background

2.1 Overview

1. The Partners are holding companies. Rosebud is an Ontario corporation which holds a 69.4% partnership interest in Metro, and 957 is an Alberta corporation which holds the remaining 30.6% partnership interest in Metro. Rosebud is also the sole shareholder of 957. To the extent Metro is unable to satisfy its obligations, the deficiency represents an obligation of the Partners.
2. Daniel Shapiro is the CCAA Entities' President and Chief Executive Officer. The head office of Metro and Rosebud is located in Toronto, Ontario. The registered office of 957 is in Calgary, Alberta. Metro presently employs 27 employees.
3. The principal cause of Metro's financial difficulties leading up to the commencement of these proceedings was the decline of the Literature Business. In this regard:
 - a) the Literature Business declined at an average annual rate of approximately 10% over the last decade as consumers increasingly looked to the internet as an alternative to hard copy magazines and other periodicals. At the commencement of the NOI Proceedings, Literature Business sales were not sufficient to allow the business to continue to operate; and
 - b) the decline in the Literature Business accelerated due to the Pandemic. Many of Metro's customers ceased operating at the onset of the Pandemic, or experienced significant declines in their businesses at that time.
4. The commencement of these restructuring proceedings allowed Metro to expeditiously sell the Literature Business pursuant to the TNG Transaction so that it could focus on its remaining CPG business and on the growth of the Subsidiaries, which are key focuses of the Plan.

2.2 Metro's Restructuring Initiatives

1. Immediately following the commencement of the NOI Proceedings, Metro sought approval of a sale (the "TNG Transaction") of the Literature Business to Great Pacific Enterprises Inc. d/b/a TNG ("TNG"). The TNG Transaction was approved by the Court on April 7, 2020 and closed on April 8, 2020.

2. The TNG Transaction maximized the value of the Literature Business and saved hundreds of jobs for Metro's employees who found employment with TNG. The value of the TNG Transaction to Metro significantly exceeded the purchase price of \$925,000, as the TNG Transaction facilitated the return of unsold inventory to publishers for full credit. At the time of the TNG Transaction, the book value of the unsold inventory was estimated to be approximately \$35 million. Based on Metro's internal financial statements, inventory returns facilitated by the TNG Transaction reduced Metro's accounts payable by over \$32 million.
3. The Literature Business had been operated by the Shapiro family since the early 1930s. At the time the NOIs were filed, Metro had approximately 350 full and part time employees. As the majority of Metro's former employees were offered employment by TNG, the TNG Transaction allowed Metro to immediately downsize its operations and significantly reduce headcount and overhead costs.
4. The only portion of the Literature Business not conveyed to TNG under the TNG Transaction was Metro's newspaper division, Ontario Newspaper Services. In September 2020, Metro sold this business for \$75,000 to Roltek International Inc., an arm's length party.
5. Since the sale of its Literature Business, Metro's management has focused on growing its remaining CPG business (food products, music and consumer electronic accessories) and facilitating the growth of the Subsidiaries.

2.3 Metro's Financial Performance

1. Metro's CPG business has also been negatively impacted by the Pandemic. Metro recently provided the Monitor with a budget for its fiscal year ending December 31, 2022², which is summarized in the table below.

Description	Amount (\$000s)
Sales	5,115
Gross Margin	1,074
Gross Margin (%)	21%
EBITDA	(938)

2. Importantly, Metro provides management, administrative and strategic support to the Subsidiaries at an annual cost to Metro of approximately \$830,000, which costs are included in Metro's fiscal 2022 budget. If Metro's business is discontinued, the Subsidiaries would be required to pay these costs, which would significantly impair their liquidity.

² Metro's year-end is December 31st.

3. Based on discussions with Metro's management, the Monitor understands:
 - a) Metro is engaging with existing CPG customers and pursuing and entering into new CPG supply relationships, which Metro expects will improve once it can emerge from these CCAA proceedings. Metro is also continuing to rationalize its costs. Metro has advised that it prepared its budget conservatively and that it believes there is upside in its 2022 projection as the effects of the Pandemic ease and the benefits of new CPG relationships are realized;
 - b) Metro's management has taken salary reductions of at least 10% since the date of the NOI filing and Metro has suspended all management bonuses since that time. The budget contemplates a continuation of these reduced payroll amounts and assumes there are no management bonuses paid in fiscal 2022;
 - c) Metro's objective is to double sales within 18 months of emergence from CCAA and to implement additional cost cutting initiatives not reflected in the budget, including in respect of logistics costs; and
 - d) through Mr. Shapiro and his team, Metro provides critical management and back-office administrative services to the Subsidiaries, principally Well, for which it is not fully reimbursed. The amount of these non-reimbursed support costs included in the budget is estimated to be \$830,000. The Subsidiaries rely on these services and if they were not being paid by Metro, they would need to be paid by the Subsidiaries. While the intention is that the Subsidiaries pay these costs in the future as their businesses grow and as they raise more capital, they do not presently have the liquidity to do so.

3.0 Subsidiaries

3.1 Overview

1. Rosebud and/or Metro own equity interests in the Subsidiaries. Metro and/or Rosebud do not have a controlling interest in the Subsidiaries; however, Metro provides the Subsidiaries with back-office support and Metro's management (primarily Mr. Shapiro) is responsible for guiding, or assisting to guide, the growth and strategic decision-making of certain of these businesses, particularly Well, Handfuel, ULS and Spectral. Services provided by Mr. Shapiro and Metro include capital raising, product development, developing and managing distribution relationships and overall strategic guidance.
2. The CCAA Entities believe that the growth of Metro's business and certain of the Subsidiaries should generate material recoveries which are to be distributed to creditors in accordance with the Plan.
3. A summary of the Subsidiaries is as follows:
 - a) Well: Well is a manufacturer and distributor of cold pressed juices, kombucha and ready-to-drink alcoholic beverages. On a fully diluted basis, Metro and Rosebud own 17.72% and 3.62% of Well's equity, respectively.

- b) Handfuel: Metro owns a 50% equity interest in Handfuel, a manufacturer of flavourful and nutritious food products across Canada, such as fruit and nut snack mix products. Handfuel's products are sold in all major grocery store chains and high-end grocers, such as Pusateri's.
- c) Spectral: Metro and Well own an 8% and 36% equity interest in Spectral, respectively. Spectral has developed a turnkey greenhouse model that Metro's management believes has the potential to reposition how Canadian grocery retailers source produce and sell leafy greens. The greenhouse model allows produce to be grown and distributed within Canada on a cost-efficient basis, ensuring freshness, reducing the carbon footprint and maintaining price competitiveness. Spectral is arranging financing for its first greenhouse, and national Canadian grocery retailers have shown interest in working with Spectral once it has operational greenhouses.
- d) Swift Work Wellness: Metro's interests in Swift Work Wellness consist of a 27% holding in All Day US, the U.S. parent, and a 45% interest in All Day Canada, the Canadian subsidiary of All Day US, which together form Swift Work Wellness. Swift Work Wellness produces a liquid supplement designed to support immune system health, enhance focus and improve energy. Swift Work Wellness' liquid supplement is dispensed through a cooler system and is marketed towards use in workplace break rooms as a means of improving workplace wellness and overall employee performance. The workplace wellness aspect of this business has largely been suspended due to the Pandemic, but Swift Work Wellness is now producing a new retail product and has secured a listing with a major Canadian retailer.
- e) ULS: Rosebud owns a 50% interest in ULS. ULS is a Calgary-based wholesale distributor of books to schools and libraries, primarily in Western Canada. The ULS business remains profitable based on year-to-date results.
- f) Recruiter: Rosebud owns 4,144 shares of Recruiter, which operates a recruiting platform. Recruiter is publicly traded on the NASDAQ stock exchange. Based on Recruiter's share price as at the date of this report, Rosebud's interest in Recruiter is valued at approximately \$12,200.
- g) Leankor: Rosebud owns a *de minimis* interest in Leankor, which is a privately held company that provides project management services.

3.2 Well

1. Well is the most advanced Subsidiary of the CCAA Entities. Since the commencement of these proceedings, Well has launched its ready-to-drink products in LCBO stores and a line of juices exclusively for Loblaws under the PC Organic brand to be offered for sale in Loblaws stores across Canada. Well has also secured contracts with Starbucks and Ahold (a major national US retailer), both of which have the potential to materially grow Well's business. Well is presently finalizing listing documents and pricing to expand its business in the US with Albertsons for its ready-to-drink products, including in California, Oregon and Idaho, which represents approximately 700 store locations.

2. Well has continued to grow its business on a year-over-year basis notwithstanding the Pandemic. In addition to its new customer relationships, Well's activities include:
 - a) Filling Line

In July 2020, Well purchased a new high-speed fill line for its core juice products, a high-speed labeler and case labeler.
 - b) Convertible Debenture Offering

In July 2020, Well raised \$1,104,065 by issuing a secured convertible debenture (the "Debenture"). Metro's total investment in the offering was \$500,000. The Monitor supported Metro's investment in Well during these proceedings so that Metro's equity interest in Well would not be diluted, as the value of Well is integral to maximizing recoveries for Affected Creditors under the Plan.
 - c) Operating Line of Credit

In April 2021, Well finalized a new \$500,000 operating line of credit with TD, which Well required to finance its working capital requirements. Presently, no amounts are drawn on this facility.
 - d) Equity-Rights Offering

In June 2021, Well closed an equity-rights offering, which was oversubscribed. The proceeds raised by Well totaled approximately \$1.9 million, of which Metro participated for its pro-rata share, being approximately \$409,000. Similar to the offering Well completed in July 2020, Metro's participation was to prevent dilution of its interest in Well.
 - e) Transaction Considerations

Well recently commenced exploratory discussions with investment banks regarding a potential transaction. A strategic process is not contemplated in the near term.
3. As at the date of this Report, Well continues to project significant sales and EBITDA growth. Despite the challenges resulting from the Pandemic, Well's sales have increased by 48% on a year-over-year basis.

3.3 Handfuel

1. Handfuel is negotiating a transaction with a strategic investor that, as presently contemplated, will equally dilute the equity interests of Metro and its 50% partner in Handfuel. The purpose of this transaction is to raise equity growth capital for Handfuel and to take advantage of the investor's relationships and experience in the processed nut and snack food sector. As at the date of this Report, Handfuel and the prospective investor are advancing the transaction.

2. Mr. Shapiro’s sworn affidavit dated November 10, 2021 (the “Shapiro Affidavit”) filed in support of the Meeting Order discussed this transaction. Mr. Shapiro views the transaction as synergistic, based on the investor’s expertise and background, and accretive in value for Metro, notwithstanding the dilution of its equity interest.
3. On a year-over-year basis, Handfuel’s sales have grown by 24%. Handfuel’s EBITDA has also improved significantly.

4.0 Claims Procedure³

1. The Claims Procedure was approved by the Court on September 16, 2020. The Claims Bar Date was October 30, 2020. Additional information concerning the Claims Procedure can be found in the Monitor’s prior reports filed in these proceedings, all of which are available on the [Website](#).

4.1 Proofs of Claim

1. The following table summarizes the proven claims in the Claims Procedure (collectively, the “Proven Claims”):

Creditor	Number of Claims	Amount (\$000s)
Trade vendor claims	950	12,082
Intercompany claims	3	11,000
Employee claims	85	2,538
Late-filed claims	86	2,560
CRA and other tax claims ⁴	5	889
Total	1,129	29,069

2. In addition to the Proven Claims, there are seven unresolved claims totalling approximately \$129,000. In the event these claims are not resolved in the near term, the Monitor intends to issue Notices of Revision or Disallowance in accordance with the Claims Procedure Order. To the extent there are unresolved claims on the Plan Implementation Date, funds will be deposited into the Disputed Claims Reserve Account and will be addressed under the Plan in the manner discussed in Sections 5.3(d) and 5.3(h) below.
3. On November 11, 2021, after serving and filing the Sixth Report, Sun Life Assurance Company of Canada (“Sun Life”) filed an unsecured claim in the amount of approximately \$454,000 related to Metro’s employee benefit plan. This claim is not included in the table above as it is being reviewed by Metro. If accepted, Affected Claims will increase by the amount of the Sun Life claim.

³ Capitalized terms in this section of the Report have the meanings provided to them in the Claims Procedure Order.

⁴ Excludes CRA’s provisional claim of approximately \$3.2 million, as detailed in the Sixth Report.

4.2 Intercompany Claims

1. A summary of the Intercompany Claims is provided in the table below.

Intercompany Creditor	Notes	Amount (\$000s)
Shapiro Capital Corporation ("SCC")	2(b)	6,410
CMMI Canadian Mass Media Inc. ("CMMI")	2(c)	2,920
Mr. Shapiro	2(d)	1,670
Total		11,000

2. The Monitor reviewed the Intercompany Claims to determine whether there was consideration paid for each Intercompany Claim, as well as the nature of the advance. A summary of the Monitor's findings is as follows:
 - a) the advances underlying each of the Intercompany Claims reconciled to the applicable bank account of the CCAA Entities;
 - b) SCC's claim is in respect of advances it made to Metro for working capital purposes;
 - c) CMMI's claim is in respect of advances it made to Metro in March 2020, also to assist Metro's working capital requirements; and
 - d) Mr. Shapiro's claim relates to two advances made to Metro in March 2020 by Strategic Capital Development II Corp. ("SCDC"), an entity owned and controlled by an arm's length party. These advances were evidenced under promissory notes dated March 12, 2020 (the "SCDC Promissory Notes"). These advances were required by Metro to fund the Literature Business until it could be sold pursuant to the TNG Transaction. Pursuant to an Assignment and Assumption Agreement dated August 26, 2020, the SCDC Promissory Notes were assigned by SCDC to Mr. Shapiro.
3. Intercompany Claims represent approximately 38% of the total Proven Claims. Pursuant to the Plan, Intercompany Creditors have agreed not to participate in the initial distribution to be made to creditors on implementation of the Plan (the "Initial Distribution"), as discussed in Section 5.3(k) below. This attribute of the Plan provides Affected Creditors with a significantly larger Initial Distribution than they would otherwise receive if the Intercompany Creditors shared in the Initial Distribution (which is their legal entitlement) and larger than they would receive if the CCAA Entities become bankrupt or are liquidated in the near term. This is discussed in greater detail in Section 7.1(4)(f) below.

4.3 CRA Claims Agreement

1. For the past several months, there have been an ongoing disagreement between Metro and Canada Revenue Agency ("CRA") regarding various HST and other tax issues. This issue delayed the filing of the Plan.

2. The disputes between Metro and CRA were resolved pursuant to a Claims Agreement dated October 21, 2021 (the “CRA Claims Agreement”). Pursuant to the CRA Claims Agreement, *inter alia*, CRA has:
 - a) claims for voting and distribution purposes under the Plan of approximately \$303,000, \$374,000 and \$132,000 against Metro, Rosebud and 957, respectively; and
 - b) a “provisional claim” against Metro of approximately \$3.2 million (the “CRA Provisional Claim”), which reduces on a dollar-for-dollar basis by the amount of HST included in distributions paid to creditors under the Plan or the Promissory Note (as defined below). The CRA Provisional Claim will be eliminated if creditors are paid in full under the Plan. CRA has agreed it will not vote on the Plan in respect of the CRA Provisional Claim.
3. The CRA Claims Agreement was approved by the Court on November 17, 2021.
4. Further details concerning the CRA Claims Agreement were provided in the Sixth Report and, accordingly, are not repeated in this Report.

5.0 The Plan

1. **Sections 5 and 6 of this Report provide summaries of the Plan and the Meeting Order but do not address each and every provision of the Plan and the Meeting Order. Accordingly, creditors should carefully read the Plan and the Meeting Order in their entirety and should consult such advisors as they consider necessary. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Report and the Plan or the Meeting Order, the provisions of the Plan or the Meeting Order, as applicable, govern. Copies of the Plan and Meeting Order are also available on the Website.**
2. **Capitalized terms not defined in Sections 5 and 6 below are as defined in the Plan or the Meeting Order, as applicable.**

5.1 Overview

1. The Plan was developed by the CCAA Entities and their counsel, in consultation with the Monitor and its counsel.

5.2 Purposes of the Plan

1. The Plan is presented with the expectation that Persons who have an economic interest in the CCAA Entities will derive greater benefit from the implementation of the Plan than they would from a bankruptcy of the CCAA Entities and/or a wind-up of the Metro business.

2. The overall purposes of the Plan are to:
 - a) implement a restructuring of the CCAA Entities;
 - b) provide for a settlement and payment of all Affected Claims through distributions from the Creditor Distribution Pool or the Disputed Claims Reserve (as applicable) and, if the Affected Creditor is not a Convenience Class Creditor, a Promissory Note Entitlement, which together are intended to provide Affected Creditors the opportunity to receive payment in full over time;
 - c) provide for the discharge and release of all Affected Claims and Released Claims;
 - d) implement the CRA Claims Agreement;
 - e) enable Metro to continue to operate as a going concern from and after the Plan Implementation Date; and
 - f) provide the Subsidiaries with time to execute on their strategic plans such that they can be monetized in due course, thereby allowing creditor recoveries to be maximized from those transactions.

5.3 Terms and Conditions of the Plan

1. The following section provides an overview of the key aspects of the Plan.
 - a) **Classification of Creditors:** the Plan has a single class of creditors for the purpose of considering and voting on the Plan, being the “Unsecured Creditors’ Class” comprised of the Affected Creditors.
 - b) **Persons Affected:** the Plan provides for a compromise, settlement and/or payment over time of the Affected Claims. The Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. An Unaffected Claim means an Excluded Claim, which is any right or claim that would otherwise be a Claim that is:
 - i. a Claim secured by the CCAA Charges, being the Proposal Administration Charge (\$300,000) and the Directors’ Charge (\$300,000);
 - ii. an Intercompany Claim;
 - iii. a Post-Filing Claim;
 - iv. a Government Priority Claim;
 - v. an Equity Claim; and
 - vi. a Claim enumerated in Sections 5.1(2) and 19(2) of the CCAA⁵.

⁵ Refers to claims that: (a) relate to contractual rights of one or more creditors; (b) claims based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors; (c) arose by virtue of a fine, penalty, restitution order, damages by a court in civil proceedings in respect of bodily harm intentionally inflicted, sexual assault or wrongful death, fraud, embezzlement, misappropriation, defalcation or interest on any of the foregoing.

- c) **Creation of the Investment Reserve:** on or before the Plan Implementation Date, the CCAA Entities shall transfer \$1 million from the Available Funds to the Investment Reserve Account to be maintained by the Monitor. As the value of the Subsidiaries is integral to the repayment of the CCAA Entities' creditors, the Investment Reserve Account is being created under the Plan to set aside funds so that the CCAA Entities can participate in the Subsidiaries' future capital raising transactions and permit them an ability to avoid dilution of their equity interests in the Subsidiaries. The amounts in the Investment Reserve Account can be used by the CCAA Entities, in consultation with the Monitor, to participate in these transactions. The CCAA Entities are not obligated to participate in these transactions. Any funds remaining in the Investment Reserve Account three years after the Plan Implementation Date will be transferred to the Creditor Distribution Pool Account, subject to further order of the Court.
- d) **Creation of the Disputed Claims Reserve:** on or before the Plan Implementation Date, the CCAA Entities shall transfer from the Available Funds to the Disputed Claims Reserve Account an amount necessary to establish the Disputed Claims Reserve. The amounts in the Disputed Claims Reserve shall either be paid to creditors having Disputed Claims, once such claims become Proven Claims, or to the Creditor Distribution Pool Account for distribution to other Affected Creditors. The Disputed Claims presently total approximately \$129,000.
- e) **Creation of the Creditor Distribution Pool:** on or before the Plan Implementation Date, the CCAA Entities shall, following the creation of the Investment Reserve and the Disputed Claims Reserve, transfer the balance of the Available Funds to the Creditor Distribution Pool Account. The amount transferred will be net of a \$2 million holdback, which is to remain with and be available to the CCAA Entities to: (i) pay the ongoing costs of these proceedings; (ii) permit Metro to fund its operations; and (iii) assist to fund Metro's costs to provide management and administrative support services to the Subsidiaries.
- f) **Convenience Class Creditors:** a Convenience Class Creditor is an Affected Creditor with a Proven Claim that is owed:
- i. less than or equal to \$2,500; or
 - ii. in excess of \$2,500 if such Affected Creditor elects to value its claim at \$2,500 pursuant to a Convenience Class Claim Election.

As at the date of this Report, there are 597 Affected Creditors with Proven Claims less than or equal to \$2,500. Pursuant to the Plan, a Convenience Class Creditor shall be deemed to have voted the full value of its Proven Claim in favour of the Plan.

- g) **Initial Distribution to Creditors:**
- i. **Convenience Class Creditors:** on the Initial Distribution Date, each Convenience Class Creditor will receive, in full satisfaction of its Proven Claim, a cash payment in the amount equal to the lesser of the following:
 - (a) its Proven Claim; and
 - (b) \$2,500.
 - ii. **Affected Creditors Other than Convenience Class Creditors:** on the Initial Distribution Date, each Affected Creditor with Proven Claims, other than a Convenience Class Creditor, will receive, in full satisfaction of such Proven Claim:
 - (a) payment of its Pro Rata Share of the balance of the Creditor Distribution Pool, after deducting the amounts paid to Convenience Class Creditors, as described above; and
 - (b) the balance of its Proven Claim remaining after the Initial Distribution by way of an entitlement to such Affected Creditor's Pro Rata Share of the Promissory Note (each, a "Promissory Note Entitlement"). The form of Promissory Note is included as Schedule "A" to the Plan.
- h) **Resolution of Disputed Claims:** after the Initial Distribution Date, as Disputed Claims are resolved, the Monitor will distribute to each Affected Creditor with a Disputed Claim that has become a Proven Claim, an amount of Cash from the Disputed Claims Reserve equal to the aggregate amount of all distributions such Affected Creditor would have received pursuant to the Plan, or under the Promissory Note, had its Disputed Claim been a Proven Claim as of the Initial Distribution Date.
- i) **Promissory Note:** on the Plan Implementation Date, a non-interest-bearing promissory note shall be issued by the CCAA Entities and held by the Monitor on behalf of all Affected Creditors who are not Convenience Class Creditors, including Affected Creditors with Disputed Claims who are not Convenience Class Creditors. The Promissory Note requires that, for as long as it remains outstanding, the CCAA Entities shall be required to distribute 100% of:
- i. the Net Proceeds of any sale by a CCAA Entity of its equity interest in any Subsidiary; and/or
 - ii. a CCAA Entity's share of the Net Proceeds of any sale by any Subsidiary of all or a majority of the aggregate value of its assets,
- (in either case, a "Transaction") to Affected Creditors with Promissory Note Entitlements and to Intercompany Creditors with Intercompany Claims on a pro-rata basis; provided, however, that if the Net Proceeds from any Transaction do not exceed \$1 million, the CCAA Entities are not required to distribute them within 30 days, but must deposit those Net Proceeds into the Creditor Distribution Pool Account.

- j) **Subsequent and Final Distributions:** commencing at the end of Metro's first full fiscal year following the Plan Implementation Date, the Plan provides that the CCAA Entities must transfer any Excess Cash to the Creditor Distribution Pool Account. At any time that the Cash in the Creditor Distribution Pool Account exceeds \$1 million, the CCAA Entities must, within 90 days, distribute to each Affected Creditor and Intercompany Creditor an amount equal to their respective Pro Rata Share of the Cash in the Creditor Distribution Pool Account. Any such distributions would reduce the Promissory Note Entitlements of the Affected Creditors and the amounts owing to the Intercompany Creditors, respectively. On the Final Distribution Date, being the date that the Promissory Note has been paid in full, any funds: (a) remaining in the Creditor Distribution Pool Account shall be available for use by the CCAA Entities as they deem appropriate; or (b) remaining in the Investment Reserve Account shall be applied in such manner as Metro may direct the Monitor in writing, and all Promissory Note Entitlements shall be considered satisfied, forever discharged and barred.
- k) **Intercompany Creditors:** pursuant to the Plan, Intercompany Claims are Excluded Claims. **Intercompany Creditors have agreed to not participate in the Initial Distribution on the Initial Distribution Date in respect of their Intercompany Claims.** Intercompany Creditors shall participate in subsequent distributions on a pro rata basis, in accordance with their legal entitlement. Intercompany Claims (\$11 million) comprise approximately 38% of the claims pool (prior to the Initial Distribution).

The Intercompany Creditors have provided an undertaking to the Monitor that they will forbear from taking steps to seek repayment of the Intercompany Claims until the Promissory Note has been repaid or the Promissory Note Maturity Date has occurred.

- l) **Other Features of the Plan:**
- i. **Releases:** as detailed in Section 9.1 of the Plan, approval of the Plan contemplates releases of all claims of Affected Creditors (other than obligations created under the Plan) against: (a) the CCAA Entities, the Directors, the Officers, and the CCAA Entities' current and former employees, advisors, legal counsel and agents, (b) the Monitor and its respective current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents, and (c) the Intercompany Creditors and their respective current and former affiliates (excluding the CCAA Entities), and their respective current and former members, shareholders, directors, officers and employees, advisors, legal counsel and agents.
 - ii. **Monitor Reporting:** from and after the Plan Implementation Date, for so long as obligations under the Promissory Note remain outstanding, the Monitor and the CCAA Entities shall meet at the Monitor's reasonable request, and the CCAA Entities shall grant the Monitor access to all information and documentation reasonably requested by the Monitor to carry out its duties and reporting obligations set out in the Plan. In addition, the Monitor shall file a report with the Court at least every six months after the Plan Implementation Date, or periodically in response to, or as a result of, the occurrence of a material event, as determined by the Monitor. These

reports will be served on the Service List in these proceedings and posted on the Website.

- iii. **Pre-Emptive Rights:** given the importance of the CCAA Entities' holdings in the Subsidiaries and to generate recoveries for Affected Creditors, the Monitor was cognizant that there be adequate controls in place to prevent dilution or other transactions to the detriment of the CCAA Entities. In this regard, the Plan provides for the following:
- the creation of the Investment Reserve so that the CCAA Entities can participate in future financings of the Subsidiaries;
 - in the case of Well, the pre-emptive rights provisions in Well's shareholders' agreement provide for protections against dilution; and
 - in the case of Mr. Shapiro personally, he has provided an undertaking to the Monitor that, until such time as all of the CCAA Entities' obligations under the Promissory Note have been repaid in full, he will not, whether personally, through any family member or any other partnership or corporation (other than a CCAA Entity), acquire any new shares of any class of a Subsidiary or any new security or obligation that is convertible into or exchangeable for such shares, without the consent of the Monitor; provided, that nothing prevents Mr. Shapiro from exercising any option, warrant or right issued under any management or employee share ownership plan, share purchase plan, share incentive plan or similar plan of general application to management or employees of the relevant Subsidiary, that may be made available to Mr. Shapiro in the future on the basis that Mr. Shapiro is an employee or member of management of a Subsidiary entitled to participate with other employees or management. As part of its post-CCAA monitoring of the Plan, the Monitor intends to review this issue, including at Subsidiaries other than Well.
- iv. **Approval:** if the Plan is accepted by the Required Majority of the Affected Creditors at the Creditors' Meeting, the CCAA Entities shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set. Pursuant to the Meeting Order, the CCAA Entities have scheduled a hearing on January 14, 2022 at which it intends to bring a motion seeking the Sanction Order.
- m) **Conditions Precedent:** implementation of the Plan is subject to the following material conditions:
- i. the Creditors' Meeting shall have been convened by the date set by the Meeting Order or such later date as shall be acceptable to the CCAA Entities, in consultation with the Monitor;
 - ii. the Plan shall have been accepted by the Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;

- iii. the Sanction Order shall have been granted by the Court; and
 - iv. unless otherwise agreed by the CCAA Entities and the Monitor, the Sanction Order shall have become a Final Order.
- n) **Estimated Distributions on the Initial Distribution Date:** the anticipated use of cash in the CCAA Entities' bank accounts on the Plan Implementation Date is reflected in the table below. The table below reflects that the Initial Distribution is estimated to be approximately \$4.4 million (being 25 cents on the dollar value of Affected Claims (excluding Convenience Class Creditors)), and the Promissory Note is estimated to be approximately \$12.9 million. The actual amounts of the Initial Distribution and the Promissory Note are subject to change in accordance with, *inter alia*, the CCAA Entities' actual cash balance on the Initial Distribution Date.

Description	Amount (\$000s)
Estimated cash in CCAA Entities' bank accounts	8,150
Investment Reserve	(1,000)
Holdback for Metro working capital	(2,000)
Disputed Claims Reserve	(34)
Convenience Claims Creditor payout (estimated) ⁶	(685)
Estimated Initial Distribution	4,431
Total Affected Claims (excluding Convenience Class Creditors)	17,384
Amount of Promissory Note	12,953

6.0 Meeting Order

1. Pursuant to the Meeting Order, the Creditors' Meeting is to be convened virtually at 1:00 p.m. (Toronto time) on December 16, 2021 for the purpose of considering and voting on a resolution to accept the Plan.
2. The only persons entitled to attend the Creditors' Meeting are: Affected Creditors or their Proxies who have duly registered in accordance with the Electronic Meeting Protocol (which is appended as Schedule "A" to the Meeting Order and available on the Website); representatives of the CCAA Entities; representatives of the Monitor; the Chair; any other person invited to attend by the Chair; and legal counsel to any person entitled to attend the Creditors' Meeting.
3. Affected Creditors who would like to attend the Creditors' Meeting are required to notify the Monitor by email at mtallat@ksvadvisory.com by 5:00 p.m. (Toronto time) on the date that is four Business Days prior to the Creditors' Meeting (i.e., by 5:00 pm (Toronto Time) on December 10, 2021). The Monitor will provide each Affected Creditor who has notified the Monitor that it will attend the Creditors' Meeting with a passcode to enter the Creditors' Meeting by electronic means. For greater certainty, as provided by the Meeting Order, Affected Creditors that do not notify the Monitor that they will attend the Creditors' Meeting will not be provided with a passcode and will not be able to attend the Creditors' Meeting.

⁶ Excludes amounts that may be paid by virtue of any creditors electing to file Convenience Class Claim Elections.

4. As part of the Creditors' Meeting, the Chair is required to direct a vote on the resolution to approve the Plan. Each Affected Creditor with a voting claim, other than a Convenience Class Creditor, shall be entitled to one vote equal to the dollar value of its Affected Claim as at the Filing Date and can either vote for or against the Plan. For voting purposes, a Convenience Class Creditor shall be deemed to have voted the full value of its Proven Claim in favour of the Plan. The only Persons entitled to vote at the Creditors' Meeting are Affected Creditors with Voting Claims. Intercompany Creditors cannot vote in favour of the Plan.
5. If an Affected Creditor does not wish to, or is not able to, attend the Creditors' Meeting, an Affected Creditor can appoint a Proxy holder to attend the meeting and vote on their behalf by submitting a Proxy. For a Proxy vote to be counted at the Creditors' Meeting, it must be received by no later than 5:00 p.m. (Toronto time) on the date that is three Business Days prior to the Creditors' Meeting (i.e., by 5:00 pm (Toronto Time) on December 13, 2021); provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the CCAA Entities. In the absence of instructions to vote for or against the acceptance of the Plan on the proxy form, the Proxy shall be deemed to accept the Plan, provided the Proxy holder does not otherwise exercise its right to vote at the Creditors' Meeting. An Affected Creditor that is not an individual may only attend and vote at the Creditors' Meeting if it has appointed a Proxy to attend and act on its behalf at the Creditors' Meeting.

7.0 Monitor's Assessment of the Plan

1. **The Monitor strongly recommends that Affected Creditors vote to accept the Plan.**
2. The Monitor's recommendation is based on the following:
 - a) as a result of the Intercompany Creditors agreeing to not participate in the Initial Distribution, the amount of the Initial Distribution **alone** results in a cash distribution to Affected Creditors on the Plan Implementation Date greater than they would receive if the CCAA Entities became bankrupt or were liquidated in the near term, even after considering the reserves contemplated under the Plan;
 - b) in addition to the Initial Distribution, creditors will benefit from future value that can be created in the Subsidiaries. The Plan is designed to allow the Subsidiaries to continue to grow their businesses with the assistance of management of the CCAA Entities so that value for these businesses can be maximized in due course, which value is to be distributed to Affected Creditors and Intercompany Creditors under the Plan; and
 - c) the alternative to the Plan is a liquidation (and likely a bankruptcy) of the CCAA Entities and a near term sale of the CCAA Entities' interest in the Subsidiaries, which in the Monitor's opinion will be detrimental to Affected Creditor recoveries as (i) purchasers will attempt to acquire those interests before the Subsidiaries' business plans have been fully executed and/or substantially advanced, (ii) the CCAA Entities do not have a controlling interest in the Subsidiaries and selling those interests on their own in the near term (as opposed to a sale of the Subsidiaries themselves) will be detrimental to value; and (iii) the Intercompany Creditors would share pro-rata with the Affected Creditors, which would materially dilute the recovery for Affected Creditors.

7.1 Comparative Distribution Analysis

1. A liquidation (or bankruptcy) of the CCAA Entities would have significant adverse consequences on the value of the CCAA Entities and the Subsidiaries for the following reasons:
 - a) a discontinuation of Metro's business would result in the loss of the back-office administrative, operational and strategic support that Metro provides to the Subsidiaries;
 - b) prospective purchasers of the Subsidiaries would use the discontinuation of Metro to try to opportunistically acquire the CCAA Entities' interests in the Subsidiaries;
 - c) the Subsidiaries continue to be relatively early-stage businesses - monetizing the CCAA Entities' interest in the Subsidiaries prematurely will not maximize recoveries for creditors for the reasons provided in Section 7.0(2)(c) above; and
 - d) recoveries to creditors would be eroded by the (i) professional costs of the wind-down of the CCAA Entities, (ii) administrative costs to retain management and administrative support for the Subsidiaries until they can be sold, and (iii) the superintendent's levy (the "Levy")⁷ which is statutorily payable in a bankruptcy.

2. A comparison of the estimated recoveries to Affected Creditors under the Plan versus the estimated recoveries in a bankruptcy is provided in the table below.

Description	Notes	Amount (\$000s)	
		Plan	Bankruptcy
Funds available for distribution (estimated)	3(a)	8,150	8,150
Holdbacks under the Plan	3(b)	(3,034)	-
Convenience Class Creditor payments		(685)	-
Cost of bankruptcy / liquidation process, net of estimated accounts receivable and inventory realizations ⁸	3(c)	-	(700)
Funds available for distribution		4,431	7,450
Affected Creditors		17,384	17,384
Convenience Class Creditors		-	685
Intercompany Claims	3(d)	-	11,000
CRA Provisional Claim	3(e)	-	3,200
Total Claims		17,384	32,269
Initial Distribution (%)		25%	23%

3. The following notes correspond to the references in the table:
 - a) Reflects the estimated cash balance as at November 17, 2021.
 - b) Comprised of the working capital holdback (\$2 million), Investment Reserve (\$1 million) and Disputed Claims Reserve (\$34,000).

⁷ Being 5% of the first \$1 million of distributions to creditors.

⁸ Excludes transaction costs for the Subsidiaries, which are assumed to be borne by the Subsidiaries under both scenarios.

- c) The liquidation scenario includes estimated costs of \$1 million, net of projected liquidation proceeds from the wind-down of Metro's CPG business. Costs, as noted above, include: (i) professional fees related to the wind-down of the CCAA Entities' businesses, including overseeing the Subsidiaries until they can be monetized; (ii) payroll and other costs required to retain Metro's employees to assist with the wind-down; and (iii) the Levy, which is not payable under the CCAA.
- d) Intercompany Creditors (being 38% of the total Proven Claims) have agreed to not participate in the Initial Distribution under the Plan. These claims rank equally with Affected Creditors on subsequent distributions under the Plan. In a bankruptcy, Intercompany Creditors are entitled to be paid on a pro-rata basis with all other unsecured creditors. This aspect of the Plan increases the Initial Distribution to Affected Creditors by approximately ten cents on the dollar value of their Affected Claims, as reflected below.

Description	Amount (\$000s)	
	Plan (as filed)	Without Intercompany Claim Subordination
Estimated funds available for Initial Distribution	4,431	4,431
Affected Creditor Claims (excluding Convenience Class Creditors) ⁹	17,384	17,384
Intercompany Claims	-	11,000
Total Claims eligible for Initial Distribution	17,384	28,384
Initial Distribution (%)	25.5%	15.6%

- e) As set out in the Sixth Report, the CRA Provisional Claim would become a Proven Claim to the extent HST is not paid to creditors, as would be the case in a bankruptcy. For the purpose of this analysis, the CRA Provisional Claim of approximately \$3.2 million has been included in the bankruptcy scenario.

4. Subject to the underlying assumptions above, the comparative analysis reflects that Affected Creditors are projected to receive a cash distribution on the Initial Distribution Date greater than they would receive in a bankruptcy, together with the opportunity to participate in the monetization of the Subsidiaries, which are projected to have materially greater value in the future than selling them in the near term. Additionally, in a near term liquidation, it is the CCAA Entities' non-controlling interests in the Subsidiaries that would be sold, which will have less value than in a sale of the Subsidiaries themselves.

⁹ Excludes Sun Life's claim discussed in Section 4.1(3) of this Report.

7.2 Preservation of Equity Interest in the Subsidiaries

1. Following the Initial Distribution, the Subsidiaries will be the primary source of recovery for Affected Creditors.
2. The Plan is designed to provide the Subsidiaries with the opportunity to grow their businesses. In this regard:
 - a) the purpose of the Investment Reserve (\$1 million) is to prevent the CCAA Entities' equity interests from being diluted in future equity raises by the Subsidiaries;
 - b) it provides the Subsidiaries with further time to grow their business and to complete strategic transactions in due course; and
 - c) it eliminates the risk that a forced sale of the CCAA Entities' minority interests in the Subsidiaries will result in immaterial transaction proceeds.
3. The Monitor reviewed publicly available information regarding comparable transactions completed in the food and beverage industry so that stakeholders would have the revenue multiples at which food and beverage entities transact (recognizing that the businesses referenced in the table are larger than Well and Handfuel).

Target Company	Purchase Price (US\$000s)	Multiple of Revenue
Jamba Juice	190,900	2.4
Suja	300,000	4.6
Dogfish Head Craft Brewery	363,000	3.2
Azunia Tequila	16,200	4.6
Aspall Cyder	54,600	1.3
Core Nutrition	525,000	4.0
AQUAhydrafit	50,800	3.4
Castle Brands Inc.	248,600	2.6
Median Multiple of Comparable Transactions		3.3

4. Well's pro-forma revenue for fiscal 2022 is projected to be \$11.5 million.

7.3 The Plan Preserves Metro's Business

1. The Plan provides for Metro to continue to operate in the normal course for the benefit of its business and the Subsidiaries.
2. Metro requires working capital to continue to operate in the normal course. The Plan contemplates that Metro will retain \$2 million to fund its working capital requirements post-Plan implementation. The Monitor is of the view that this holdback is reasonable and appropriate for the following reasons:
 - a) Metro's business provides the Subsidiaries with critical operational and strategic support that they would have to pay for if not funded by Metro. The Subsidiaries do not presently have the liquidity to pay these costs;
 - b) without the holdback, Metro will have a liquidity problem as Metro does not presently have an operating lender and it is not likely to be able to arrange such a facility in the near term as Metro has limited working capital assets;

- c) to the extent Metro's business generates free cash flow, the Plan provides that surplus cash will be transferred to the Creditor Distribution Pool for distribution to Affected Creditors; and
- d) **even after giving consideration to this holdback, due to the Intercompany Creditors not participating in the Initial Distribution, the Initial Distribution alone will provide a greater recovery to the Affected Creditors than they would receive if the CCAA Entities became bankrupt.**

8.0 Recommendation

1. The Monitor recommends Affected Creditors vote in favour of the Plan for the following reasons:
 - a) through the Initial Distribution, Metro's continued operation and the eventual monetization of the CCAA Entities' interest in the Subsidiaries, the Plan is intended to provide Affected Creditors with the opportunity to fully recover their Affected Claims against the CCAA Entities over time;
 - b) the Initial Distribution **alone** provides Affected Creditors with a cash distribution greater than they would receive in a liquidation or bankruptcy, even after considering the reserves contemplated by the Plan;
 - c) the Plan allows the Subsidiaries to continue to grow their businesses, with the support of Metro and its management, so that the value of the Subsidiaries can be maximized, with the proceeds distributed to creditors;
 - d) the CCAA Entities and the Monitor believe that recoveries to creditors will be maximized if the Subsidiaries have the opportunity to execute their business plans versus selling them in the near term;
 - e) Metro's surplus cash flow, if any, is to be distributed to its creditors;
 - f) the Investment Reserve allows the CCAA Entities to participate in future financings by the Subsidiaries so that the CCAA Entities' equity interests in the Subsidiaries are not diluted;
 - g) Affected Creditors will have visibility into the performance of the CCAA Entities and the Subsidiaries through oversight and reporting to be provided by the Monitor, as contemplated by the Plan;
 - h) the Plan has safeguards for the benefit of Affected Creditors, including that Intercompany Creditors have agreed to forbear from seeking repayment of the Intercompany Claims until the Promissory Note has been repaid or matured, and Mr. Shapiro has agreed that he will not receive consideration in his personal capacity that is not made available to the CCAA Entities¹⁰; and
 - i) in the Monitor's view, the Plan is fair and reasonable.

¹⁰ Unless part of a general management incentive plan.

9.0 Next Steps

1. The Monitor is required, as soon as practicable following the Creditors' Meeting, to file a report with the Court that includes the result of the votes at the Creditors' Meeting, including whether the motion to vote on the resolution to approve the Plan has been accepted by the Required Majority of Affected Creditors, and such further and other information as determined by the Monitor to be necessary.
2. If the Plan is accepted by the Required Majority of Affected Creditors, the Meeting Order authorizes the CCAA Entities to bring a motion at the hearing scheduled for January 14, 2022 (the "Sanction Hearing") seeking the issuance of the Sanction Order that will, among other things, approve and sanction the Plan.
3. The Meeting Order provides that any party who wishes to oppose the final sanctioning of the Plan must serve the CCAA Entities, the Monitor and the parties listed on the Service List with a copy of the materials to be relied upon to oppose the motion for the Sanction Order, setting out the basis for such opposition, at least four days before the date set for the Sanction Hearing (i.e. on or before January 10, 2022).
4. Provided the Plan is approved by the Court, it will then need to be implemented by the CCAA Entities in accordance with its terms. It is expected that this will occur in the first quarter of 2022. Affected Creditors would receive their initial distributions at that time.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS MONITOR OF
THE PARTNERS AND METRO
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

WEDNESDAY, THE 17TH

JUSTICE HAINEY

)

DAY OF JUNE, 2020

)



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 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP

Applicants

INITIAL ORDER

THIS APPLICATION, made by 957855 Alberta Ltd. (formerly NewsWest Inc.) ("Alberta HoldCo") and Rosebud Creek Financial Corp. ("Rosebud HoldCo" and, together with the Alberta HoldCo, the "Applicants"), being the partners of the Metro 360 General Partnership ("Metro 360"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), was heard this day via videoconference at Toronto, Ontario.

ON READING the affidavit of Daniel P. Shapiro sworn June 10, 2020, and the Exhibits thereto (the "Shapiro Affidavit"), and the second report of KSV Kofman Inc. ("KSV"), in its capacity as the proposal trustee of the Applicants in the Proposal Proceedings (as defined below) (in such capacity, the "Proposal Trustee") and in its capacity as the proposed monitor of the Applicants under the CCAA, dated June 10, 2020 (the "Second Report"), and on hearing the submissions of counsel for the Applicants and Metro 360, counsel for the Proposal Trustee and those other parties appearing, no one else appearing although duly served as appears from the

affidavit of service of Andrew Harmes sworn June 14, 2020, and on reading the consent of KSV to act as the monitor of the Applicants (in such capacity, the “**Monitor**”),

SERVICE

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

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not an applicant, Metro 360 (together with the Applicants, the “**CCAA Entities**” and each a “**CCAA Entity**”) shall have the benefit of the same protections and authorizations provided to the Applicants by this Order.

3. **THIS COURT ORDERS AND DECLARES** that effective June 17, 2020, the Applicants’ proceedings bearing Court File No. 31-2636843 (the “**Proposal Proceedings**”) commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”) are hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the CCAA Entities, save that any and all steps, agreements and procedures validly taken, done or entered into by the CCAA Entities during the Proposal Proceedings shall remain valid and binding, notwithstanding the commencement of the CCAA proceedings, including, without limitation, the sale of any assets, property or undertaking of any of the CCAA Entities that was approved by the Court or otherwise permitted in the Proposal Proceedings, including, but not limited to (a) the TNG Transaction (as defined in the Shapiro Affidavit) and (b) any transaction entered into pursuant to paragraph 14 of the Bankruptcy Procedure Order of Hainey J. dated April 7, 2020 issued in the Proposal Proceedings (the “**Procedure Order**”).

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the CCAA Entities shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the CCAA Entities shall remain in possession and control of their current and future assets, 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 CCAA Entities shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The CCAA Entities are authorized and empowered to continue to retain and employ the employees, consultants, 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.

6. **THIS COURT ORDERS** that the CCAA Entities shall be entitled to continue to utilize their existing cash management system currently in place or replace it with another substantially similar cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the CCAA Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the CCAA Entities shall be entitled but not required to pay the following expenses and satisfy the following obligations, whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, commissions, compensation, employee benefits, pension contributions, vacation pay and expenses (including, without

limitation, payroll and benefits processing and servicing expenses) payable 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;

- (b) the fees and disbursements of any Assistants retained or employed by the CCAA Entities in respect of these proceedings, at their standard rates and charges;
- (c) any payment referred to in paragraphs 8(a) to 8(b) of this Order that: (i) was incurred during the Proposal Proceedings or that pertains to such period; or (ii) pertains to the period prior to the commencement of the Proposal Proceedings if, in the opinion of the CCAA Entities and with the consent of the Monitor, the supplier of the applicable good or service is critical to the Business and the ongoing operation of the CCAA Entities.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the CCAA Entities shall be entitled but not required to pay all reasonable expenses incurred by the CCAA Entities in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order and any other Order of this Court, 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 supplied or to be supplied to the CCAA Entities.

9. **THIS COURT ORDERS** that the CCAA Entities 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, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, “Sales Taxes”) required to be remitted by the CCAA Entities in connection with the sale of goods and services by the CCAA Entities, 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 the CCAA Entities.

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

RESTRUCTURING

11. **THIS COURT ORDERS** that the CCAA Entities shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their Business or operations, and to dispose of redundant or non-material assets not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and

- (c) pursue all avenues of refinancing or restructuring of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

12. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the CCAA Entities shall be entitled to pay, without duplication, all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease, but, for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the CCAA Entities or the making of this Order) or as otherwise may be negotiated between the CCAA Entities and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with past practice pursuant to the terms of the lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. **THIS COURT ORDERS** that the CCAA Entities shall provide each of the relevant landlords with notice of their intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the CCAA Entities' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the CCAA Entities, or by further Order of this Court upon application by the CCAA Entities on at least two (2) days notice to such landlord and any such secured creditors. If the CCAA Entities disclaim or resiliate the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the CCAA Entities' claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the CCAA Entities and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the CCAA Entities in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE CCAA ENTITIES OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including June 26, 2020, 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**") shall be commenced or continued against or in respect of any of the CCAA Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the applicable CCAA Entity 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 CCAA Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental 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 CCAA Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicable CCAA Entity and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the CCAA Entities to carry on any business which the CCAA Entities are 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 discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by any CCAA Entity (in each case whether written or oral), except with the written consent of the applicable CCAA Entity and the Monitor, or leave of this Court.

18. **THIS COURT ORDERS** that, until further Order of this Court, the Applicants shall not be deemed to have made an assignment based on their failure to file a proposal with the official receiver notwithstanding s. 50.4(8) of the BIA.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the CCAA Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll and benefits services, insurance, transportation services, utility or other services to the Business or the CCAA Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the CCAA Entities, and that the CCAA Entities shall be entitled to the continued use of their 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 CCAA Entities in accordance with normal payment practices of the CCAA Entities or such other practices as may be agreed upon by the supplier or service provider and each of the CCAA Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **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 the CCAA Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **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 the Applicants with respect to any claim against the directors or officers that arose before or arises after the date hereof and that relates to any obligation of any Applicant 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.

KEY EMPLOYEE RETENTION PROGRAM

22. **THIS COURT ORDERS** that the key employee retention program (the “KERP”) described in the Shapiro Affidavit and in the Second Report is hereby authorized and approved, the CCAA Entities (or any other person that may be appointed on behalf of the CCAA Entities, and including, without limitation, any trustee, liquidator, receiver, interim receiver, receiver and manager or other person acting on behalf of any such person) is hereby authorized to perform the obligations under the KERP, including making all payments to the beneficiaries of the KERP (the “KERP Participants”) of amounts due and owing under the KERP in accordance with the terms and conditions of the KERP.

23. **THIS COURT ORDERS** that the CCAA Entities are hereby authorized to execute and deliver such additional documents as may be necessary to give effect to the KERP, subject to prior approval of such documents by the Monitor or as may be ordered by this Court.

24. **THIS COURT ORDERS** that the KERP Participants shall be entitled to the benefit of and are hereby granted a charge (the “KERP Charge”) on the Property, which charge shall not exceed the aggregate amount of \$180,000, as security for the obligations of the CCAA Entities to the KERP Participants under the KERP. The KERP Charge shall have the priority set out in paragraphs 37 and 39 herein.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

25. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers (the "D&Os") against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, including, without limitation, in respect of any failure to pay wages and source deductions, vacation pay, or other payments of the nature referred to in subparagraphs 7(a), 9(a), 9(b) or 9(c) of this Order except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

26. **THIS COURT ORDERS** that the D&Os of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$300,000 as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.

APPOINTMENT OF MONITOR

27. **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 CCAA Entities with the powers and obligations set out in the CCAA or set forth herein and that the CCAA Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the CCAA Entities 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.

28. **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 CCAA Entities' receipts and disbursements;

- (b) report to this Court 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) advise the CCAA Entities in their preparation of their cash flow statements;
- (d) advise the CCAA Entities in their development of the Plan and any amendments to the Plan;
- (e) assist the CCAA Entities, to the extent required by the CCAA Entities, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) 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 CCAA Entities to the extent that is necessary to adequately assess the CCAA Entities' business and financial affairs or to perform its duties arising under this Order;
- (g) assist the CCAA Entities with respect to the consideration, development and implementation of any Restructuring initiatives;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable, including the services or employees of its affiliates, respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of 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 Property, or any part thereof.

30. **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 (the "**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.

31. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the CCAA Entities with information provided by the CCAA Entities 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 any of the CCAA Entities 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 applicable CCAA Entity may agree.

32. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out 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 the Monitor by the CCAA or any applicable legislation.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the CCAA Entities shall be paid their reasonable fees and disbursements, in each case at their

standard rates and charges and whether incurred prior to, on or after the date hereof, by the CCAA Entities as part of the costs of these proceedings. The CCAA Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for CCAA Entities in accordance with the payment terms agreed to with such professionals.

34. **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.

35. **THIS COURT ORDERS** that the Proposal Trustee and counsel to the Proposal Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the CCAA Entities as part of the costs of these proceedings. The CCAA Entities are hereby authorized and directed to pay any outstanding accounts of the Proposal Trustee and counsel to the Proposal Trustee.

VALIDITY AND PRIORITY OF THE PROPOSAL ADMINISTRATION CHARGE

36. **THIS COURT ORDERS** that the Administration Charge as defined in and created by the Procedure Order (the "**Proposal Administration Charge**"), shall continue to be in force and effect in these CCAA proceedings, as may be amended by this Order, and the Proposal Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

37. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and, for greater certainty, counsel to the CCAA Entities, shall be entitled to the benefit of the Proposal Administration Charge as security for their professional fees and disbursements incurred both before and after the granting of this Order at the standard rates and charges of the Monitor and such counsel.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Proposal Administration Charge, the Directors' Charge and the KERP Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Proposal Administration Charge (to the maximum amount of

- \$300,000);
- Second – Directors' Charge (to the maximum amount of \$300,000); and
- Third – KERP Charge (to the maximum amount of \$180,000).

39. **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.

40. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any secured creditor of the CCAA Entities who did not receive notice of the motion seeking this Order which was filed in the Proposal Proceedings.

41. **THIS COURT ORDERS** that the CCAA Entities shall be entitled on any subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrance over which the Charges may have not obtained priority.

42. **THIS COURT ORDERS** that, except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the CCAA Entities also obtains the prior written consent of the Monitor and the beneficiaries of the applicable Charges (collectively, the "**Chargees**"), or further Order of this Court.

43. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) 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 CCAA Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the CCAA Entities of any Agreement to which any CCAA Entity 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 creation of the Charges; and
- (c) the payments made by the CCAA Entities pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the CCAA Entities’ interest in such real property leases.

SEALING

45. **THIS COURT ORDERS** that the confidential appendix to the Second Report be sealed in its entirety, kept confidential and not form part of the public record, unless otherwise ordered by this Court.

SERVICE AND NOTICE

46. **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, (ii) within five 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 the CCAA Entities 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 Section 23(1)(a) of the CCAA and the regulations made thereunder.

47. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/Toronto/e-service-protocol/>) 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. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that the Case Website established in connection with the Proposal Proceedings and referenced at the URL which follows shall constitute the Case Website for these CCAA proceedings in accordance with the Protocol: <https://www.ksvadvisory.com/insolvency-cases/case/metro360> (the “**Website**”).

48. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these CCAA proceedings (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Website, provided that the Monitor shall have no liability in respect of the accuracy of, or the timeliness or making any changes to, the Service List.

49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the CCAA Entities and the Monitor 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 CCAA Entities’ creditors or other interested parties at their respective addresses as last shown on the records of the CCAA Entities and that any such service or distribution shall be deemed to be received; (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

50. **THIS COURT ORDERS** that the CCAA Entities and the Monitor and their counsel 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 to the CCAA Entities' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

51. **THIS COURT ORDERS** that, subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the CCAA Entities or Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide 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. (Toronto time) on the date that is four (4) 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 CCAA Entities.

52. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the CCAA Entities shall inform the Court of the absence or the status of any objections to the motion and the judge having carriage of the motion (the "**Presiding Judge**") may determine:

- (a) whether a hearing is necessary;
- (b) whether such hearing will be in person, by telephone, by videoconference or by written submissions only; and/or
- (c) the parties from whom submissions are required,

(collectively, the "**Hearing Details**"), and any such determination by the Presiding Judge shall be communicated thereafter to the Service List. In the absence any determination by the Presiding Judge regarding the Hearing Details, a hearing will be held in the ordinary course on the date and manner specified in the notice of motion.

GENERAL

53. **THIS COURT ORDERS** that the CCAA Entities or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or for advice and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

54. **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 CCAA Entity, the Business or the Property.

55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction, to give effect to this Order and to assist the CCAA Entities, 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 CCAA Entities 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 CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

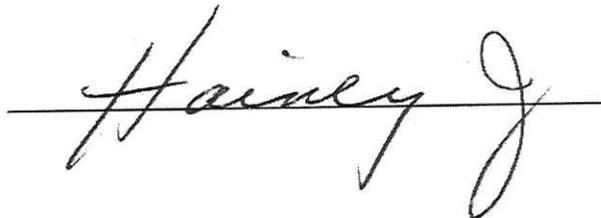
56. **THIS COURT ORDERS** that each of the CCAA Entities and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, 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.

57. **THIS COURT ORDERS** that any interested party (including the CCAA Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other Person(s) likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges with respect to any fees and disbursements incurred until the date this Order may be amended, varied or stayed.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order.

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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 19 2020

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PER / PAR:

A handwritten signature in blue ink, consisting of a stylized, cursive mark.

Court File No.: CV-20-00642783-00CL

**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 957855
ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP**

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto**

INITIAL ORDER

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NewsWest Inc.), Rosebud Creek Financial Corp., and
Metro 360 General Partnership.

Appendix “B”



**Sixth Report of
KSV Restructuring Inc. as
CCAA Monitor of
Rosebud Creek Financial Corp.,
957855 Alberta Ltd. and
Metro 360 General Partnership**

November 10, 2021

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COURT FILE NO.: CV-20-00642783-00CL

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 957855 ALBERTA LTD. (FORMERLY
NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP.
IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

SIXTH REPORT OF KSV RESTRUCTURING INC.
AS CCAA MONITOR

NOVEMBER 10, 2021

1.0 Introduction

1. On April 6, 2020, Rosebud Creek Financial Corp. (“Rosebud”) and 957855 Alberta Ltd. (“957”) (jointly, the “Partners”) each filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“BIA”) (the “NOI Proceedings”). KSV Restructuring Inc.¹ (“KSV”) was appointed the proposal trustee (“Proposal Trustee”) in the NOI Proceedings.
2. On June 17, 2020, the Partners brought an application before the Ontario Superior Court of Justice (Commercial List) (the “Court”) to have the NOI Proceedings taken up and continued under the *Companies’ Creditors Arrangement Act* (“CCAA”). Pursuant to a Court order made on June 17, 2020 (the “Initial Order”), the Partners were granted protection under the CCAA, and KSV was appointed monitor (in such capacity, the “Monitor”). A copy of the Initial Order is attached as Appendix “A”.
3. Rosebud and 957 are holding companies and the partners of Metro 360 General Partnership (“Metro”). Pursuant to the Initial Order, the stay of proceedings granted to Rosebud and 957 was extended to Metro, as was the case pursuant to a Court order issued in the NOI Proceedings. The stay of proceedings presently expires on December 31, 2021 pursuant to a Court order made on September 24, 2021.
4. Prior to the commencement of the NOI Proceedings, Metro’s business was primarily focused on wholesaling and distributing books and magazines to thousands of retailers across Canada (the “Literature Business”). As a result of the TNG Transaction (as defined and described below), Metro’s business is now focused on the distribution of consumer-packaged goods (“CPG”), such as food products, music and consumer electronic accessories.

¹ Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

5. The principal purpose of these proceedings has been to create a stabilized environment to allow Metro to:
 - a) complete the inventory return process resulting from the TNG Transaction, as more fully detailed below;
 - b) facilitate a restructuring of Metro's business around its CPG business and various businesses in which Metro and/or Rosebud hold an equity interest, being Well Ventures Corp. ("Well"), Handfuel Inc. ("Handfuel"), All Day Nutritionals Canada Ltd. and All-Day Nutritionals U.S. (jointly, "Swift Work Wellness"), Spectral Agriventures Inc. ("Spectral"), United Library Services Inc. ("ULS"), Recruiter.com Group, Inc. ("Recruiter") and Lucidsoft Inc. (dba Leankor) ("Leankor") (collectively, the "Subsidiaries");
 - c) continue to grow the Subsidiaries, which are integral to maximizing recoveries to the CCAA Entities' creditors under the CCAA Entities' proposed plan of compromise or arrangement (the "Plan"), as detailed in Section 5 of this Report; and
 - d) provide the CCAA Entities with the opportunity to prepare a Plan to present to its creditors.
6. Pursuant to a Court order made on September 16, 2020 (the "Claims Procedure Order"), the Monitor has worked with Metro and the Partners (collectively, the "CCAA Entities") to carry out a claims process (the "Claims Procedure") to solicit and determine claims against the CCAA Entities and their directors and officers. As more fully discussed in Section 3 below, the administration of the Claims Procedure is substantially complete.

1.1 Purposes of this Report

1. The purposes of this report ("Report") are to:
 - a) provide background information about the CCAA Entities and these proceedings;
 - b) provide an update on the Claims Procedure;
 - c) summarize recent developments in connection with claims assessed by Canada Revenue Agency ("CRA") against the CCAA Entities and recommend that the Court approve a Claims Agreement dated October 21, 2021 between The Minister of National Revenue and the CCAA Entities (the "CRA Claims Agreement") which, among other things, addresses the treatment of CRA's claims under the Plan;
 - d) provide the rationale for filing the CRA Claims Agreement on a confidential basis;
 - e) provide an overview of the Plan;
 - f) summarize the CCAA Entities' proposed order (the "Meeting Order"), which sets out the procedures for convening a virtual creditors' meeting (the "Creditors' Meeting") to consider and vote on the Plan;

- g) discuss the rationale for supporting the CCAA Entities' request for an extension of the stay of proceedings from December 31, 2021 to February 28, 2022;
- h) report on Metro's cash flow projection for the period November 8, 2021 to February 28, 2022 (the "Cash Flow Forecast")²;
- i) summarize the fees and disbursements of the Monitor and its counsel, Bennett Jones LLP ("Bennett Jones"), from September 1, 2021 to October 31, 2021, and seek approval of same; and
- j) recommend that the Court issue orders:
 - i. approving the Meeting Order, including the Electronic Meeting Protocol (the "EMP") attached thereto and the filing of the Plan by the CCAA Entities;
 - ii. approving the CRA Claims Agreement;
 - iii. sealing the CRA Claims Agreement subject to further Order of the Court;
 - iv. extending the stay of proceedings to February 28, 2022;
 - v. approving the fees and disbursements of the Monitor and Bennett Jones from September 1, 2021 to October 31, 2021; and
 - vi. approving this Report and the Monitor's activities described herein.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information prepared by, and discussions with, Metro's management. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of this information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the financial information is required to perform its own due diligence and perform such additional investigations as it requires. KSV makes no representation or warranty as to the accuracy, completeness or fitness for purpose of the financial and other information presented herein.

² As the Partners are inactive, the Cash Flow Forecast represents the operations of Metro.

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 management's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or assurance on whether the Cash Flow Forecast will be achieved.
4. The Cash Flow Forecast reflects the projected ongoing impact of Covid-19 on Metro's business and operations. Consumer, supply chain, governmental and other macro-economic factors related to Covid-19 may have a material affect on Metro's business and on the Subsidiaries. The full impact of Covid-19 on Metro's business is unknown and cannot be determined at this time.

2.0 Background

2.1 Overview

1. The Partners are holding companies. Rosebud is an Ontario corporation which holds a 69.4% partnership interest in Metro, and 957 is an Alberta corporation which holds the remaining 30.6% partnership interest in Metro. Rosebud is also the sole shareholder of 957. To the extent Metro is unable to satisfy its obligations, the deficiency represents a pro-rata obligation of the Partners.
2. Daniel Shapiro is the CCAA Entities' President and Chief Executive Officer. The head office of Metro and Rosebud is located in Toronto, Ontario. The registered office of 957 is in Calgary, Alberta.
3. At the outset of these proceedings, Metro completed a sale (the "TNG Transaction") of the Literature Business to Great Pacific Enterprises Inc. d/b/a TNG ("TNG"). The TNG Transaction was approved by the Court on April 7, 2020 and closed on April 8, 2020. The TNG Transaction was integral to maximizing the value of the Literature Business and saving hundreds of jobs for individuals who found employment with TNG. The value of the TNG Transaction to Metro significantly exceeded the purchase price of \$925,000, as the TNG Transaction facilitated the return of unsold Literature Business inventory to publishers for full credit. At the time of the TNG Transaction, the book value of the unsold Literature Business inventory was estimated to be approximately \$35 million. Based on Metro's internal financial statements, inventory returns facilitated by the TNG Transaction reduced Metro's accounts payable by over \$32 million between the date the TNG Transaction was completed and the date of this Report. The TNG Transaction is described in further detail in the Monitor's prior reports to Court.
4. Prior to the TNG Transaction, Metro's core business was the Literature Business, which had been operated by the Shapiro family since the early 1930s. At the time the NOIs were filed, Metro had approximately 350 employees. The majority of Metro's former employees were offered employment by TNG.
5. Several years ago, Metro began to diversify its business by wholesaling consumer packaged goods, including food products, music, consumer electronic accessories and As-Seen-On-TV products.

6. Metro's CPG business has been negatively impacted by the Covid-19 pandemic, resulting in inconsistent financial results. In this regard, Metro has recently had months in which its income was at or near break-even; however, it has also experienced months which have generated losses of up to \$200,000. Metro's financial results include the costs of critical management services and administrative support services it provides to the Subsidiaries, which are integral to the Subsidiaries' long-term viability and growth.
7. Rosebud and/or Metro own equity interests in the Subsidiaries. Metro and/or Rosebud do not have a controlling interest in the Subsidiaries. A summary of the Subsidiaries is as follows:
 - a) Well: Well is a manufacturer and distributor of cold pressed juices, kombucha and ready-to-drink alcoholic beverages. On a fully diluted basis, Metro and Rosebud own 17.72% and 3.62% of Well's equity, respectively.
 - b) Handfuel: Metro owns a 50% equity interest in Handfuel, a manufacturer of flavourful and nutritious food products across Canada, such as fruit and nut snack mix products. Handfuel's products are sold in major grocery store chains and high-end grocers, such as Pusateri's.
 - c) Spectral: Metro and Well own an 8% and 36% equity interest in Spectral, respectively. Spectral has developed a cost-efficient turnkey greenhouse model that Metro's management believes has the potential to reposition how Canadian grocery retailers source produce and sell leafy greens. The greenhouse model allows for produce to be grown and distributed within Canada on a cost-efficient basis, ensuring freshness, reducing the carbon footprint and maintaining price competitiveness. Spectral is in the process of finalizing financing for its first greenhouse, and national Canadian grocery retailers have shown interest in reaching arrangements with Spectral once it has operational greenhouses.
 - d) Swift Work Wellness: Metro's interests in Swift Work Wellness consist of a 27% holding in All Day Nutritionals U.S. ("All Day US"), the U.S. parent, and a 45% interest in All Day Nutritionals Canada, the Canadian subsidiary of All Day US. Swift Work Wellness produces a liquid supplement designed to support immune system health, enhance focus and improve energy. Swift Work Wellness' liquid supplement is dispensed through a cooler system and is marketed towards use in workplace break rooms as a means of improving workplace wellness and overall employee performance. The workplace wellness aspect of this business has largely been suspended due to the Covid-19 pandemic, but Swift Work Wellness is now producing a new retail product and has secured a listing with a major Canadian retailer.
 - e) ULS: Rosebud owns a 50% interest in ULS. ULS is a Calgary-based wholesale distributor of books to schools and libraries primarily in Western Canada. The ULS business remains profitable based on year-to-date results.

- f) Recruiter:³ Rosebud owns 4,144 shares of Recruiter, which operates a recruiting platform. Recruiter is publicly traded on the NASDAQ stock exchange. Based on Recruiter's share price as at the date of this report, Rosebud's interest in Recruiter is valued at approximately \$12,200.
 - g) Leankor: Rosebud owns a *de minimis* interest in Leankor, which is a privately held company that provides project management services.
8. Well and Handfuel are the two most advanced Subsidiaries. Updates on their performance and strategic initiatives since the commencement of these proceedings have been provided in the Monitor's previous reports to Court and, accordingly, are not repeated in this Report. The CCAA Entities believe that the growth of the CPG business and the Subsidiaries should generate material recoveries for creditors in these proceedings, which are intended to be distributed to creditors through the Plan. As at the date of this Report, Metro's business is focused on growing the CPG business and the Subsidiaries.
 9. Metro presently employs 27 employees. Metro's workforce is not unionized. Metro maintains a defined contribution pension plan. Management has advised the Monitor that it is current on its obligations under the pension plan.
 10. Additional information about the CCAA Entities is included in the affidavits sworn by Mr. Shapiro in these proceedings, including Mr. Shapiro's affidavit sworn in support of the Meeting Order and the filing of the Plan (the "Shapiro Affidavit"), as well as in the Monitor's prior reports to Court, the Proposal Trustee's reports to Court and KSV's pre-filing report to Court, which was filed by KSV as proposed Monitor. Court materials filed in the CCAA and NOI Proceedings are available on the Monitor's website at <https://www.ksvadvisory.com/insolvency-cases/case/metro360>.

3.0 Claims Procedure⁴

1. The Claims Procedure was approved by the Court on September 16, 2020. The Claims Bar Date was October 30, 2020. Additional details regarding the Claims Procedure are described in the [Monitor's first report to court dated September 9, 2020](#) and, accordingly, that information is not repeated in this Report.

³ Recruiter and Leankor are relatively immaterial investments that have not previously been reported on in these proceedings.

⁴ Capitalized terms in this section of the Report have the meanings provided to them in the Claims Procedure Order.

3.1 Proofs of Claim

1. The following table summarizes the current status of claims in the Claims Procedure:

Creditor	Number of Claims	Amount (\$000s)
Trade vendor claims	950	12,121
Intercompany claims	3	11,000
Employee claims	85	2,538
Late-filed claims	86	2,651
CRA and other tax claims ⁵	5	889
Total	1,129	29,199

2. A summary of the claims in the table is as follows:
 - a) Trade vendor claims: Metro, with the assistance of the Monitor, reconciled each Proof of Claim filed by a vendor or supplier to its books and records, and worked directly with creditors to reconcile and revise any material discrepancies. That exercise resulted in a \$1.7 million reduction in vendor claims since the amounts reported in the Monitor's third report to Court dated March 22, 2021.
 - b) Employee claims: Pursuant to the Claims Procedure Order, employee claims were addressed using a "negative response" mechanism, whereby the claims of Terminated Employees were calculated by Metro (totalling approximately \$2.5 million), sent to each of the 85 Terminated Employees and admitted, subject to the receipt of a Notice of Dispute by the Terminated Employees. Seven Notices of Dispute totalling approximately \$400,000 were received by the Monitor. The Monitor worked with its legal counsel in Alberta and Ontario to review the Notices of Dispute, which resulted in the Monitor issuing seven NORs which generally reflected the Termination Claims as originally calculated by Metro. All Terminated Employee claims have been resolved.
 - c) Late-filed claims: As at September 17, 2021, being the date of the Monitor's fifth report to Court (the "Fifth Report"), there were 86 late-filed claims totalling approximately \$2.6 million, which the Monitor admitted in accordance with Paragraph 6 of the Claims Procedure Order, which authorizes the Monitor, in consultation with the CCAA Entities, to waive strict compliance with the requirements of the Claims Procedure Order, including in respect of the date when the forms are delivered. Since the date of the Fifth Report, there have been additional three late claims filed totalling approximately \$9,000, each of which has been accepted as a Proven Claim. Three of the previously filed late claims were withdrawn by the creditors that filed them.

⁵ Excludes CRA's provisional claim as discussed in Section 4 of this Report.

- d) Intercompany claims: Related party claims in the aggregate amount of approximately \$11 million (the “Intercompany Claims”) were filed by CMMI Canadian Mass Media Inc., Shapiro Capital Corp. and Mr. Shapiro. As set out in its prior reports to Court, the Monitor performed due diligence on these claims, including reviewing supporting documentation and evidence of advances. Based on this review, these intercompany claims have been admitted as Proven Claims. Further details on the Intercompany Claims will be provided in the Monitor’s report to be filed prior to the Creditors’ Meeting (the “Plan Assessment Report”).
 - e) CRA claims: Subject to Court approval, CRA’s claims are to be addressed in accordance with the CRA Claims Agreement, which is summarized in Section 4 below.
 - f) Other tax claims: Other than CRA’s claims for income taxes, the only claims against the Partners were filed by the Alberta taxing authority for approximately \$23,000 against 957 and \$58,000 against Rosebud.
3. No secured or D&O Proofs of Claim were filed.
 4. As at the date of this Report, there are seven unresolved vendor claims totalling approximately \$129,000. In the event these claims are not resolved in the near term, the Monitor will issue Notices of Revision or Disallowance in respect of such claims in accordance with the Claims Procedure Order. To the extent there are unresolved claims on the Plan Implementation Date, funds will be deposited into the Disputed Claims Reserve Account and the procedures for dealing with their distribution set out in the Plan and the proposed Meeting Order will be followed as any such Disputed Claim becomes a Proven Claim.

4.0 CRA Claims Agreement

1. On October 19, 2020, CRA issued HST/GST Notices of Reassessment following an HST/GST audit it performed on Metro. Of the \$6.7 million of HST/GST reassessed, approximately \$4.5 million related to the reversal by CRA, under Section 296(1)(b) of the Excise Tax Act, of input tax credits (“ITCs”) claimed by Metro on its accounts payable owing when the NOI Proceedings were commenced, and/or on the date of the Initial Order. The balance of the HST/GST Reassessments were for items that Metro and CRA have since successfully reconciled in respect of other matters, including HST/GST charged and/or remitted on its music distribution business.
2. As set out in its prior reports, the Monitor’s view is that it was premature for CRA to issue the HST/GST Notices of Reassessment under Section 296(1)(b) in respect of Metro since the amount of ITCs to be reversed, if any, is subject to the outcome of these proceedings, including the approval and implementation of the Plan and payment of the amounts owing to creditors contemplated by the Plan. For example, if the Plan pays creditors in full (which is its objective), there would be no basis to reverse any ITCs claimed by Metro because no suppliers will suffer a shortfall and Metro will have paid all of the HST/GST in respect of which it had claimed ITCs. Furthermore, it appears that Metro has already effectively recaptured a portion of those ITCs by recording in its ordinary course post-filing HST returns the reversal of HST charges when Literature Business inventory was returned to its various suppliers and they provided credits to Metro.

3. Metro has been working with CRA and the Monitor for several months to resolve CRA's claims and the basis on which they should be treated under the Plan. This has been the gating issue preventing the CCAA Entities from filing a Plan in these proceedings.
4. On October 21, 2021, the CRA Claims Agreement was finalized and executed. Pursuant to the CRA Claims Agreement, *inter alia*, CRA has:
 - a) claims for voting and distribution purposes under the Plan of approximately \$303,000, \$374,000 and \$132,000 against Metro, Rosebud and 957, respectively. Each of these claims reconcile to the applicable CCAA Entities' books and records; and
 - b) a "provisional claim" against Metro of approximately \$3.2 million, which shall reduce on a dollar-for-dollar basis by the amount of HST included in distributions paid to creditors under the Plan or the Promissory Note. The provisional claim will be nil if creditors are paid in full. CRA has agreed it will not vote on the Plan in respect of the provisional claim but will be entitled to vote on the Plan in respect of the amounts described in paragraph 4(a) above.
5. The CRA Claims Agreement is subject to Court approval. The Monitor supports Court approval of the CRA Claims Agreement for the following reasons:
 - a) its terms are fair and reasonable, as it provides that CRA will not be entitled to payment of ITCs previously claimed to the extent creditors are paid those amounts under the Plan;
 - b) it concludes a lengthy reconciliation exercise and material dispute which Metro and CRA worked in good faith to resolve, with the assistance of the Monitor; and
 - c) it allows the CCAA Entities to file a Plan so that they can successfully restructure their businesses and complete these CCAA proceedings.
6. A copy of the CRA Claims Agreement is provided in Confidential Appendix "1".

4.1 Sealing

1. CRA requested that the CRA Claims Agreement be filed with the Court on a confidential basis. The CRA Claims Agreement provides that its contents shall be kept strictly confidential and that the parties shall seek to file the CRA Claims Agreement with the Court on a sealed basis. The Monitor advised CRA that the amount of CRA's claims will need to be disclosed to the Court and the CRA Claims Agreement includes a provision allowing for that disclosure. On this basis, the Monitor recommends that the CRA Claims Agreement be filed with the Court on a confidential basis as it does not believe that any stakeholder will be prejudiced if the sealing order is granted, and the interests of CRA will be protected.

5.0 The Plan

1. Sections 5 and 6 of this Report provide summaries of the Plan and the Meeting Order but do not address each and every provision of the Plan and the Meeting Order. Accordingly, creditors should carefully read the Plan and the Meeting Order in their entirety and should consult such advisors as they consider necessary. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Report and the Plan or the Meeting Order, the provisions of the Plan or the Meeting Order, as applicable, govern. Copies of the Plan and Meeting Order are being filed with the CCAA Entities' motion materials.
2. Capitalized terms not defined in Sections 5 and 6 below are as defined in the Plan or the Meeting Order, as applicable.

5.1 Overview

1. The Plan was developed by the CCAA Entities and their counsel, in consultation with the Monitor and its counsel.

5.2 Purposes of the Plan

1. The Plan is presented with the expectation that Persons who have an economic interest in the CCAA Entities will derive greater benefit from the implementation of the Plan than they would from a bankruptcy of the CCAA Entities and/or a wind-up of the Metro business.
2. The overall purposes of the Plan are to:
 - a) implement a restructuring of the CCAA Entities;
 - b) provide for a settlement and payment of all Affected Claims through distributions from the Creditor Distribution Pool or the Disputed Claims Reserve (as applicable) and, if the Affected Creditor is not a Convenience Class Creditor, a Promissory Note Entitlement, which together are intended to provide Affected Creditors the opportunity to receive payment in full over time;
 - c) provide for the discharge and release of all Affected Claims and Released Claims;
 - d) implement the CRA Claims Agreement;
 - e) enable the CCAA Entities to continue to operate as going concerns from and after the Plan Implementation Date; and
 - f) provide the Subsidiaries with time to execute on their strategic plans such that they can be monetized in due course, thereby allowing creditor recoveries to be maximized from those monetization transactions.
3. Prior to the Creditors' Meeting, the Monitor will be filing the Plan Assessment Report, which will provide creditors with the reasons the Monitor believes that implementation of the Plan is in the best interests of the CCAA Entities and Affected Creditors.

5.3 Terms and Conditions of the Plan

1. The following section provides an overview of the key aspects of the Plan.
 - a) **Classification of Creditors:** the Plan has a single class of creditors for the purpose of considering and voting on the Plan, being the “Unsecured Creditors’ Class” comprised of the Affected Creditors.
 - b) **Persons Affected:** the Plan provides for a compromise, settlement and/or payment over time of the Affected Claims. The Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. An Unaffected Claim means an Excluded Claim, which is any right or claim that would otherwise be a Claim that is:
 - i. a Claim secured by the CCAA Charges, being the Proposal Administration Charge (\$300,000) and the Directors’ Charge (\$300,000);
 - ii. an Intercompany Claim;
 - iii. a Post-Filing Claim;
 - iv. a Government Priority Claim;
 - v. an Equity Claim; and
 - vi. a Claim enumerated in Sections 5.1(2) and 19(2) of the CCAA.
 - c) **Creation of the Investment Reserve:** on or before the Plan Implementation Date, the CCAA Entities shall transfer an amount to be agreed by the Monitor and the CCAA Entities, not exceeding \$1 million from the Available Funds to the Investment Reserve Account to be maintained by the Monitor. As the value of the Subsidiaries is integral to the repayment of the CCAA Entities’ creditors, the Investment Reserve Account is intended to hold funds that are set aside to provide the CCAA Entities with the opportunity to participate in the Subsidiaries’ future capital raising transactions. In the event any of the Subsidiaries intend to raise equity or complete a transaction that could be dilutive to the CCAA Entities, the amounts in the Investment Reserve Account can be used by CCAA Entities, in consultation with the Monitor, to participate in these transactions. The CCAA Entities are not obligated to participate in these transactions. Any funds remaining in the Investment Reserve Account three years after the Plan Implementation Date will be transferred to the Creditor Distribution Account subject to further order of the Court.
 - d) **Creation of the Disputed Claims Reserve:** on or before the Plan Implementation Date, the CCAA Entities shall transfer an amount necessary to establish the Disputed Claims Reserve from the Available Funds to the Disputed Claims Reserve Account. The Disputed Claims Reserve shall be held for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims which become Proven Claims in accordance with the Claims Procedure Order and the Plan. The Disputed Claims presently total \$129,000.

- e) **Creation of the Creditor Distribution Pool:** on or before the Plan Implementation Date, the CCAA Entities shall, following the creation of the Investment Reserve and the Disputed Claims Reserve, transfer the balance of the Available Funds to the Creditor Distribution Pool Account. The amount transferred will be net of a holdback of \$2 million, which is to remain with and be available to the CCAA Entities to pay the ongoing costs of these proceedings and to permit Metro to fund its ongoing operations following the Plan Implementation Date. This holdback will be discussed in greater detail in the Plan Assessment Report.

- f) **Convenience Class Creditors:** the Plan creates a Convenience Class. A Convenience Class Creditor is an Affected Creditor with a Proven Claim that is owed:
 - i. less than or equal to \$2,500; or
 - ii. in excess of \$2,500 if such Affected Creditor has elected to value its claim at \$2,500 pursuant to a Convenience Class Claim Election.

As at the date of this Report, there are 597 Affected Creditors with Proven Claims less than or equal to \$2,500. Pursuant to the Plan, a Convenience Class Creditor shall be deemed to have voted the full value of its Proven Claim in favour of the Plan.

- g) **Initial Distribution to Creditors:**
 - i. **Convenience Class Creditors:** on the Initial Distribution Date, each Convenience Class Creditor will receive, in full satisfaction of its Proven Claim, a cash payment in the amount equal to the lesser of the following, as applicable to such Affected Creditor:
 - (a) its Proven Claim; and
 - (b) \$2,500.
 - ii. **Affected Creditors Other than Convenience Class Creditors:** on the Initial Distribution Date, each Affected Creditor with Proven Claims, other than a Convenience Class Creditor, will receive, in full satisfaction of such Proven Claim:
 - (a) payment of its Pro Rata Share of the balance of the Creditor Distribution Pool, after deducting the amounts paid to Convenience Class Creditors, as described above; and
 - (b) the balance of its Proven Claim amount remaining after the initial cash payment by way of an entitlement to such Affected Creditor's Pro Rata Share of the Promissory Note (each, a "Promissory Note Entitlement"). The form of Promissory Note is included as Schedule "A" to the Plan.

- h) **Resolution of Disputed Claims:** After the Initial Distribution Date, as Disputed Claims are resolved, the Monitor will distribute to each Affected Creditor with a Disputed Claim that has become a Proven Claim, an amount of Cash from the Disputed Claims Reserve equal to the aggregate amount of all distributions such Affected Creditor would have received pursuant to the Plan or the Promissory Note had its Disputed Claim been a Proven Claim as of the Initial Distribution Date.

The anticipated use of cash in the CCAA Entities' bank accounts on the Plan Implementation Date is reflected in the table below. **The actual amount available for distribution is subject to change in accordance with, *inter alia*, the CCAA Entities' actual cash balance on the Initial Distribution Date.**

Description	Amount (\$000s)
Estimated cash in CCAA Entities' bank accounts	8,300
Investment Reserve	(1,000)
Holdback for Metro working capital	(2,000)
Disputed Claims Reserve	(34)
Convenience Claims Creditor payout (estimated) ⁶	(687)
Initial cash distribution to Affected Creditors	4,579
Total Claims (excluding Convenience Class Creditors)	17,511
Amount of Promissory Note	12,932

- i) **Promissory Note:** On the Plan Implementation Date, a non-interest-bearing promissory note shall be issued by the CCAA Entities and held by the Monitor on behalf of all Affected Creditors who are not Convenience Class Creditors, including Affected Creditors with Disputed Claims who are not Convenience Class Creditors. The Promissory Note shall require that, for as long as the Promissory Note remains outstanding, the CCAA Entities shall be required to distribute 100% of:
- i. the Net Proceeds of any sale by a CCAA Entity of its equity interest in any Subsidiary; and/or
 - ii. a CCAA Entity's share of the Net Proceeds of any sale by any Subsidiary of all or a majority of the aggregate value of its assets,

(in either case, a "Transaction") to Affected Creditors with Promissory Note Entitlements and to Intercompany Creditors with Intercompany Claims on a pro-rata basis provided that the CCAA Entities may deposit the Net Proceeds from any Transaction into the Creditor Distribution Pool Account where such Net Proceeds do not exceed \$1 million.

⁶ Excludes amounts that may be paid by virtue of any creditors electing to file Convenience Class Claim Elections.

- j) **Subsequent and Final Distributions:** Commencing on the end of Metro's first full fiscal year following the Plan Implementation Date, the Plan provides that the CCAA Entities must transfer any Excess Cash to the Creditor Distribution Pool Account. In the event that the Cash in the Creditor Distribution Pool Account exceeds \$1 million, the CCAA Entities shall distribute to each Affected Creditor and Intercompany Creditor an amount equal to their respective Pro Rata Share of the Cash in the Creditor Distribution Pool Account. Any such distributions would reduce the Promissory Note Entitlements of the Affected Creditors and the amounts owing to the Intercompany Creditors, respectively. On the Final Distribution Date, being the date that the Promissory Note has been paid in full, any funds: (a) remaining in the Creditor Distribution Pool Account shall be returned by the Monitor to the CCAA Entities; or (b) remaining in the Investment Reserve Account shall be applied in such manner as Metro may direct the Monitor in writing, and all Promissory Note Entitlements shall be considered satisfied, forever discharged and barred.
- k) **Intercompany Creditors:** Pursuant to the Plan, Intercompany Claims are Excluded Claims. **Intercompany Creditors have agreed not to participate in the initial distribution on the Initial Distribution Date in respect of their Intercompany Claim.** Intercompany Creditors shall participate in subsequent distributions on a pro rata basis. Intercompany Claims (\$11 million) comprise approximately 38% of the claims pool (prior to the initial distribution). The postponement by the Intercompany Creditors in respect of the initial distribution is a significant feature of the Plan and will be further detailed in the Plan Assessment Report.

The Intercompany Creditors have undertaken to forbear from taking steps to force payment of the Intercompany Claims until the Promissory Note has been repaid or the Promissory Note Maturity Date has occurred.

- l) **Other:**
- i. **Monitor Reporting:** From and after the Plan Implementation Date, for so long as obligations under the Promissory Note remain outstanding, the Monitor and the CCAA Entities shall meet at the Monitor's reasonable request, and the CCAA Entities shall grant the Monitor access to all information and documentation reasonably requested by the Monitor to carry out its duties and reporting obligations set out in the Plan. In addition, the Monitor shall file a report with the Court at least every six months after the Plan Implementation Date, or periodically in response to, or as a result of, the occurrence of a material event, as determined by the Monitor. These reports will be served on the Service List in these proceedings and posted on the Monitor's case website established for these proceedings.

- ii. **Pre-Emptive Rights:** Given the significance of the CCAA Entities' holdings in the Subsidiaries and their importance to ultimate creditor recoveries under the Plan, the Monitor was cognizant that there be adequate controls in place to prevent dilution or other transactions to the detriment of the CCAA Entities. In this regard, the following has been considered and/or provided for:
- In the case of Well, being the most significant Subsidiary, the pre-emptive right provisions in Well's shareholders' agreement provide for protections against dilution; and
 - In the case of Mr. Shapiro personally, he has provided an undertaking, until such time as all of the CCAA Entities' obligations under the Promissory Note have been repaid in full, to not, whether personally, through any family member or any other partnership or corporation (other than a CCAA Entity), acquire any new shares of any class of a Subsidiary or any new security or obligation that is convertible into or exchangeable for such shares, without the consent of the Monitor; provided, that nothing prevents Mr. Shapiro from exercising any option, warrant or right issued under any management or employee share ownership plan, share purchase plan, share incentive plan or similar plan of general application to management or employees, that may be made available to Mr. Shapiro in the future on the basis that Mr. Shapiro is an employee or member of management of a Subsidiary entitled to participate with other employees or management. As part of its post-CCAA monitoring of the Plan, the Monitor intends to review this issue, including at Subsidiaries other than Well.
- iii. **Approval:** if the Plan is approved by the Required Majority of the Affected Creditors at the Creditors' Meeting, the CCAA Entities shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.
- m) **Conditions Precedent:** implementation of the Plan is subject to the following material conditions:
- i. the Creditors' Meeting shall have been convened by the date set by the Meeting Order or such later date as shall be acceptable to the CCAA Entities, in consultation with the Monitor;
 - ii. the Plan shall have been approved by Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;
 - iii. the Sanction Order shall have been granted by the Court; and
 - iv. unless otherwise agreed to by the CCAA Entities and the Monitor, the Sanction Order shall have become a Final Order.

6.0 Creditors' Meeting

6.1 Timing

1. The CCAA Entities, with the support of the Monitor, propose that the Creditors' Meeting be convened virtually, pursuant to the EMP, at 1:00 (pm) (Toronto time) on December 16, 2021 for the purpose of considering and voting on a resolution to approve the Plan.
2. A summary of the key provisions of the proposed Meeting Order is provided in the following sections of this Report.

6.2 Notice to Creditors

1. As soon as practicable after the granting of the Meeting Order, the Monitor shall publish the following documents on the Monitor's website:
 - a) the Plan;
 - b) the Meeting Order;
 - c) the EMP;
 - d) a notice of the Creditors' Meeting and Sanction Hearing, substantially in the form attached to the proposed Meeting Order;
 - e) a form of proxy, substantially in the form attached to the proposed Meeting Order;
 - f) a form of Convenience Class Claim Election, substantially in the form attached to the proposed Meeting Order; and
 - g) a form of Resolution, substantially in the form attached to the proposed Meeting Order.

Items (c) through (g) above are collectively referred to as the "Information Package".

2. As soon as practicable after the granting of the Meeting Order, the Monitor shall cause to be sent a document providing a link to the Monitor's website at which Affected Creditors can find a copy of this Report, the Plan Assessment Report and the Information Package. In each case, such notice shall be sent to the Affected Creditor's last known e-mail or mailing address which was provided to the CCAA Entities or the Monitor, or as set out in the Affected Creditor's proofs of claim filed in the Claims Procedure. In order to minimize costs associated with printing and distributing copies of materials comprising the Information Package, this Report and the Plan Assessment Report, it is the Monitor's preference that Affected Creditors access such materials on the Monitor's website. The Monitor believes this approach is appropriate in the circumstances.

3. The Monitor will also arrange for a notice of the Creditors' Meeting to be published once in *The Globe and Mail* (National Edition) as soon as practicable following the issuance of the Meeting Order. The notice shall include a statement advising that any Affected Creditor wishing to attend the Creditors' Meeting must contact the Monitor to obtain a unique control number and login password that will permit the Affected Creditor to access the Creditors' Meeting by electronic means in accordance with the Electronic Meeting Protocol. A copy of the form of notice to be published is attached to the proposed Meeting Order.

6.3 Conduct and Voting at the Creditors' Meeting

1. The Monitor will Chair the Creditors' Meeting and, subject to the Meeting Order and any further order of this Court, shall, in consultation with the CCAA Entities, decide all matters relating to the conduct of the Creditors' Meeting.
2. The Creditors' Meeting will be conducted virtually in accordance with the EMP, which is attached as a schedule to the proposed Meeting Order.
3. The only persons entitled to attend the Creditors' Meeting are: Affected Creditors or their Proxies who have duly registered in accordance with the EMP; representatives of the CCAA Entities; representatives of the Monitor; the Chair; any other person invited to attend by the Chair; and legal counsel to any person entitled to attend the Creditors' Meeting.
4. Affected Creditors intending to attend the Creditors' Meeting shall notify the Monitor by email at mtallat@ksvadvisory.com by 5:00 p.m. (Toronto time) on the date that is four Business Days prior to the Creditors' Meeting. The Monitor will provide each Affected Creditor with a passcode to enter the Creditors' Meeting by electronic means. For greater certainty, Affected Creditors that do not notify the Monitor, as required under the Meeting Order, will not be provided with a passcode and will not be able to join the Creditors' Meeting.
5. At the Creditors' Meeting, the Chair shall, in consultation with the CCAA Entities, direct the vote with respect to the resolution and any amendments, variations or supplements to the Plan, the Meeting Order and any other resolutions as the Chair, in consultation with the CCAA Entities, may consider appropriate.
6. As part of the Creditors' Meeting, the Chair is required to direct a vote on the resolution to approve the Plan. Each Affected Creditor with a voting claim, other than a Convenience Class Creditor, shall be entitled to one vote equal to the dollar value of its Affected Claim as at the Filing Date and can either vote for or against the Plan. For voting purposes, a Convenience Class Creditor shall be deemed to have voted the full value of its Proven Claim in favour of the Plan. The only Persons entitled to vote at the Creditors' Meeting are Affected Creditors with Voting Claims. For greater certainty, Intercompany Creditors cannot vote in favour of the Plan.

7. If the Affected Creditor does not wish to, or is not able to, attend the Creditors' Meeting, the Affected Creditor can appoint a Proxy holder to attend the meeting and vote on their behalf by submitting a Proxy. In order for a Proxy vote to be counted at the Creditors' Meeting, it must be received by no later than 5:00 p.m. (Toronto time) on the date that is three Business Days prior to the Creditors' Meeting, provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the CCAA Entities. In the absence of instructions to vote for or against the approval of the Plan on the proxy form, the Proxy shall be deemed to approve the Plan, provided the Proxy holder does not otherwise exercise its right to vote at the Creditors' Meeting.

6.4 Sanction Hearing

1. If the Plan is approved by the Required Majority of Unsecured Creditors' Class at the Creditors' Meeting, the CCAA Entities are authorized to bring a motion to sanction the Plan (the "Sanction Hearing").
2. The Monitor shall, as soon as practicable following the Creditors' Meeting, file a Report with the Court with respect to the results of the votes at the Creditors' Meeting, including whether the Plan has been accepted by the Required Majority. A copy of the Monitor's report regarding the votes at the Creditors' Meeting shall be posted on the Monitor's website prior to the Sanction Hearing.
3. The Meeting Order provides that, at least four days before the date set for the Sanction Hearing, any party who wishes to oppose the final sanctioning of the Plan must serve the lawyers for the CCAA Entities and the Monitor and other parties listed on the Service List, and file with the Court, a copy of the materials to be relied upon to oppose the application for sanction of the Plan, setting out the basis for such opposition.

6.5 Monitor's Recommendation re the Meeting Order

1. The Monitor recommends that the Court issue the Meeting Order as it provides Affected Creditors with reasonable and sufficient notice of the Creditors' Meeting and the information they require to consider and vote on the Plan.
2. The Monitor and the CCAA Entities considered whether a virtual meeting is appropriate. Given that creditors are located across Canada and in the US, and in light of the uncertainty related to the ongoing Covid-19 pandemic, the Monitor and the CCAA Entities believe that conducting the Creditors' Meeting virtually in accordance with the EMP provides the greatest opportunity for Affected Creditors to participate in these proceedings and to vote on the Plan.
3. The Meeting Order provides for the filing of the Plan by the CCAA Entities. The Monitor is of the view that the Plan should be accepted for filing at this time so that the CCAA Entities can convene the Creditors' Meeting so that they can emerge from these proceedings in the near term.

7.0 Cash Flow Forecast

1. As at November 9, 2021, the CCAA Entities had a cash balance of approximately \$8.3 million.
2. Metro prepared the Cash Flow Forecast for the period November 8, 2021 to February 28, 2022 (the "Period"). As noted above, since the Partners are inactive, the Cash Flow Forecast represents only the Metro business. The Cash Flow Forecast and the CCAA Entities' statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA are attached as Appendix "B".
3. The Cash Flow Forecast reflects that Metro is projected to have sufficient liquidity to operate in the normal course during the extension period, including to fund payroll and other operating expenses.
4. Based on the Monitor's review of the Cash Flow Forecast, the assumptions appear reasonable. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "C".

8.0 Stay Extension

1. The CCAA Entities are seeking an extension of the stay of proceedings from December 31, 2021 to February 28, 2022.
2. The Monitor supports the request for an extension to the stay of proceedings for the following reasons:
 - a) in the Monitor's view, the CCAA Entities are acting in good faith and with due diligence;
 - b) it will provide the CCAA Entities with the time they require to convene the Creditors' Meeting, have the Plan sanctioned by the Court and implement the Plan, subject to the approval of the Required Majority of the creditors and the Court;
 - c) as of the date of this Report, neither the CCAA Entities nor the Monitor is aware of any party opposed to an extension of the stay of proceedings;
 - d) filing and implementing the Plan (if approved by the Required Majority and the Court) is in the best interests of stakeholders as it is intended to provide a result superior to a bankruptcy of the CCAA Entities, which will be discussed further in the Plan Assessment Report;
 - e) the Cash Flow Forecast reflects that Metro has sufficient liquidity to fund its business during the extension period; and
 - f) no creditor will be prejudiced if the extension is granted.

9.0 Professional Fees

1. The fees and disbursements of the Monitor and Bennett Jones from the commencement of these proceedings to August 31, 2021 were approved pursuant to Court orders issued previously in these proceedings.
2. The fees (excluding disbursements and HST) of the Monitor and Bennett Jones from September 1, 2021 to October 31, 2021 total approximately \$62,569 and \$66,221, respectively.
3. The average hourly rates for KSV and Bennett Jones for the referenced billing periods were \$486 and \$758, respectively.
4. Detailed invoices in respect of the fees and disbursements of the Monitor and Bennett Jones are provided in the appendices to the affidavits (the "Fee Affidavits") sworn by representatives of KSV and Bennett Jones, which are attached as Appendices "D" and "E", respectively.
5. As set out in the Monitor's Fee Affidavit, the fees of the Monitor for the referenced billing periods include those incurred to perform the following activities:
 - a) monitoring the business and operations of Metro;
 - b) dealing with Metro's management concerning the Subsidiaries;
 - c) carrying out the Claims Procedure in accordance with the Claims Procedure Order;
 - d) drafting this Report and reviewing and commenting on all Court materials filed in these proceedings;
 - e) assisting Metro to resolve the tax issues discussed in this Report in accordance with the CRA Claims Agreement; and
 - f) assisting Metro to draft the Plan and related documents and considering issues in respect thereof.
6. Bennett Jones assisted with aspects of the foregoing, as well as with the drafting of the Plan and related motion materials.
7. The Monitor is of the view that the hourly rates charged by Bennett Jones are consistent with the rates charged by corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, and that the overall fees charged by Bennett Jones 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 Honourable Court make an order granting the relief detailed in Section 1.1(1)(j) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS MONITOR OF
THE PARTNERS AND METRO
AND NOT IN ITS PERSONAL CAPACITY**