



No. S-254287
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF OAK AND FORT CORP., 1282339 B.C. LTD., OAK AND FORT US
GROUP, INC., OAK AND FORT ENTERPRISE (U.S.), INC., NYM MERGER HOLDINGS LLC
and OAK AND FORT CALIFORNIA, LLC

PETITIONERS

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

June 13, 2025

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1.0 Introduction

1. On June 2 and 3, 2025 (as applicable, the "Filing Date") Oak and Fort Corp., 1282339 B.C. Ltd., Oak and Fort US Group, Inc., Oak and Fort Enterprise (U.S.), Inc., NYM Merger Holdings LLC, and Oak and Fort California, LLC (collectively, the "Petitioners" or the "Company") filed Notices of Intention to Make a Proposal in accordance with Part III of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA"), and KSV Restructuring Inc. ("KSV") consented to act as proposal trustee (such proceedings, collectively, the "Proposal Proceedings").
2. Pursuant to an order (the "Initial Order") issued by the Supreme Court of British Columbia (the "Court") on June 6, 2025, the Proposal Proceedings were taken up and continued under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), the Petitioners were granted typical first-day relief under the CCAA, and KSV was appointed monitor of the Petitioners (in such capacity, the "Monitor").
3. The Petitioners are a Canadian-based speciality retailer operating on a consolidated basis and offering a broad range of fashion apparel, accessories, jewelry and homeware under the "Oak + Fort" brand through its e-commerce website and retail stores across Canada and the United States.
4. Pursuant to the Initial Order, the Court, among other things:
 - a) declared that the Petitioners are companies to which the CCAA applies;
 - b) authorized the continuation under the CCAA of the Proposal Proceedings;
 - c) granted a stay of proceedings (the "Stay of Proceedings") in favour of the Petitioners to and including June 16, 2025 (the "Initial Stay Period");
 - d) granted a charge on all of the Petitioners' current and future assets, property and undertaking (collectively, the "Property") up to the maximum amount of \$300,000 (the "Administration Charge") to secure the fees and disbursements of the Petitioners' legal counsel, the Monitor, the Monitor's legal counsel, and Reflect Advisors, LLC in its capacity as the Petitioners' Chief Restructuring Officer (the "CRO"), such charge having the priority set out in the Initial Order;
 - e) appointed KSV as the Monitor in these CCAA proceedings;
 - f) sought the aid and recognition of foreign courts and other bodies to act in aid of and to be complimentary to the Court in carrying out the terms of the Initial Order; and
 - g) authorized KSV to act as a representative in respect of these CCAA Proceedings for the purpose of having them recognised in a jurisdiction outside of Canada.

5. On June 7, 2025, the Petitioners commenced proceedings in the United States Bankruptcy Court for the Southern District of New York (the "U.S. Court") seeking recognition of these CCAA proceedings as a foreign main proceeding under Chapter 15 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code", and such proceedings, the "Chapter 15 Proceedings"). On June 9, 2025, the U.S. Court entered an order granting provisional relief in aid of these CCAA proceedings, including provisional recognition of the Stay of Proceedings.
6. The principal purpose of these CCAA proceedings is to create a stabilized environment to enable the Petitioners to: (i) advance the negotiation of a debtor-in-possession ("DIP") financing facility; and (ii) develop and implement a comprehensive restructuring of the business with a view to emerging as a going-concern.
7. The comeback hearing is scheduled for June 16, 2025 (the "Comeback Hearing"). At the Comeback Hearing, the Petitioners will seek an Amended and Restated Initial Order (the "ARIO"), among other things:
 - a) extending the Stay of Proceedings to and including July 4, 2025;
 - b) increasing the quantum of the Administration Charge to \$500,000, and enhancing the priority granted in favour of the Administration Charge to be a first-ranking secured interest against the Petitioners' Property;
 - c) approving the creation of a charge on the Property in favour of the Directors and Officers in the amount of \$3,400,000 (the "D&O Charge");
 - d) approving the creation of an intercompany charge (the "Intercompany Charge" and together with the Administration Charge and the D&O Charge, the "Charges") to secure repayment of any advances from one Petitioner to another Petitioner during the pendency of these CCAA proceedings; and
 - e) ordering that the Charges shall be charges on the Property ranking ahead of all other claims and encumbrances save and except for the security interest of Royal Bank of Canada ("RBC") in cash collateral possession of RBC.

1.1 Purposes of this Report

1. The purposes of this report (the "First Report") are to:
 - a) report on the Company's updated cash flow projection for the period commencing on June 16, 2025 and ending on July 6, 2025 (the "Cash Flow Forecast");
 - b) provide the Monitor's recommendations regarding the relief sought by the Petitioners at the Comeback Hearing; and
 - c) provide the Court with an update on the Monitor's activities since the granting of the Initial Order.

1.2 Currency

1. All currency references in this Report are in Canadian dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this First Report, the Monitor has relied upon unaudited financial information prepared by, and discussions with, the Company's management and the CRO, which was engaged on May 16, 2025.
2. The Monitor has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

2.0 Background

1. The Affidavits of Min Kang, affirmed June 6, 2025 (the "First Kang Affidavit") and June 12, 2025 (the "Second Kang Affidavit") in support of the CCAA application, provide, *inter alia*, background information concerning the Company's business, including reasons for the commencement of these CCAA proceedings. Accordingly, that information is not repeated in this First Report. Capitalized terms used and not otherwise defined in this First Report have the meanings given to them in the First Kang Affidavit, the Second Kang Affidavit, and the Pre-Filing Report of the Proposed Monitor filed June 6, 2025 (the "Pre-Filing Report"), as applicable.
2. Court materials filed in these proceedings, including the First Kang Affidavit, the Second Kang Affidavit, the Pre-Filing Report, as well as materials filed in connection with the Chapter 15 Proceedings are available on the Monitor's website at the following link: <https://www.ksvadvisory.com/experience/case/oakandfort>.

2.1 Update on the Chapter 15 Proceedings

1. On June 9, 2025, the U.S. Court granted, among other Orders, an Order Granting Provisional Relief pursuant to Section 1519 of the Bankruptcy Code, which, among other things, provided for a provisional stay of proceedings in respect of the Petitioners in the United States pending the U.S. Court's determination of the Petitioner's application for final recognition of the CCAA proceedings (the "U.S. Provisional Order").

2. At the hearing on June 9, 2025, the U.S. Court scheduled two further hearings in the Chapter 15 Proceedings:
 - a) a preliminary injunction hearing, scheduled for June 23, 2025 at 2:00 p.m. Eastern time, to determine whether to extend the relief granted pursuant to the U.S. Provisional Order; and
 - b) a hearing for the recognition of the CCAA proceedings, scheduled for July 8, 2025 at 2:00 p.m. Eastern Time.
3. The Monitor continues to keep U.S. counsel apprised of these CCAA proceedings and any relief granted by the Court. U.S. counsel has coordinated providing the requisite notice to the Petitioners' U.S. creditors in accordance with the Bankruptcy Code, and has assisted the Petitioners and the Monitors in responding to enquiries from certain U.S. stakeholders.

3.0 Cash Flow Forecast

1. The Company has prepared the Cash Flow Forecast for the period from June 16, 2025 to July 6, 2025 (the "Period"), to align with the request for an extension of the Stay of Proceedings. The Cash Flow Forecast and the Company's statutory representations on the cash flow pursuant to Section 10(2)(b) of the CCAA are attached as Appendix "A".

(unaudited; \$000s)		June 16, 2025 – July 6, 2025
Net Sales		5,941
Disbursements		
<i>Operating Costs</i>		
Inventory Purchases		(2,259)
Payroll		(929)
Rent		(991)
Operating Expenses		(819)
Sales Tax		(400)
<i>Restructuring Costs</i>		
Professional Fees		(450)
Total Disbursements		<u>(5,848)</u>
Net Cash Flow		93
Opening Cash Balance		597
Net Cash Flow		<u>93</u>
Closing Cash Balance		<u><u>690</u></u>

2. The Cash Flow Forecast indicates that the Company will have sufficient liquidity to fund operations during the Period. However, the Company is expected to eventually require a debtor-in-possession ("DIP") financing facility to support its operations throughout the restructuring process.

3. As detailed in the Second Kang Affidavit, the Company has been in ongoing discussions with third parties regarding potential DIP financing and those discussions have culminated in a draft DIP financing term sheet being delivered to the Company by the lender it had been in prior, extensive discussions with. The Company, the CRO, the Monitor, and their counsel are continuing to review and negotiate the DIP term sheet and consider all available options for a potential financing. The Petitioners anticipate seeking approval of an interim financing term sheet at the next hearing.
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 "B".

4.0 Stay Extension and Related Relief

1. Pursuant to the Initial Order, the Court granted the Stay of Proceedings to and including June 16, 2025. The Petitioners are requesting an extension of the Stay of Proceedings to and including July 4, 2025.
2. The Monitor supports the request for an extension of the Stay of Proceedings and believes that it is appropriate in the circumstances for the following reasons:
 - a) as further described in the Second Kang Affidavit, the Petitioners are continuing to act in good faith and with due diligence;
 - b) the proposed extension will allow the Petitioners the necessary time to continue negotiations with potential DIP lenders;
 - c) absent the Stay of Proceedings, the Petitioners will be unable to continue operating the business due to the likelihood of creditors taking enforcement steps against the Petitioners, the result of which would be immediate, irreparable and significant impairment to the Petitioners' enterprise value;
 - d) the Monitor does not believe that any creditor will be materially prejudiced by the proposed extension of the Stay of Proceedings;
 - e) as of the date of this First Report, the Monitor is not aware of any party opposed to an extension of the Stay of Proceedings; and
 - f) the Extended Cash Flow Forecast reflects that the Petitioners have sufficient liquidity to fund their operations and the costs of these CCAA proceedings through the proposed extension period.

5.0 Court Ordered Charges

5.1 Proposed Charges and Priority of the Charges

1. The Petitioners are seeking an increase to the quantum of the Administration Charge and the creation of the D&O Charge and the Intercompany Charge.

2. The Charges are proposed to rank in priority to all other encumbrances against the Property, other than the security interest of RBC in cash collateral possession of RBC. The Company maintains corporate credit cards with RBC, which are used by the Company as part of its day-to-day operations. The credit cards have a maximum limit of \$150,000, and RBC holds approximately \$200,000 in cash collateral to secure the Companies' outstanding credit card balance from time to time.
3. The Monitor understands that the Petitioners are seeking priority of the Charges over any affected persons on notice at the Comeback Hearing.
4. If the Court grants the ARIO and approves the D&O Charge and the Intercompany Charge, and the proposed increase to the Administration Charge previously granted, the priority and amount of the Charges as among them would be as follows:
 - a) first, the Administration Charge in the amount of \$500,000;
 - b) second, the D&O Charge in the amount of \$3,400,000; and
 - c) third, the Intercompany Charge.
5. For the reasons described below, the Monitor is supportive of the Charges in the proposed ARIO.

5.2 Increase to the Administration Charge

1. The Initial Order granted an Administration Charge in an amount not to exceed \$300,000 to secure the fees and disbursements of counsel to the Petitioners, the Monitor, counsel to the Monitor, and the CRO both before and after the Initial Order which are related to the Petitioners' restructuring. The Petitioners are seeking to increase the Administration Charge to \$500,000.
2. The Monitor is of the view that the increased Administration Charge is required and reasonable in the circumstances given the complexities of the CCAA proceedings and the services to be provided by the professionals, each of whom is necessary to further the restructuring efforts of the Petitioners.

5.3 Creation of the D&O Charge

1. The Petitioners are seeking a D&O Charge in an amount not to exceed \$3,400,000. The amount of the D&O Charge was estimated by the Petitioners in consultation with the Monitor, taking into consideration the payroll, sales tax, and vacation pay obligations of the Petitioners in Canada and the U.S., for which the Directors and Officers could be liable during any two-week period.
2. The Monitor considers the D&O Charge to be reasonable based on the potential expenditures for which Director and Officer liability may accrue in the event of non-payment, that the Petitioners are anticipated to incur during these CCAA proceedings, which includes:

(unaudited)	Amount (\$000s)
Payroll, including source deductions ¹	1,400
Vacation Pay ²	1,100
Sales Tax ³	900
Total D&O Charge	3,400

3. The Petitioners have maintained insurance policies in respect of the potential liabilities of the Directors and Officers. As noted in the Second Kang Affidavit, those policies contain exclusions and policy limits, and there is potential for insufficient coverage regarding potential claims against the Directors and Officers during the course of these CCAA proceedings.
4. The Monitor is of the view that the D&O Charge is reasonable for the following reasons:
 - a) the Cash Flow Forecast contemplates that payroll and sales taxes will continue to be paid in the ordinary course during the Period;
 - b) the proposed D&O Charge provides sufficient protection for the Directors and Officers should the Petitioners fail to pay certain obligations which may give rise to personal liability of the Directors and Officers;
 - c) the proposed quantum of the D&O Charge has been determined having regard to both the anticipated relevant payments during the Period, and the laws pertaining to director and officer liabilities in the jurisdictions in which the Petitioners operate;
 - d) the proposed D&O Charge ensures the continued involvement of the Directors and Officers which is beneficial to the Petitioners and the advancement of these proceedings; and
 - e) as of the date of this First Report, the Monitor is not aware of any party opposed to the creation of the D&O Charge.

5.4 Creation of the Intercompany Charge

1. As described in the First Kang Affidavit, the Petitioners use bank accounts in the name of the Foreign Subsidiaries to hold cash deposits or receipts generated in connection with U.S. retail sales. Management historically caused the Foreign Subsidiaries to transfer funds to Oak and Fort Corp. on an as-needed basis to satisfy Oak and Fort Corp.'s ongoing operating expenses. The proposed ARIO contemplates that the Petitioners will continue to undertake such intercompany transactions during these CCAA proceedings, and the Petitioners anticipate that these will occur through transfers from the Foreign Subsidiaries to Oak and Fort Corp.

¹ Payroll is Bi-weekly, 1 week in arrears. This amount represents 1.5 payrolls (3 weeks) for both Canada and the US.

² Represents current total accrued vacation pay per Company as of June 10, 2025 for both Canada and the US.

³ Represents 2 months of forecast sales tax payable in both Canada and the US.

2. The proposed ARIO contemplates that the transferor Petitioner will be secured by the Intercompany Charge over the Property of each transferee Petitioner to the amount of the Intercompany Transaction. The Intercompany Charge will act as security for the repayment, if required, of funds transferred under an Intercompany Transaction.
3. The Monitor is of the view that the Intercompany Charge is reasonable for the following reasons:
 - a) the primary use of the Intercompany Transactions to which the Intercompany Charge applies is to fund the ordinary course payments and operations of the Petitioners during these CCAA proceedings;
 - b) the Intercompany Charge will assist with the proper accounting of any Intercompany Transactions amongst the Petitioners; and
 - c) the Intercompany Charge will not affect the priority of the claims of RBC in respect of its security interest in the cash collateral in its possession.

6.0 Monitor's Activities since the Filing Date

1. Since the Filing Date, the Monitor has, among other things:
 - a) corresponded regularly with the Petitioners' legal counsel, the CRO and management team and its own legal counsel regarding all aspects of these CCAA proceedings;
 - b) corresponded with U.S. legal counsel to commence the Chapter 15 Proceedings as the foreign representative of the Petitioners in these CCAA proceedings;
 - c) on June 9, 2025, attended the hearing before the U.S. Court relating to the U.S. Provisional Order;
 - d) corresponded with certain of the Petitioners' secured creditors and landlords and their counsel;
 - e) worked with the Petitioners to develop and execute a stakeholder communication strategy;
 - f) engaged in discussions with the management team, the Petitioners' legal counsel and the CRO regarding interim financing arrangements, including the draft DIP financing term sheet described above;
 - g) attended calls with representatives of the Petitioners and certain of their critical suppliers regarding the commencement of these CCAA proceedings;
 - h) mailed the CCAA notices to the Petitioners' known creditors and filed Forms 1 and 2 with the Office of the Superintendent of Bankruptcy, as required under the CCAA;
 - i) posted the CCAA notice, list of creditors and other Court materials on the Case Website;

- j) arranged for notice of these CCAA proceedings to be published in *The Globe and Mail* as required under the Initial Order;
- k) monitored the Petitioners' receipts and disbursements and worked with management to develop a cash management monitoring process;
- l) assisted the Petitioners in preparing the Cash Flow Forecast and reviewing the underlying assumptions;
- m) negotiated with RBC and its counsel to amend the terms of the Petitioners' access to its corporate credit cards;
- n) reviewed the components of the proposed increase to the Administration Charge;
- o) analysed and commented on the request for the D&O Charge and the Intercompany Charge;
- p) reviewed and commented on the Petitioners' materials filed in support of the relief being sought at the Comeback Hearing;
- q) responded to service list addition requests; and
- r) prepared this First Report.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court issue the ARIO granting the relief sought by the Petitioners at the Comeback Hearing.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.

**IN ITS CAPACITY AS MONITOR OF OAK AND FORT CORP., 1282339 B.C. LTD., OAK AND FORT US GROUP, INC., OAK AND FORT ENTERPRISE (U.S.), INC., NYM MERGER HOLDINGS LLC, AND OAK AND FORT CALIFORNIA, LLC
AND NOT IN ITS PERSONAL CAPACITY**

APPENDIX "A"

Oak and Fort Corp., 1282339 BC Ltd., Oak and Fort US Group Inc., Oak and Fort Enterprise US Inc., NYM Merger Holdings LLC, and Oak and Fort California LLC (the "Petitioners")

Projected Statement of Cash Flow

For the Period Ending July 6, 2025

(Unaudited; \$CAD, Thousands)

		Forecast	Forecast	Forecast	
		Week 1	Week 2	Week 3	
	Notes	22-Jun-25	29-Jun-25	6-Jul-25	Total
1.					
<i>Receipts</i>					
Net sales	2.	1,853	1,966	2,122	5,941
<i>Disbursements</i>					
<i>Operating Costs:</i>					
Inventory Purchases	3.	(938)	(716)	(606)	(2,259)
Payroll	4.	-	(929)	-	(929)
Rent	5.	-	-	(991)	(991)
Operating Expenses	6.	(282)	(322)	(215)	(819)
Sales Tax	7.	-	-	(400)	(400)
<i>Total Operating Disbursements</i>		(1,220)	(1,967)	(2,212)	(5,398)
Net Cash Flow Before the Undernoted		633	(1)	(89)	543
Restructuring Costs	8.	(150)	(150)	(150)	(450)
<i>Net Cash Flow</i>		483	(151)	(239)	93
Opening Cash Balance		597	1,080	929	597
Net cash flow		483	(151)	(239)	93
Closing Total Cash Balance		1,080	929	690	690

Oak and Fort Corp., 1282339 BC Ltd., Oak and Fort US Group Inc., Oak and Fort Enterprise US Inc., NYM Merger Holdings LLC, and Oak and Fort California LLC (the "Petitioners")
Notes to Projected Statement of Cash Flow
For the Period Ending July 6, 2025
(Unaudited; \$CAD, Thousands)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the Petitioners for the period June 16, 2025 to July 6, 2025 (the "Period") in respect of the Petitioners' proposed proceedings under the Companies' Creditors Arrangement Act ("CCAA").

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

Hypothetical Assumptions

2. Reflects the Petitioners estimated net daily sales collections for Canada and United States.

Probable Assumptions

3. Represents estimated payments for inventory purchases.
4. Represents the gross payroll obligations for the Petitioners' employees in Canada and the United States.
5. Represents rent payable for the Petitioners' leased premises in Canada and the United States.
6. Reflects estimated payments for general operating expenses, including utilities, software and IT, telecommunications and other miscellaneous expenses.
7. Represents monthly sales tax obligations paid in the normal course.
8. Reflects estimated professional fees for the Monitor, the Monitor's counsel, and the Petitioners' counsel and financial advisors, both in Canada and the United States.

COURT FILE NO.: S-254287

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AND

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LTD., OAK AND FORT US GROUP, INC., OAK AND FORT
ENTERPRISE (U.S.), INC., NYM MERGER HOLDINGS LLC and
OAK AND FORT CALIFORNIA, LLC**

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

The management of Oak and Fort Corp., 1282339 B.C. Ltd., Oak and Fort US Group, Inc., Oak and Fort Enterprise (U.S.), Inc., NYM Merger Holdings LLC, and Oak and Fort California, LLC (collectively, the "Petitioners") has developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 13th day of June, 2025, for the period June 16th, 2025 to July 6th, 2025 (the "Cash Flow Forecast"). All such assumptions are disclosed in the notes to the Cash Flow Forecast.

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

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

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

Dated at Vancouver, British Columbia this 13th day of June, 2025.

**OAK AND FORT CORP., 1282339 B.C. LTD., OAK AND FORT US GROUP, INC., OAK AND
FORT ENTERPRISE (U.S.), INC., NYM MERGER HOLDINGS LLC AND OAK AND FORT
CALIFORNIA, LLC**



Per: Min Kang

APPENDIX "B"

COURT FILE NO.: S-254287

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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ENTERPRISE (U.S.), INC., NYM MERGER HOLDINGS LLC and
OAK AND FORT CALIFORNIA, LLC**

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached consolidated statement of projected cash-flow of Oak and Fort Corp., 1282339 BC Ltd., Oak and Fort US Group, Inc., Oak and Fort Enterprise (U.S.), Inc., NYM Merger Holdings LLC, and Oak and Fort California, LLC (collectively, the "Petitioners") as of the 13th day of June, 2025, consisting of a weekly projected cash flow statement for the period June 16th, 2025 to July 6th, 2025 (the "Cash Flow Forecast") has been prepared by the management of the Petitioners for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Petitioners. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow Forecast.

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

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

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

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

Dated at Toronto, Ontario this 13th day of June, 2025.

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,

solely in its capacity as monitor of

Oak and Fort Corp., 1282339 B.C. Ltd., Oak and Fort US Group, Inc.,

Oak and Fort Enterprise (U.S.), Inc., NYM Merger Holdings LLC,

and Oak and Fort California, LLC